

รายงานประจำปี 2021

SNC FORMER PUBLIC COMPANY LIMITED
ONE REPORT 2021



COMMITTED TO INNOVATIVE
& ENVIRONMENTALLY FRIENDLY ECOSYSTEM

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SNC

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Message from the chairman

Dear Shareholders,

In 2021, Thailand faced the COVID-19 pandemic almost for the whole year, like other countries in the world. The COVID-19 pandemic has affected the lives and well-being of people. As a result, Thai economy did not recover and was deficit financing 1.6 %.



However, Thai exports expanded and played a key role in supporting Thai economy, which has decreased purchasing power. In 2021 expanded by 18.8 % with an export value of more than USD 269 billion and expanding both agricultural and industrial products, the export of air conditioner and the components which the company is part of the growth in this product group with exports of more than USD 6.4 billion grew by 23.5 %.

Overall operation results of the group in 2021, the expansion of business was increased with total revenue of Baht 15,398 billion, profit of Bath 636 million, an increase of 71% and 56% respectively and successful grow from the export's OEM business with the air conditioner products, electrical appliances, and metalworking equipment because of the business relationship with many overseas customers who have confidence in our company to being the main production base.

Share capital increasing in the end of 2021 and the investment for expanding production capacity for many years, including investment in robots and automation to develop the production system to be industry 4.0 and personal development for support. The Board of Directors and the Management, we are confident in the direction of the business that will create long-term sustainability and appreciate the shareholders, partners, and all stakeholders who have always given generous support.

A handwritten signature in dark ink, appearing to read 'Satit Chanjavanakul'.

Mr. Satit Chanjavanakul

Chairman of the Board of Directors / Independent Director

Profile of the Directors, Executives and Authorized Persons



From left

1) Ms. Sineenart Thaisa-nguanvorakul Chairman of the ESG Committee / Assistant Chairman of the Executive Committee / Director 2) Mr. Somjai Chaopanich Independent Director 3) Pol.Lt.Gen. Nopsak Poovatatanasedj Nomination and Remuneration Committee / Independent Director 4) Mr. Wisan Wuttisaksin Nomination and Remuneration Committee / Independent Director 5) Dr. Somchai Thaisa-nguanvorakul Chairman of the Executive Committee/ Director 6) Mr. Satit Chanjavanakul Chairman of the Board of Directors / Independence Director 7) Dr. Apichart Thongyou/Independence Director 8) Mr. Sirote Swasdipanich Chairman of Audit Committee / Independent Director 9) Mr. Lec Sidoravit Director 10) Mr. Chaisak Ankasuwan Chairman of Nomination and Remuneration Committee / Audit Committee / Independent Director 11) Dr. Schitt Laowattana Independence Director 12) Mr. Somchai Ngamkitcharoenlap Chairman of the Risk Management Committee / ESG Committee / Vice Chairman of the Executive / Director 13) Mrs. Chanisa Chutipat Audit Committee / Independent Director

Section 1

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.

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)	362				
Branch 2		✓	✓		
<u>Direct Subsidiaries</u>					
SNC Pyongsan Evolution Co., Ltd. (SPEC)	1,220		✓		
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)	1,935		✓	✓	✓
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				✓
Yala Fah saard Co., Ltd. (YALA)	150				✓
SSM Automation Co., Ltd. (SSMA) ^{/1}	360				
Ultimate Part Co., Ltd. (UMP) ^{/1}	40				
Odin Myanmar Co., Ltd. (ODINMM) ^{/2}	1				
<u>Associated Company</u>					
SNC Atlantic Water Heater Asia Co., Ltd. (SAWHA)	105				✓

^{/1} The entity that have no operation

^{/2} The entity that has not started the operation yet

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

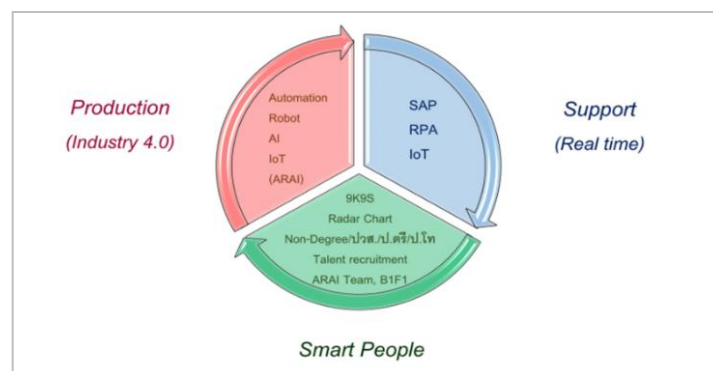
Although the company is considered manufacturing company, but we realize the significance of service mind to help optimize our customer's satisfaction. We therefore have our own motto as follows: "We are the Marketing Team" which means that all personnel are the Company's representative in rendering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

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

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

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 regarding 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 2019-2021, 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 Company built a new plant in Rayong province with the area of 15,000 sq. m. to support the production of toolboxes with a capacity of up to 300,000 units per year and in 2022 increase to 400,000 units per year.

The Company 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.

In 2021, the Company has expanded the factory area and additional warehouse in Rayong Province to support the production of air conditioners during the high season, air conditioners increased from the production capacity of 1,000,000 sets per year to 2,000,000 sets per year and in 2022 will increase to 3,000,000 sets per year. The production capacity of TV is 300,000 units per year, and the refrigerator production capacity is 240,000 units 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, Bangpreang, Bangbo, Samutprakarn 10560
Phone No.	:	02-108-0360
Fax	:	02-108-0367
Website	:	https://www.sncformer.com
Registered Capital	:	400,000,000 Baht (as of 31 December 2021)
Issued and paid-up capital	:	362,220,339 Baht (as of 31 December 2021)

1.2 Nature of Business Operation

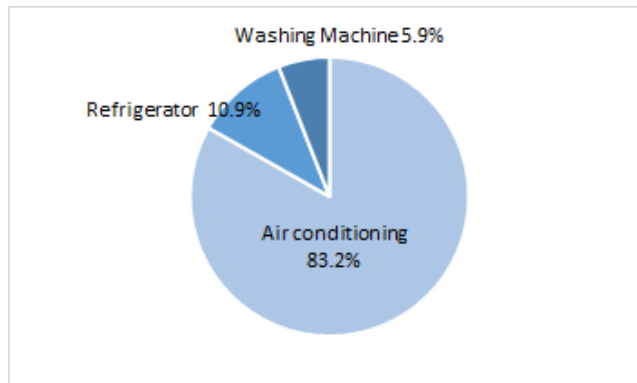
1.2.1 Revenue Structure

Revenue	Year 2019		Year 2020		Year 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of parts:						
Electrical Parts (PART)	2,983.6	45.0	2,579.7	28.8	3,426.1	22.3
Vehicle Parts (AUTO)	1,082.0	16.3	772.0	8.6	850.0	5.5
Revenue from Manufacturing & Assembly (OEM)	2,556.3	38.6	5,605.8	62.6	11,120.3	72.2
Other Segment Income (OTHER)	3.7	0.1	3.0	0.0	1.4	0.0
Total sales revenue	6,625.6	100.0	8,960.5	100.0	15,397.8	100.0

1.2.2 Product Information

1.2.2.1 Electrical Parts (PART)

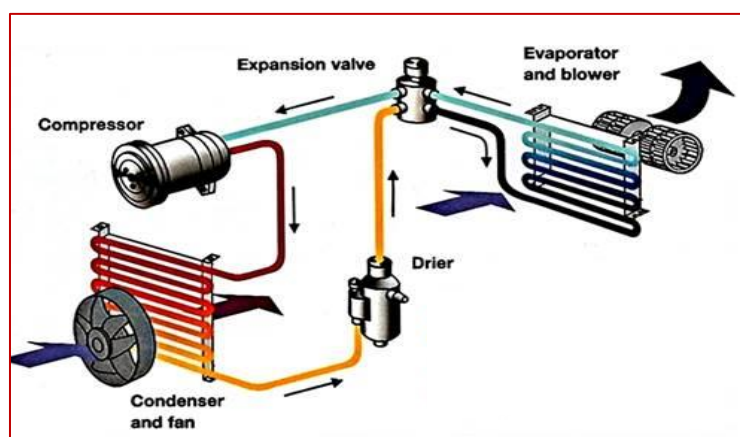
The Company produces parts for household appliances. Most of them are parts of air conditioning. The others are refrigerator and washing machine parts.



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.

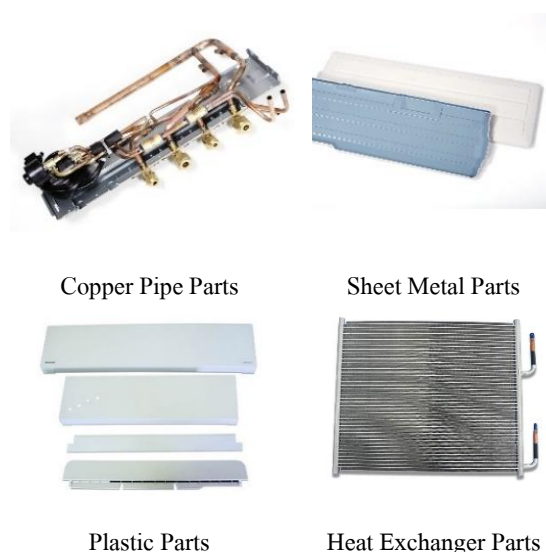
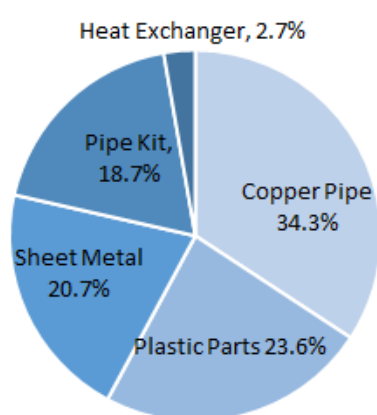


Overall function of Air conditioner



The Company manufactures 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 34.3% 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 23.6% of revenue from the production of electrical parts. Other parts including sheet metal parts, thermal insulation pipes and heat exchangers are 20.7% 18.7% and 2.7% of revenue from the production of electrical appliance parts respectively.



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 parts: IPC, subsidiary 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 parts: 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:

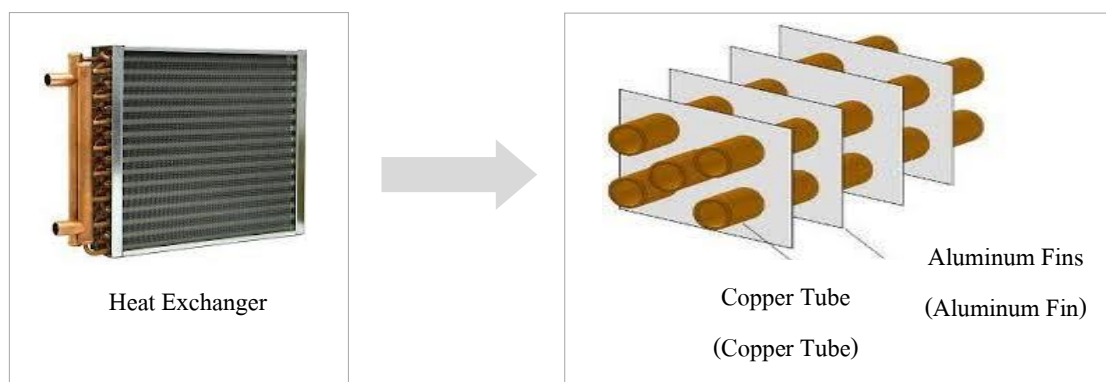
4.1 Aluminum Fin plate acts as a heat exchanger fin plate between the outside air and the refrigerant flowing in the copper pipe.

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	2019	2020	2021
In Thailand	99.83%	99.98%	99.98%
Foreign Countries	0.17%	0.02%	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 buy 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.

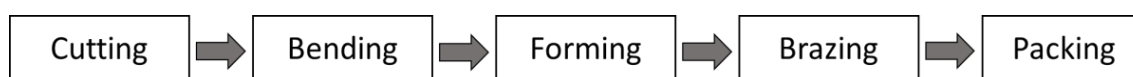
The price of raw materials will go up and down according to the market price, but the customer will agree the amount of use with the manufacturer and confirm the price in quarters. If modified, the price of the workpiece will be adjusted according to the changing raw material price. As a result, the 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 2019	Year 2020	Year 2021
1 Copper Pipe Parts	71%	65%	70%
2 Sheet Metal Parts	76%	66%	80%
3 Plastic Parts	75%	68%	73%
4 Heat Exchanger Parts	56%	79%	77%
5 Insulation Pipe	73%	59%	58%

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.

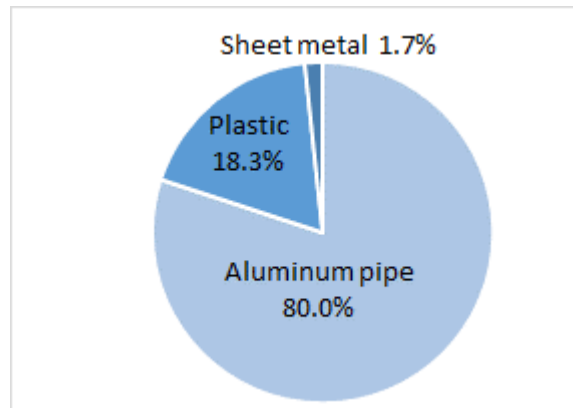
2. Bending and forming – The use of copper/metal sheet pipes bend to the desired arc. Expanding or reducing the size of pipe ends meets customer requirements. Folding sheet metal workpieces with computer-controlled automated machines

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 IPC, 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, representing 80.0% of revenue from the vehicle parts manufacturing business. Second, plastic parts for motorcycles, representing 18.3% of revenue from vehicle parts manufacturing and sheet metal parts for automobiles, representing 1.7% of the revenue from the vehicle parts manufacturing business. The Company products are indirectly supplied to Car makers both ICE car and EV car that is likely to grow in the future from the government's air pollution control policy.



Examples of vehicle parts products



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 IPC, 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 which is a major operator in the automotive market in Thailand with a total market share of more than 50%. In addition, the Group is also a manufacturer of plastic parts for motorcycles. In the past, the group of companies is a manufacturer of plastic products for Honda motorcycles to sell directly to the brand owners.

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	2019	2020	2021
Air conditioner manufacturer or other auto parts manufacturer (1 st Tier)	79%	79%	81%
Car/Motorcycle Brand Owner	21%	21%	19%
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 buy 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 (Samutprakarn 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)	2019	2020	2021
1. Aluminum Pipe Parts	74%	59%	82%
2. Plastics Parts	75%	64%	73%
3. Metal Sheet for Cars	59%	45%	- ^{/1}

Note: /1 Since January 2021, the Group has adjusted the production line of sheet metal parts for automobiles to be in line with the industry situation. By adjusting the production line from sheet metal parts production in AUTO business to sheet metal parts production for business PART

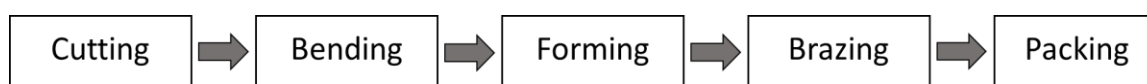
In 2020, the capacity utilization rate in the automotive parts manufacturing business declined as a result of changing vehicle models, contraction of the automotive industry and the impact of the COVID-19 epidemic situation, resulting in a decline in car sales in 2020. Therefore, the company took the opportunity to improve the production line

to make it more efficient. At the same time, the company has brought the production of plastic parts and sheet metal parts for automobiles to be used to produce the home appliance parts which has a higher expansion.

In 2021, the capacity utilization rates have increased as customer orders have started to return, and the Company can use its machines more efficiently through the production line improvements in the past year.

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 customer has added order to the Company 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 customer, 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 and in 2021, the Company has opened more factory areas in Rayong province. which consists of the production line for manufacturing and assembly of air conditioners, televisions, refrigerators, and a warehouse for storing finished goods awaiting delivery. In 2021, the Company has the capacity of air conditioners to increase to 2,000,000 sets and the beginning of 2022, the capacity will increase to 3,000,0000 sets.



The Company's main business is related to air conditioners which use refrigerants that may affect global climate change. The Company and customers have developed air conditioning products. Used with a new refrigerant (R32), which will reduce the impact on the depletion of the ozone layer (Ozone Depletion) and the effect on global warming.

In 2019, the Company received an order to produce and assemble large tool cabinets for mainly export to the United States. with the appearance of a tool cabinet or toolbox with separate categories for storing equipment of hand tools and spare parts so that users can easily access the tools Most of the structure of the tool cabinet is made from heavy steel, aluminum, or stainless steel. and heat resistant and impact resistant, able to withstand the weight It has a handle and wheels that can move easily. This will greatly facilitate the storage of hand tools. The tool cabinets or toolbox come in different sizes and shapes according to their usage, for example, a small toolbox for household use. or for service providers to repair various items on-site or large tool cabinets for installation in the garage The shop provides repair services for household appliances or within an industrial plant.

Examples of toolboxes manufactured and assembled by the Company



Proportion of revenue from OEM business classified by type of products contracted to manufacture and assemble

	2018	2019	2020	2021
Air conditioning	82.3%	83.4%	70.0%	56.2%
TV	-	-	5.3%	22.5%
Toolbox	-	1.6%	18.2%	13.0%
Heat pump for water heater	17.7%	15.0%	6.5%	6.0%
Refrigerator	-	-	-	2.3%
Include	100%	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.

Marketing & Competition

Specific Customer and Target Consumers

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.

Competitive Environment

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 domestics 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.

Competitive strategy

1) Building a strong relationship with major customers

The Group adopts a policy of segregation of management by the responsibility department to communicate closely with customers without having to sell through agents or brokers for flexibility as well as to be able to plan the production in advance by asking the needs of customers. Including regular visits to customers to ask for satisfaction in products and services after sales to bring suggestions to improve the production process to be more efficient.

2) Low production cost due to economy of production capacity scale

The Group has a policy to control production costs to obtain reasonable and competitive prices. The Group focuses on source of quality raw materials from both domestic and international markets. The Company has more

production volume, so the average unit cost is more competitive (Economy of Scale). In addition, the Group has continually improved its production lines by adopting modern technology such as product quality inspection with robots to reduce the quantity of inferior products and the introduction of information technology systems to control in order to achieve an accurate production cost. The Group reduced energy consumption by installing solar power systems on the factory roof to help reduce production costs and not cause environmental pollution.

3) Product quality control and flexibility in production lines

Providing high quality products and services is a key success of a Company's business. Therefore, the Group uses a Quality Management System that is the best practice throughout the production process and covering from the inspection of imported raw materials in-process inspection and the final inspection before shipping to customers including the Company's service that is fast and accurate, so this gives customers the highest confidence and satisfaction in the quality of the Company's products. The Company's current production capacity can be increased production volume within a short period of time and able to support rapidly increasing orders.

4) The Company's products' quality

The Group focuses on the continuous development of the production line according with the needs of customers and create the highest confidence and satisfaction by establishing a quality management system that is an international standard ISO 9001 based on the principle of Plan-Do-Check-Action (PDCA). Including the allocation of human resources, tools, machines that are modern and suitable for the production process to ensure that the products produced are standardized. In addition, the Company has set a clear quality policy for employees at all levels to implement and have regular follow-up checks to ensure that the quality of the product is in accordance with every customer's order.

5) Delivery high quality products on time

The Company attaches importance to delivering quality products within the specified time. The Company has a production plan with customers carefully. There is an efficient production control system. The production process is monitored regularly. This ensures that the Company can deliver quality products within the stipulated time.

Production Capacity

In 2019 – 2021, the Group has production bases and operates OEM business for electrical appliances and toolbox as follows:

Capacity per year	2019	2020	2021
Air conditioning			
Maximum capacity per year (sets)	1,000,000	1,000,000	2,000,000
The actual capacity used per year (sets)	311,517	662,844	1,377,759
Percentage of capacity utilization	31%	66%	69%
Toolbox			
Maximum capacity per year (units)	300,000	300,000	300,000
The actual capacity used per year (units)	17,664	205,035	250,525
Percentage of capacity utilization	6%	68%	84%

Capacity per year	2019	2020	2021
Heat pump for water heater			
Maximum capacity per year (units)	160,000	160,000	160,000
The actual capacity used per year (units)	69,212	67,304	118,810
Percentage of capacity utilization	43%	42%	74%
TV			
Maximum capacity per year (units)	-	300,000	600,000
The actual capacity used per year (units)	-	90,979	400,270
Percentage of capacity utilization	-	30%	67%
Refrigerator			
Maximum capacity per year (units)	-	-	240,000
The actual capacity used per year (units)	-	-	36,246
Percentage of capacity utilization	-	-	15%

Note: Capacity utilization rate calculated using actual capacity for each period and divided by the maximum capacity for each period

Procedures for manufacturing

Procedures for manufacturing and assembling air conditioners TV



Production process and assembly of toolbox



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 increased 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 SFDT JSC	74%	77,700,000
Total		100%	105,000,000

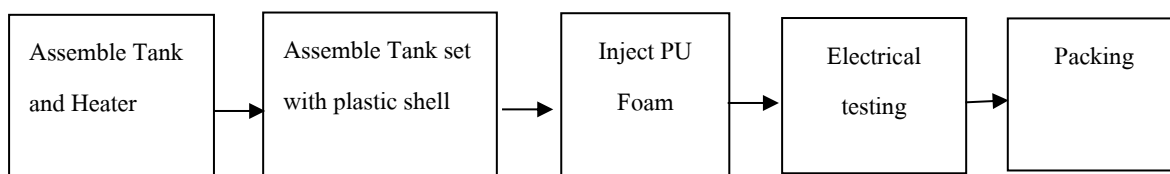
Business & Product Principle

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, a 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 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 2021, 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 4,912 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	793.3

Items	Proprietary Characteristics	Encumbrances	Net book value (Million Baht)
2. Buildings & Building Improvements	Owned	Partial mortgages with financial institutions	1,430.2
3. Machinery & Equipment	Owned	-	1,394.3
4. Office Equipment	Owned	-	31.5
5. Vehicles	Owned	-	26.8
6. Assets under construction (Building under construction)	Owned	-	1,235.9
Total			4,912.0

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 2021, the Company's land and land improvements have a total net book value of Baht 793.3 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	28.3	-
Subsidiaries	Land for buildings, factories and warehouses Located in Nikompattana District, Rayong Province	464-0-45 Rai	Owned by	634.8	Partial mortgages with financial institutions
The Company and its subsidiaries	Land Improvement	-	Owned by	130.2	-
total		471-1-19 Rai		793.3	



In the area where the Company's main business is located, the Company encountered a drought that occurred in Rayong province causing water shortages. This will affect the production line has stopped working. Therefore the Company built a current water reservoir of 250,000 cubic meters on an area of 49 rai. and installing a water supply

system for use in the Company's own factories for solving the problem of shortages during the dry season. Therefore, the Company has long-term sustainability in water resources. In addition, in the event of severe drought, the Company will be able to help the surrounding communities.

1.2.3.3 Buildings and Building Improvements

As of 31 December 2021, the building and building improvements have a total net book value of Baht 1,430.2 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	72.7	-
Subsidiaries	Building, factory and warehouse area 138,100 sq. m. Located in Nikompattana District, Rayong Province	Owned	1,260.1	-
Subsidiaries	Building Improvements	Owned	97.4	-
Total			1,430.2	



Because of the spread of the COVID-19 virus, the Company has realized that it poses a threat to the long-term sustainability of the Company. The Company has divided 200 square meters from the factory building in Rayong province and build a factory to produce masks to distribute to employees in both Samutprakarn and Rayong plants to help prevent the spread of the disease that will occur in the Company and donated to the community and various agencies in the province where the Company is located and neighboring provinces.

1.2.3.4 Machinery and Equipment

As of 31 December 2021, machinery and equipment have net book value of 1,394.3 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	156.1	-
Subsidiaries	Machinery & Equipment for Electrical Parts Manufacturing	Owned	576.1	-
Subsidiaries	Machinery and Equipment for Manufacturing (A/C OEM) and Toolbox Assembly	Owned	652.5	-

Titleholder	Items	Proprietary Characteristics	Net Book Value (Million Baht)	Encumbrances
Company and Subsidiaries	Machinery and equipment for mold business, etc.	Owned	9.6	-
Total			1,394.3	

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.
Renter	5 entrepreneurs
Relationship between parties	The leaser has no relationship with the Company.
Area	The area is based on seven lease agreements totaling 38,600 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 2022 - 2023
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

Property owner	SNC Creativity Anthology Co., Ltd.
Contractor	Wannarat Pattana Co., Ltd.
Relationship between parties	The contractor has no relationship with the Group.
Contract Date	1 st September 2020
Objectives and Objectives	To construct a 40,000 square meter warehouse building.
Construction cost	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 agrees 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.

Property owner	SNC Creativity Anthology Co., Ltd.
Contractor	Wannarat Pattana Co., Ltd.
Relationship between parties	The contractor has no relationship with the Group.
Contract Date	1 st June 2021
Objectives and Objectives	To construct a 48,000 square meter warehouse building.
Construction cost	at the rate specified in the contract.
Period of time	5 months (1 June 2021 – 31 October 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.

Property owner	SNC Creativity Anthology Co., Ltd.
Contractor	Wannarat Pattana Co., Ltd.
Relationship between parties	The contractor has no relationship with the Group.
Contract Date	1 st July 2021
Objectives and Objectives	To construct a 50,400 square meter warehouse building.
Construction cost	at the rate specified in the contract.
Period of time	5 months (1 June 2021 – 30 November 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.

Property owner	SNC Creativity Anthology Co., Ltd.
Contractor	Wannarat Pattana Co., Ltd.
Relationship between parties	The contractor has no relationship with the Group.
Contract Date	1 st July 2021
Objectives and Objectives	To construct a 13,000 square meter warehouse building.
Construction cost	at the rate specified in the contract.
Period of time	5 months (1 June 2021 – 30 November 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	4 entrepreneurs
Tenant	The Company and its subsidiaries include 1) SNC Creativity Anthology Co., Ltd., 2) SNC Pyongsan Evolution Co., Ltd., 3) Infinity Parts Co., Ltd. 4) Paradise Plastic Co., Ltd. 5) Immortal Part Co., Ltd. 6) SNC Cooling Supply Co., Ltd.
Relationship	The leaser has no relationship with the Group.
Objectives and Objectives	To rent a total of 32 cars for business, most rent forklifts.
Price	at the rate specified in the contract.
Period of time	6 – 36 months. The contract ends in 2022 - 2024.
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

As of 31 December 2021, Insurance Policy Details are as follows:

Insured person	Insured Assets	Insured Assets (Million Baht)	Sum insured (Million Baht)
1. companies and/or subsidiaries and/or joint ventures total 11 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.	4,881.8	4,881.8

In addition to insurance for property risks, the Company also provides protection against risks that may arise from customers using products manufactured by the Company through additional product liability insurance, details as follows:

1. SNC Creativity Anthology Co., Ltd. (SCAN) buys product liability insurance for air conditioners, components and toolbox. Sum insured is 93.0 million Baht.
2. SNC Atlantic Heat Pump Company Limited (SAHP) buys product liability insurance for heat pumps for water heaters. Sum insured is 15.0 million Baht

1.2.5 Investment Policy and Control of subsidiaries and associated companies' business operations**Investment Policy in Subsidiaries and Associated Companies**

The Company has a policy to invest in subsidiaries and associated companies that operates in the automotive parts, Air conditioner assembly business, electrical appliance and other business that are primarily related to the Company's business to enhance production capacity in response to business expansion and create added value for the Company in the long run as well as considering the benefits from applying for investment promotion from the Office of the Board of Investment (BOI) as an important factor as well. It may consider investing in other businesses if it is a business that has potential for growth or is able to expand the business or beneficial to the business of the Group which can generate a good return on investment for the Company and shareholders as a whole.

The Policy to control of subsidiaries and associated companies' business operations

The Company has established a policy to supervise the operations of subsidiaries and associated companies. The objective is to define measures and mechanisms, both directly and indirectly for the Company to able to supervise and manage the business of subsidiaries and associated companies including monitoring to ensure that subsidiaries and

associates are complied with Civil and Commercial Code securities law and related laws, as well as announcements, regulations and rules in order to maintain interest in the Company's investment in such subsidiary and associated companies The details are as follows.

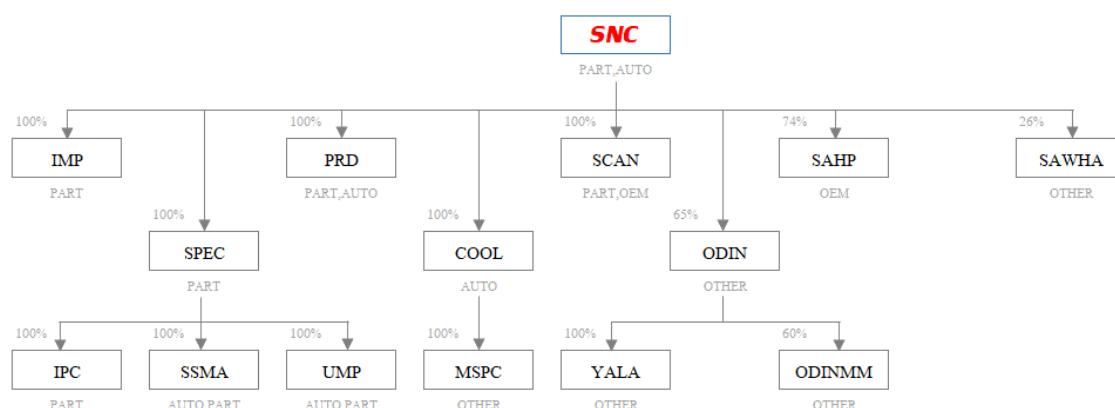
1) Control of subsidiaries and associated companies' business operations: the Company will send a represent person to be a director and/or management in its subsidiaries and associates by persons appointed as directors and/or management in subsidiaries or associates. It is responsible for operating in the best interests of the subsidiary or associated company and carry out in accordance with the business policy that the Company has set and to comply with the Company's good corporate governance policy as well as closely monitor the business operations of subsidiaries or associated companies by reporting the financial position and operating results of the subsidiary or associated Company to the Board of Directors. In addition, in the case of a subsidiary, the person appointed by the Company must ensure that the subsidiary has regulations on Connected transactions that are consistent with the Company Data and accounting records are kept for the Company to verify and compiled to prepare consolidated financial statements on time as well.

2) The board of directors and executives of each subsidiary and/or associated company will have significant scope of powers, duties and responsibilities in accordance with relevant laws, such as disclosing information about financial status and operating results to the Company by applying the relevant announcements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Board of Directors mutatis mutandis as well as disclose and submit information of their own interests and related persons to the Board of Directors for their acknowledgment of the relationship and transactions with the Company Subsidiaries and/or associates in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest.

3) The Company will formulate plans and take necessary actions to ensure that the subsidiary and/or associated company disclosure of operating results and financial status and the Company will take necessary actions and follow up to ensure that the subsidiary and/or associated company has a system for disclosure of information and an internal control system that is sufficient and suitable for business operations.

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 August 27, 2021

List of shareholders	Number of shares	%
1) SNC Holding Company Limited ^{/1}	91,000,100	25.1
2) Thaisa-nguanvorakul Group	31,891,344	8.8
2.1) Dr. Somchai Thaisa-nguanvorakul	16,591,418	4.6
2.2) Ms. Sineenart Thaisa-nguanvorakul	10,027,795	2.8
2.3) Ms. Netchanok Thaisa-nguanvorakul	2,111,417	0.6
2.4) Mrs. Anongnart Thaisa-nguanvorakul	1,698,300	0.5
2.5) Ms. Chanisara Thaisa-nguanvorakul	1,450,700	0.4
2.6) Ms. Chayapa Thaisa-nguanvorakul	8,014	< 0.1
2.7) Ms. Anusara Thaisa-nguanvorakul	3,700	< 0.1
3) Kittanamongkolchai Group	44,397,900	12.2
3.1) Mr. Anucha Kittanamongkolchai	16,000,000	4.4
3.2) Mr. Wannajak Kittanamongkolchai	13,362,300	3.7
3.3) Mrs. Wangam Kittanamongkolchai	10,130,000	2.8
3.4) Mrs. Jongphit Kittanamongkolchai	2,870,000	0.8
3.5) Ms. Wanlapa Kittanamongkolchai	1,987,600	0.5
3.6) Mr. Patpong Kittanamongkolchai	48,000	< 0.1
4) THAI NVDR CO., LTD	7,947,032	2.2
5) Mr. Pitak Pisetsit	4,355,000	1.2
6) Mr. Badin Jenjai	3,269,000	0.9
7) TOA GROUP HOLDING CO., LTD by SCB Securities Co., Ltd.	2,890,700	0.8
8) Mr. Sakol Ngamlertchai	2,490,000	0.7
9) Mr. Woravit Kaewsawang	2,400,000	0.7
10) Mr. Winai Tangkom	2,000,000	0.6
Other minor shareholders	169,579,263	46.8
Total	362,220,339	100.0

Note :

^{/1} Shareholders of SNC Holding Company Limited date on December 31, 2021

- 1) Dr. Somchai Thaisa-nguanvorakul Shareholding 39.63%
- 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) Other 15 shareholders that holds shares less than 5.00%, total shareholding 18.85%

(2) shareholders' agreement – None -

1.3.5 Shareholders of Institutional Investors

No	Name	Shareholding	
		Number of share	%
1	Thai NVDR Company Limited	7,947,032	2.2
2	TOA GROUP HOLDING CO., LTD by SCB Securities Co., Ltd.	2,890,700	0.8
3	Asia Plus Group Holdings Company Limited	1,256,200	0.3
4	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	1,058,000	0.3
5	CREDIT SUISSE AG, DUBLIN BRANCH	800,000	0.2
6	Asset Plus Small and Mid-Cap Equity Fund. (ASP-SME).	646,800	0.2
7	BCAP Mid Small CG ETF.	636,000	0.2
8	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	626,400	0.2
9	UBS AG LONDON BRANCH	611,199	0.2
10	OTHER	6,280,244	1.7
	Total	22,752,575	6.3%

1.4 Registered and Paid-Up Capital

The Company's registered capital is 400,000,000 Baht, Paid-up 362,220,339 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	2019	2020	2021
Earnings per share (Baht)	2.51*	1.42	2.02
Dividend per share (Baht)	0.85	0.75	0.90
Dividend payout ratio (%)	34%	53%	51%

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 top five major customers accounting for 10,913 million Baht of the group's sales revenue (Year 2020: 5,457 million Baht, Year 2019: 3,411 million Baht). 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 10% of the purchase value of raw materials for production in 2021 (2020: 19.6%), (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: 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. 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, 2021, the company had 3,302 employees. Most of employee nearly 92% or 3,051 people are in the manufacturing department. 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. Including the company has guidelines for creating and developing personnel in the organization to understand the technology and the changing direction of business and industry. It will be an important basis for driving the organization towards sustainable growth with the following guideline.

5.1) Personnel development to be a producer and user of technology by linking between experienced personnel and technological personnel. Provide in-depth specialized knowledge training (Skills and Knowledges) in each department, with an emphasis on sharing knowledge and experience among those with theoretical knowledge and experienced. After classroom training and on-site training with modern technology machine, there will be a test

to evaluate the results against the expected results (Indicators/KPI) collected as data for analysis and enhance the abilities of employees (Radar chart) both production departments and support

5.2) The Company supports arranging courses with educational institutions both vocational level and higher education, consisting of short courses, certificate programs (non-degree), including admission to students Vocational Certificate for training in companies and factories work with income during the semester and to arrange a joint project with universities at the bachelor's and master's level, studying subject content developed in accordance with the needs of the industry.

5.3) There is a scholarship program for employees and students at the undergraduate level and a master's degree in the field mechatronics engineering, mold technology, electrical and electronic and automation control. The number of employees and students who have passed the examination will receive scholarships for the year 2020 and 2021, are 68 and 122 people, respectively, to create personnel with specialized knowledge to support business growth.

5.4) Apply technology in accordance with the direction of the organization's drive under the ARAI concept framework, which is the application of automation (Robot) to production lines and other supporting agencies in the organization. Including the extension of Artificial Intelligence developed to be able to connect networks between machines and systems that can command and control remotely (Internet of Things).

5.5) Applying Big DATA technology for decision making: The company has a systematic storage management which contains production information, support information with a large data of each subsidiary, each business gathered to be used in the analysis of the ongoing business plan. The daily information will be analyzed in form of production cost, profitability, financial ratio to reflect the performance and operating results. The information can be used for decision making to increase efficiency or increase productivity including using it to find new business opportunities.

5.6) Create a strategy in developing personnel to have knowledge to create a technology organization both in production, processes and services, with the aim of creating technology. The company has allocated a budget for investment, research, development until rebuilding and install machinery used to produce related products with technology to promote learning from practical applications as well as the development of product and service with customers by focusing on modern and environmentally friendly products. The budget was allocated to build ARAI Academy, a factory that is a learning center for practical learning all production process or working that is actually used in each business. To allow employees to come to training, review their knowledge and build on their old skills with technology that helps them work more efficiently.

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 company takes into account compliance with relevant laws and regulations, social responsibility as well as to cooperate, help, support and volunteer to carry out activities that are continually beneficial to the community and society. To promote economic strength as well as social and cultural revitalization. During the epidemic situation of the corona virus 2019 (COVID19), the company has set up various projects. To participate in helping and caring for society as follows

8.1) The project to build a field hospital in the company's area, called the SNC Field Hospital that can accommodate green patients total of 80 beds. In addition, the company has also built another SNC field hospital in the area of Nikhom Phatthana Hospital, Rayong Province, capable of supporting green patients with 198 beds. There are 99 beds for men and 99 beds for women. There are 9 yellow patient rooms with necessary medical equipment such as a 5 liter oxygen concentrator, totaling 207 beds. There is an X-Ray room available. AGVs are installed to deliver food and medicines instead of medical personnel to reduce risk of infection with the virus. There are CCTV cameras to monitor patients' symptoms and monitor security both internally and externally, totaling 30 points, along with patient registration points. The QR Code will be scanned to fill in the information to prevent contact between staff and patients. There is a control room for the medical team to control the AGV and monitor the patient's condition 24 hours a day.

8.2) Project to build a surgical mask factory by allocate an area of 200 square meters to install a mask making machine and set up a clean room to produce masks to support medical personnel Government agencies, employees, stakeholders of the company with the intention to be part of helping society to control and reduce the spread of the COVID-19 virus. The company has produced surgical masks for donation purposes but not produced for sale. Since the creation of a mask factory in May 2020 and production runs until the year end of 2021, the company has already donated more than 5,000,000 masks.

8.3) SNC Free Vaccine Project: The Company is aware of the risk of virus infection. This may affect the lives of employees, employee's family or the person who the employee lives with including the community around

the company. Therefore, the Company provided vaccines to be injected to employees and stakeholders. The company allocating employees throughout the organization to receive vaccination thoroughly. As of December 31, 2021, there are employees who received the first dose of vaccine in July, the second dose in August and the third dose in December of 2,681 people, people around the community, including relatives of employees of 41 people, a total of 2,722 people, and ATK testing kits have been prepared for screening company entrances and take care of employees in both parts of Rayong and Samutprakan.

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 2021, 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 72% and net profit increased by 56%. In 2022, even though the COVID-19 epidemic situation has not yet ended, the Group believes that there will be a continuous influx of orders. Especially products in the OEM group, which is a product that has a high sales growth rate.

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 2021,	Bank Terms & Conditions	As of 31 Dec2021
Paradise Plastic Co., Ltd. with 1st financial institution	From the end of 2020 not exceed 1.5 times ⁽¹⁾	1.25	From the end of 2020 Not less than 1.25 times	3.92
SNC Creativity Anthology Co., Ltd. with 2nd financial institution	Not exceed 2.0 times ⁽²⁾	2.82*	Not less than 1.5 times	1.99
SNC Creativity Anthology Co., Ltd. with 3rd financial institution	From the end of 2020 not exceed 2.0 times ⁽³⁾	0.86	Since the end of 2020, not less than 1.5 times	
SNC Cooling Supply Co., Ltd. with 3rd financial institution	Not exceed 2.0 times ⁽³⁾	0.18	Not less than 1.5 times	6.93
Immortal Part Co., Ltd. with 3rd financial institution	Not exceed 2.5 times ⁽³⁾	0.18	Not less than 1.5 times	13.32

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 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 23.82% 49.45% and 65.25% of total sales in 2019- 2021 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 23.81% 19.86% and 59.33% of total raw material purchases in 2019- 2021, 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 by creating value for oneself, the organization, and stakeholders. The company takes into account the effect on the community and environment to achieve the goal of business sustainability under the principles of corporate governance for sustainable development goals.

To encourage directors, executives, and employees at all levels to operate with solid work ethics morality to be able to maintain sustainable business growth, the company has established policies and set the standard frameworks for sustainable management and social and collective responsibility, including to imply the sustainability development goals as part of the business operation.

Key Strategies to drive the sustainable organization



The Sustainability Operations Philosophy of SNC - 3Cs

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

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



Company's Operational Framework towards Sustainability



The company has established a framework for the operation by establishing a consistent vision, mission, 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 analyzed and prioritized the organization's sustainability management by specifying the level of impact on the organization in terms of society, economy, and environment, along with the level of impact on the interests of the stakeholders (Materiality Matrix). After that, define the policy practices and specify goals for each dimension: 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 the highest operational efficiency and continue creating value for stakeholders together with the 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	Customer	S
4	Corruption	Employee Customer Partner	S G
5	Technological Change	Customer Competitor	S
6	Risk Management	All	E S G
7	Environmental impact from business operation	Society Community	E S
8	Energy Consumption	Environment	E

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

1) Conducting business with fairness

The company is committed to operating business with transparency concerning social responsibility, contributing to communities, society, and the environment, as well as conducting business with a standardized operation system under a strict control which based on the knowledge in the field and the sufficient information and referable evidence strictly abiding by the law and regulations—at the same time, aiming to treat all customers with fairness without demanding or receiving any unfair benefits from customers and does not disclose customer's confidential information unless by duty or laws.

(1.1) Fairtrade competition

- Promote the policy of free and fair-trade competition.
- 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 business partners who are the partners and key business success factors with equality and consider the mutual benefits
- Select business partners using the transparent, systematic, and standardized system to develop and maintain a sustainable relationship with trade partners and contractors.
- Have a mutual trust between parties

- Strictly adhere to the policy of partner treatment by selecting partners with standards, comparing prices before releasing purchasing orders, and assessing partners using internationally standardized criteria.

(1.3) Respect for the Intellectual property rights

- The Company shall not violate the intellectual property, patents, and trademarks of others.
- The Company's staff has duties to keep confidential commercial information and business operating methodology of the company, customers, and partners.
- The Company's staff must use a computer for the benefit of work and shall not use a computer in any way that is unethical or illegal or against the culture and traditions.
- The Company's staff shall only use legal and licensed software. The installation and use of unlicensed computer programs in the company are strictly prohibited.

(1.4) Political neutrality

- The company shall remain neutral and independent regarding partisan political activities. Support for political activities means support, whether monetary or non-monetary, to a political party or candidates for political elections. Non-monetary contributions include borrowing, donating equipment, or providing technology services free of charge, including taking the working time of employees
- In a case where the company has 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 have the right of freedom to participate in political activities that abide by the law and the constitution. However, they shall not claim their status as the company's employee or utilize the company's assets to gain benefits in such activities, which might impair the company's political neutrality.

2) Anti-corruption

The company has the policy to operate in accordance with the law and encourage employees to actively consider morals and ethics, including encouraging its business partners to conduct their business with transparency as well as create awareness, values, and the right attitude at all levels. The company also arranges 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 are Thai Institute of Directors Association, the Thai Chamber of Commerce, the International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organization, the Federation of Thai Industries, and the Tourism Council of Thailand since May 29, 2014.

3) Respect for Human Rights

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

- (3.1) The company must not disclose its employees' personal information. Personal information will not be transmitted or distributed to unrelated parties. Disclosure or transfer of personal information can only be done with the consent of the data subject.
- (3.2) A person can claim human dignity or exercise 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, gender, age, and education.
- (3.4) Employees are encouraged to treat each other with respect, honor each other, and behave in accordance with the company's regulations and according to traditions without creating a detriment to the company's image.

4) Fair 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. The Management adheres to the principle of treating employees with fairness, supporting capacity building to increase progress and increase the efficiency of employees' work, as well as encouraging employees to understand the company's code of conduct which employees should follow. The Company determined to provide appropriate and fair remuneration and welfare to the employees for a good quality of work-life and give fair employment conditions to have an opportunity to develop in their career path, including working in a safe and hygienic environment. The Company encourages employees to treat each other with honesty, listen to others' opinions, express opinions, and listen to suggestions. 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 that are considered the most important part to enable the company to achieve its goals. Furthermore, the Company will not commit or support the use of forced labor in any form, such as non-voluntary forced labor or forcing labor with penalties. The Company will not charge or extend identity documents unless it is an operation that is not contrary to the law. This includes not using child labor to work overtime or work on holidays or do any unsafe and harmful work that is against the laws of each country, nor employing child labor under the legal age.

5) Responsibility to Consumers

- (5.1) Deliver 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 a decision without an exaggeration in both advertising or other communication channels that may cause misunderstanding about the 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 are 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) The Environmental Care

The Company pays attention to the importance of environmental care by operating business with care and awareness of the potential impact on the environment, as well as adhering to the legal related to environmental care. The Company has provided guidelines for practice as follows:

- (6.1) Designate a responsible person for controlling the business operations to ensure the lowest impact on the environment and not to exceed the specified standards and to be responsible and committing to environmental care to optimize and balance the use of resources.
- (6.2) Regularly carry out activities that contribute to the creation of society, community, and environment, aiming to improve communities' quality of life by using company's resources and facilities together with the cooperation from the state and communities themselves without destroying the local customs and traditions in the area.
- (6.3) Assess risks and set standards to prevent any accident and control emissions to the acceptable levels according to the national standards, including having policies and measures to reduce waste and arrange for the disposal of wastes that occur in an appropriate manner.
- (6.4) Respond quickly and efficiently to events affecting the environment and communities due to the Company's operations by fully cooperating with government officers and related agencies.
- (6.5) Encourage the employees to be aware of and take responsibility for society and the environment regarding the Environmental Management System (ISO 14001) and promote efficient use of resources. In addition, the Company has set a policy regarding the Carbon Footprint so that all executives and employees are committed to doing business with due regard for the environmental impact both inside and outside the company. The Company determines to efficiently use the electrical resources by installing a Solar Rooftop on the factories' rooftop with a long-term goal of Carbon reduction by 2000 tons of carbon.

7) The Community and Society Development

The company sets guidelines to act, control, and ensure its operation compliance with relevant laws and regulations and be socially responsible, including cooperating, helping, supporting, and volunteering to do activities that are beneficial to the community and society to promote economic strength as well as social and cultural revitalization. In addition, the Company provides channels for stakeholders and related parties to express their opinions on the Company's operations and complain about the case of unfair treatment from the Company's actions through the channels specified in the anti-corruption policy. Furthermore, the company has arranged various activities which are continually contributing to community or society, such as donating surgical masks to communities and agencies in the provinces where the companies are located and neighboring provinces and continuously providing scholarship programs for students in both vocational and tertiary level, etc.

8) Innovation and dissemination of innovations

Developing personnel to understand the technology and changing directions of business and industry will be an important basis for driving the organization. The company has strategies and guidelines for driving the organization as follows:

- (8.1) Human resource development to become a technology producer and user by arranging cooperation between employees with high experience and employees with high technological knowledge. The company sees importance in human development as the most valuable resource to drive, develop, and sustain the organization. The Company also provides in-depth specialized knowledge and skill training in each business unit, emphasizing sharing knowledge between the experienced and the innovative employees depending. After classroom training and on-site training with modern technology machines, the company will conduct a test to evaluate the results (Indicators / KPIs), collect data for analysis, enhance the ability of employees by Radar Chart for both production and support departments.

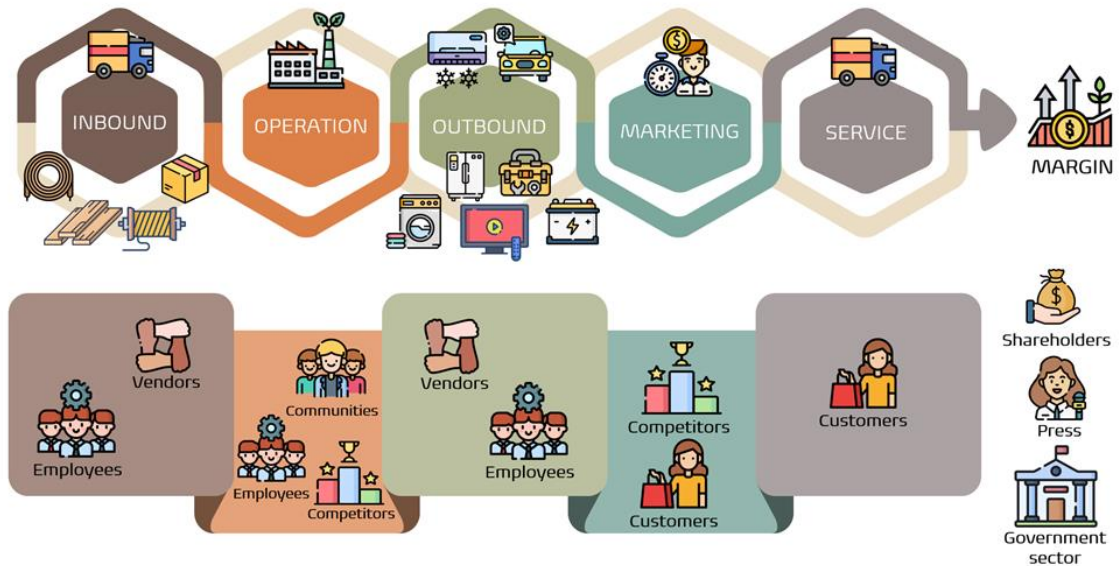
In addition to the in-house training, the company supports the joint curriculum together with an educational institution, both high-vocational technical colleges and universities, consisting of Short courses, Diploma courses (Non-degree) as well as Bachelor and master's degrees, aiming to develop study content in accordance with the needs of the industries. Students who join the programs can work and earn income at the same time during the semester.

- (8.2) Application and use of technology in accordance with the forward direction of the organization under the concept of "ARAI": the application of Automation by using Robots in the production line and other supporting departments in the organization, including the Artificial Intelligence which the Company has developed to be able to connect networks between machines and systems which can be operated and controlled remotely by the Internet of Things.
- (8.3) Use of Big Data technology for management and decision making. The company has a systematic data collection management that contains a large number of production data and detailed information from all business units to be used in an analysis of the current business plan. This information also is used for investment decisions to increase productivity or productivity as well as to find new business opportunities. The company started by collecting and analyzing numbers of production output to reflect daily production efficiency, 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.
- (8.4) Creating an innovative company, both in production, process, and service, from strategies that focus on building human capital, aiming to create technology. The Company has allocated a budget for investment, research, development along with construction and installation machines to produce related technological products to promote learning by doing. The Company also develop production lines, products, and service together with customers by focusing on modern and environmentally friendly products. The budget has been allocated to build ARAI Academy, a factory that is a learning center for

every single step of the production process allowing employees to come in for training, brushing their knowledge, and building on their old skills with technology that helps them to work more efficiently.

3.2 Stakeholder Engagement in the Business Value Chain

3.2.1 Business Value chain



3.2.2 Stakeholders' evaluation in the business value chain

Stakeholders are the key to the company's sustainability; in order to smoothly run the business, the company has to determine the engagement approaches and consider the materiality matters as follows:

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 the first day of the week in case of having a long weekend. -Company's activities -Company's online material 	<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 work-life 	<ul style="list-style-type: none"> -Pay the right remuneration and welfare -Promote the growth of a career path that consistent with the knowledge and skill of the employees -Allows employees to be involved in welfare management and quality of work-life such as joining the welfare committee, committee on occupational health and security

Stakeholder	Participation Chanel	Expectation	Operation Guideline
Shareholders	-Annual General Meeting	-Fair return on investment	- Follow business ethic
Investors	- One report - Opportunity day - Roadshow	-Good cooperate governance -Transparent Disclosure information for investors	guidelines, including the rights of shareholders to obtain timely and necessary information in accordance with the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission rules
Customers	-Communication according to business plan -Weekly and monthly meeting -Customer's visit on various occasions -Customer's satisfaction survey	-High-standard quality products and on-time delivery at the competitive prices	-Develop the products and services to meet the market demands as well as to conduct the business with trust and moral
Social Community	-Open to comments and complaints -Society participation	- Conduct business that does not affect the quality of life of the society and environment -Support community activities	-Support community activities, education, career opportunities - Monitor environmental impact
Business Partners	-Communicate via electronic mail and telephone -Weekly and monthly meeting	-Fair and transparent relationship -Acceptable payment term	-Take into consideration the mutual benefits -Create opportunities to exchange knowledge and experience -Participate and support creative activities of business partners continuously

Stakeholder	Participation Chanel	Expectation	Operation Guideline
Business competitor	-Business operation	-Acting under the rules of good competition	-Promote free and fair-trade policies -Do not seek confidential data of business competitors dishonestly or inappropriate ways such as 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	-Comply with relevant law	-Law-abiding and strictly operational report -Pay taxes and other expenses according to the rules and government regulation
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

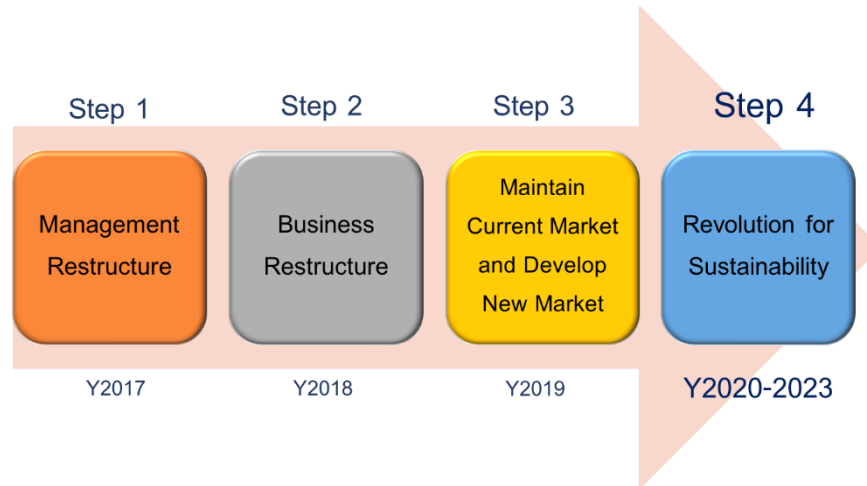
Economic management

In 2021, the company set three main economic organizational management goals:

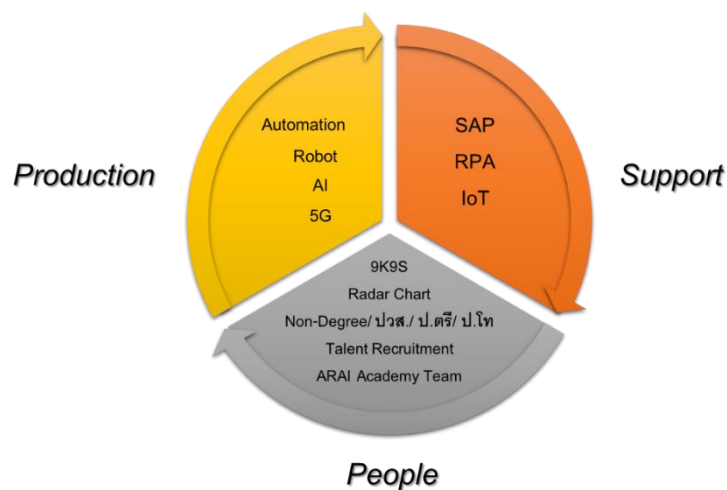
1. Adjusting the production line to automatic technology
2. Develop the satisfaction level of every customer up to level A and
3. Zero complaints from corruption in the supply chain

Innovation management

In the age of technological change, the company has set policies and strategies to support the transformation into the year 2023 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 the policy to strive to develop the 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 meaningful and valuable work and better earnings.



Production line development

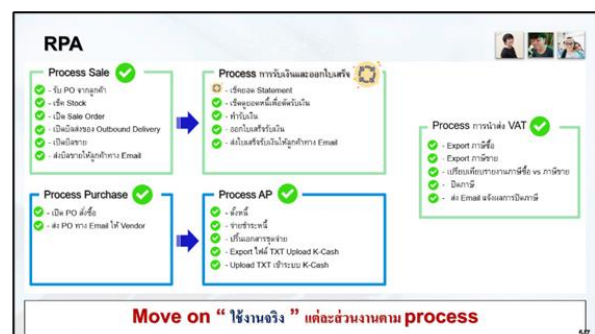
The company has invested in changing the production line to be automated, using robots and artificial intelligence, to support the expansion of orders from customers, to work more efficiently in a shortened time, and to create a safer working environment. In the support departments such as the finance 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 a 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 a 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 to 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. The benefits that the company has received apart from a lower administrative cost are 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 2021, 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:

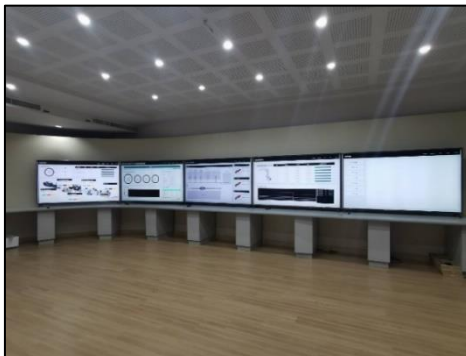
- Work with clear patterns or work processes
- Tasks that often need to be repetitive on a regular basis
- High volume tasks or tasks that take a long time to process. In this case, RPA will do the work then email or notify the output on the Line application to the user when they are done.
- Tasks that require a quick response relate the customer satisfaction. For example, RPA helps to check the current status of the inventory and automatically runs 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 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. According to the plan, ARAI Academy has already started the training in the first quarter of 2021.





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

• กิจกรรมปี 2564 - นักศึกษาในโครงการร่วม SNC

 2020 ป.ตรี เทคโนโลยีไฟฟ้า 14 คน <small>วิทยาลัยอาชีวศึกษาเทคโนโลยีฐานวิทยาศาสตร์ (ชลบุรี)</small>	 2020 ป.ตรี เทคโนโลยีแม่พิมพ์ 14 คน <small>วิทยาลัยเทคนิคสุพรรณบุรี</small>	 2020 ป.ตรี วิศวกรรมเมคคาทรอนิกส์ 25 คน <small>มหาวิทยาลัยเทคโนโลยีสุรนารี</small>	 2020 ป.โท วิศวกรรมเมคคาทรอนิกส์ 6 คน <small>มหาวิทยาลัยเทคโนโลยีสุรนารี</small>	 2020 วิทยาการหุ่นยนต์ FIBO 9 คน <small>มหาวิทยาลัยเทคโนโลยีสุรนารี</small>	= 68
 2021 ป.ตรี วิศวกรรมเมคคาทรอนิกส์ 14 คน <small>มหาวิทยาลัยเทคโนโลยีฐานวิทยาศาสตร์ (ชลบุรี)</small>	 2021 ป.ตรี วิศวกรรมเมคคาทรอนิกส์ 33+25 คน <small>มหาวิทยาลัยเทคโนโลยีสุรนารี</small>	 2021 ป.ตรี วิศวกรรมเมคคาทรอนิกส์ 11 คน <small>มหาวิทยาลัยเทคโนโลยีฐานวิทยาศาสตร์ (ชลบุรี)</small>	 2021 ป.ตรี อิเล็กทรอนิกส์และการควบคุมอัตโนมัติ 20 คน <small>มหาวิทยาลัยเทคโนโลยีฐานวิทยาศาสตร์ (ชลบุรี)</small>	 2021 ป.โท วิศวกรรมเมคคาทรอนิกส์ 7+12 คน <small>มหาวิทยาลัยเทคโนโลยีสุรนารี</small>	= 122 = 190

Internal and External training programs



Training on Robot, Automation, CNC Machining, IoT, and Plastic Injection with several Educational Institutions and Training Centers. Total trained employees of 443 people.



Theoretical Training and Practical Training

In 2021, the company organized internal and external training according to the tables below:

ลำดับ	หลักสูตร	วิทยากร	ประเภท อบรม	สถานที่อบรม	จำนวนผู้เข้าอบรม											รวม
					SAHP	SPEC	SCAN	IPC	SAWHA	SNC	IMP	CL	PRD	B2	MSPC	
อบรมภายใน																
1	หลักสูตร วิธีจัดทำงบกระแสเงินสด Step-by-step	คุณเชววรรณ จีระวิเศษ	Online	ติ๊กเกิดสิน	1	-	-	-	-	-	-	-	-	-	-	1
2	หลักสูตร เจาะลึกหลักฐานการตรวจสอบบัญชีและประเด็นที่พ่่าสนใจ	คุณบุญชูธรรม ธรรมศักดิ์	Online	ติ๊กเกิดสิน	1	-	-	-	-	-	-	-	-	-	-	1
3	หลักสูตร Transfer Pricing การปฏิบัติตามกฎหมายและปัญหาในทางปฏิบัติ	คุณช่อคำ ฟูวิเศษคิย์	Online	ติ๊กเกิดสิน	-	-	1	-	-	-	-	-	-	-	-	1
4	หลักสูตร การวางระบบข้อมูลสารสนเทศ	รศ.ดร.พรณีภา รอดวรรณ	Online	ติ๊กเกิดสิน	-	-	1	-	-	-	-	-	-	-	-	1
5	หลักสูตร 8S และการต่อต้านทุจริตคอร์รัปชัน	คุณพรชัย สิริกิจภักดิ์	IN HOUSE	ห้องอบรม INJECTION ชั้น 2	19	-	73	10	-	-	-	-	-	-	-	102
6	หลักสูตร เทคโนโลยีเครือข่ายข้อมูลและระบบคลาวด์สำหรับอุตสาหกรรม 4.0 (หลักสูตรกลาง)	ผู้เชี่ยวชาญ บรูททา และ HUAWEI	IN HOUSE	B1F1	-	2	8	3	-	5	3	3	-	-	3	27
7	หลักสูตร CNC เบื้องต้น	ผู้เชี่ยวชาญ B1F1	IN HOUSE	B1F1	-	-	8	-	-	-	-	-	-	-	-	8
8	หลักสูตร ROBOT เบื้องต้น	ผู้เชี่ยวชาญ B1F1	IN HOUSE	B1F1	2	13	57	7	-	1	-	-	-	-	-	80
9	หลักสูตร PLC Mitsubishi เบื้องต้น	ผู้เชี่ยวชาญ B1F1	IN HOUSE	B1F1	-	-	14	-	-	-	-	-	-	-	-	14
10	หลักสูตร ความรู้เกี่ยวกับ ERP เบื้องต้น	คุณวีระเทพ ขาวดี / คุณณณิศา สีสาลี	IN HOUSE	ห้องอบรม INJECTION ชั้น 2	1	8	17	10	-	-	-	-	-	-	-	36
11	หลักสูตร ข้อกำหนด ISO/IEC 17025:2017	อาจารย์ สมบุญ เอกวิริยะกิจ	IN HOUSE	ติ๊ก R&D	-	3	15	-	-	1	-	1	-	-	-	20
12	หลักสูตร การพ่นสี line painting	คุณสุรพล วงษ์นาม	IN HOUSE	ไลน์สี-86	-	-	27	-	-	-	-	-	-	-	-	27
13	หลักสูตร ความรู้เบื้องต้นในการทำงานสำหรับพนักงานใหม่	คุณสุภาวดี / คุณโสวิศา / คุณณณิศา	IN HOUSE	ห้องอบรม INJECTION ชั้น 2	36	150	1,659	121	32	-	-	-	-	-	-	1998
14	หลักสูตร 9K9S	ผู้จัดการ / หัวหน้างาน	IN HOUSE	พนักงาน	16	59	498	132	-	-	-	-	-	-	-	705
รวม					76	235	2,378	263	32	7	3	4	0	0	3	3,021

Internal Training of 14 programs with a total trained employee of 3,021 people

ลำดับ	หลักสูตร	วิทยากร	ประเภท อบรม	สถานที่อบรม	จำนวนผู้เข้าอบรม											รวม
					SAHP	SPEC	SCAN	IPC	SAWHA	SNC	IMP	CL	PRD	B2	MSPC	
อบรมภายนอก																
1	หลักสูตร การประยุกต์ใช้เทคโนโลยี Lean IoT ในการบริหารจัดการโรงงานเพื่อเพิ่มผลิตภาพ	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	2	15	3	-	-	-	-	-	-	-	20
2	หลักสูตร Train-the-Trainer 2021 ครั้งที่ ๒	ผู้เชี่ยวชาญมหาวิทยาลัยกรมการศาสตร์	PUBLIC	มทร. ลำปาง เชียงใหม่	-	1	4	-	-	-	-	-	-	-	-	5
3	หลักสูตร การใช้งานหุ่นยนต์เชื่อมและอัตโนมัติสำหรับระบบเชื่อมอัตโนมัติ	คุณฉนวน นวตธนา	PUBLIC	Academy MARA	-	-	5	-	-	-	-	-	-	-	-	5
4	หลักสูตร Industrial Robotics for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญวิศวกรรมเมคคาทรอนิกส์และหุ่นยนต์	PUBLIC	มทร. บางพระ	-	5	30	26	-	-	1	9	8	3	-	82
5	หลักสูตร Industrial Automation for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญวิศวกรรมเมคคาทรอนิกส์และหุ่นยนต์	PUBLIC	มทร. บางพระ	-	3	28	17	-	-	-	4	5	3	-	60
6	หลักสูตร CNC for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญวิศวกรรมเมคคาทรอนิกส์และหุ่นยนต์	PUBLIC	มทร. บางพระ	2	7	2	32	-	-	3	10	5	3	-	64
7	หลักสูตร Industrial Internet of Things for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญวิศวกรรมเมคคาทรอนิกส์และหุ่นยนต์	PUBLIC	มทร. บางพระ	1	7	41	29	-	-	1	5	5	4	-	93
8	หลักสูตร Industrial Robot & Automation System (โครงการอบรมระยะสั้นตาม EEC Model Type B)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	-	2	1	-	-	1	2	-	-	-	6
9	หลักสูตร CNC Machine & Robotics (โครงการอบรมระยะสั้นตาม EEC Model Type B)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	2	-	-	-	-	-	4	-	-	-	6
10	หลักสูตร Industrial IoT (โครงการอบรมระยะสั้นตาม EEC Model Type B)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	-	3	1	-	2	-	-	-	-	-	6
11	หลักสูตร Injection Moulding Machine & Smart Production (โครงการอบรมระยะสั้นตาม EEC Model)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	2	-	-	-	-	-	-	2	2	-	6
12	หลักสูตร Industrial Robotics for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	-	11	1	-	1	-	2	-	-	-	15
13	หลักสูตร CNC for Operator (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	3	4	-	-	-	4	2	1	1	-	15
14	หลักสูตร Injection Moulding Machine & Smart Production (โครงการอบรมระยะสั้นเพื่อจะออกปฏิบัติงาน)	ผู้เชี่ยวชาญสถาบันไทยเยอรมัน	PUBLIC	สถาบันไทยเยอรมัน (ศูนย์ชลบุรี)	-	20	-	-	-	-	-	-	20	20	-	60
รวม					3	50	147	110	0	3	10	38	46	36	0	443

External Training of 14 programs with a total trained employee of 443 people

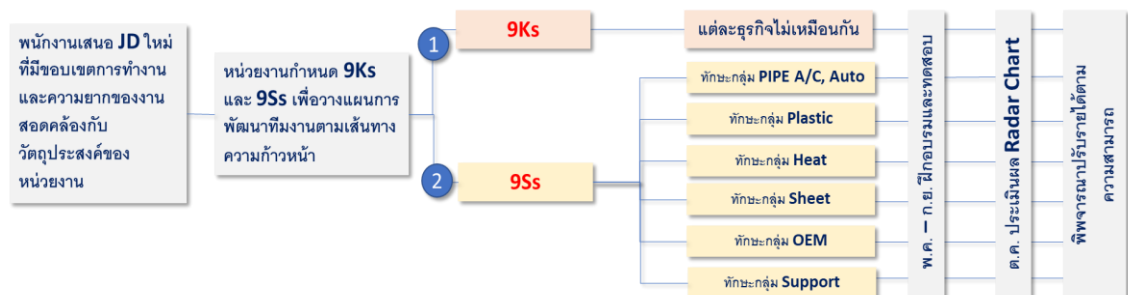
Skill sets measurement: Radar Chart

The 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

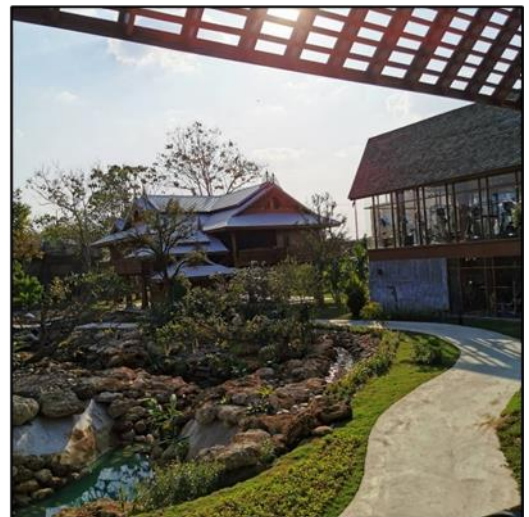


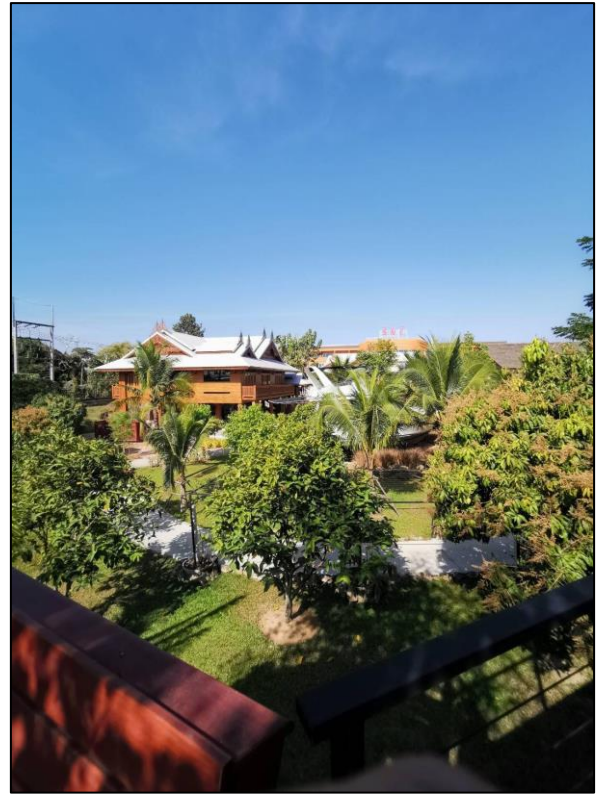
Based on the outcome of the Radar Chart, the company has adjusted its human resource development strategy by requiring each department to define 9 knowledge needs and 9 skill needs; The objective is to provide personnel development according to the result from Radar Chart together with personnel development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



Quality of Work-life

The company realizes the importance of quality of work-life for its employees. In 2021, the company 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 a 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 2021, the company planted a large tree of more than 500 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.





Continued Development in economic and social

Apart from implementing automation and robotics within the factory, the company is committed to being a part of building a stronger industrial sector; starting from human resource development, the company had a signing ceremony for cooperation with three 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 special education and training programs.
2. EEC Improve labor skills and knowledge 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 a training program with EEC-HDC in enhancing the development of all relevant sectors. The course is set as Project-Based Learning, and after graduation, students can continue to work at the workplace they were trained while earning a high income. However, if students wish to continue with further study at the higher level, they will be offered the grant by matching with higher education institutions. This will enhance the continuous human resource development and a clearer career path.

Since the end of 2020, after the cooperation signing ceremony until now, the company has recruited students from various institutions to practice their skills, focusing on the job training corresponding to the field of study. The

company evaluates the result of the work as well as enhances new skills to provide students with the ability to meet the needs of the industry

3.3 Environmental Control

3.3.1 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 resources used in manufacturing as well as the impact on the environment and society, which focuses 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 is committed to achieving goals and environmental objectives set by the company.
- 2) The company implements and creates awareness among employees in the organization and stakeholders to realize the importance of resources consumption and embeds 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 that is environmentally friendly or has the least impact on the environment. Moreover, the company monitors, evaluate, and implement waste management which arises from the operation professionally.
- 4) The company analyzes environmental issues, which focus 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 sets and announces policies guidelines to the stakeholders of the organization and to the public.

The company operates business while well aware of the impact that may have an 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 a 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 on global climate change, the company has developed a product category using a new refrigerant (R32), which will reduce the impact on ozone depletion. In addition, the company has set a target to reduce its carbon footprint by 2,000 tons of carbon by using more of a solar rooftop panel on the factory roof, which allows the use of electric energy to be more efficient while reducing 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 the 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, Reuse, and Recycle, the company aims to reduce the use of plastic water bottles and single-use plastics, etc.

3.3.2 Environmental practices

Environmental Care

The company pays close 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 an 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 the 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 that affect 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 a 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 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 2021 was 1.648 tons of carbon, representing 82.42 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 with energy cost savings. The table below shows that the company has more electricity generated from solar energy compared to the year 2020, with the company still operating and continuously keeping the results.

	2018		2019		2020		2021	
	ปริมาณการใช้ไฟฟ้า KW	T	ปริมาณการใช้ไฟฟ้า KW	T	ปริมาณการใช้ไฟฟ้า KW	T	ปริมาณการใช้ไฟฟ้า KW	T
Jan	179,982.81	100.97	189,052	106.06	238,846	133.99	260,229	145.99
Feb	222,404.00	124.77	221,888	124.48	248,552	139.44	255,139	143.13
Mar	268,798.03	150.80	280,972	157.63	269,264	151.06	286,831	160.91
Apr	168,666.22	94.62	207,821	116.59	250,666	140.62	159,167	89.29
May	173,620.23	97.40	206,838	116.04	209,257	117.39	244,869	137.37
Jun	189,739.21	106.44	201,748	113.18	233,370	130.92	278,289	156.12
Jul	176,867.28	99.22	195,164	109.49	250,180	140.35	249,441	139.94
Aug	186,044.00	104.37	220,145	123.50	254,062	142.53	200,913	112.71
Sep	116,003.00	65.08	170,447	95.62	208,571	117.01	202,721	113.73
Oct	118,047.00	66.22	236,070	132.44	199,788	112.08	229,495	128.75
Nov	162,370.00	91.09	218,631	122.65	249,254	139.83	261,251	146.56
Dec	125,884.00	70.62	198,861	111.56	218,856	122.78	310,141	173.99
Total	2,088,425.78	1,172	2,547,637.00	1,429	2,830,666.00	1,588	2,938,486.00	1,648
Target		2,000		2,000		2,000		2,000
%		58.58		71.46		79.40		82.42

Efficient Resource Management

In 2020, SNC Group had a summary of electricity consumption from January to December equals 126,380,000 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 the policy to use electricity from renewable energy, which is a solar power system on the factory roof of 3.4 MW.

Electricity consumption in 2021 can be calculated as an amount equal to 149,755,667 baht, increased from the previous year of 18 percent. The main reason for increased electricity consumption is due to the business sales growth of around 72 percent. The company plans to implement more of the measurements to help save 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 products used and to help communities in case of drought.



In the year 2021, the company has expanded the pond area. To support the growth of the business totaling three ponds with a volume of over 250,000 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 2021 was at 2,304,410 baht, which was lower compared to the year 2020. The company aims to reduce the cost of external water continuously by 2% each year.

3.4 Sustainability management in the social dimension

3.4.1 Policy and ways of practice on the social aspect

The company has guidelines to implement or control to comply with applicable laws and regulations and be responsible for society. Also, ensure 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.

3.4.2 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 have performed in the past include:

Mask manufacturing and 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 was 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 were seriously in-needed: medical staff, the Government agencies, and employees of the operating factories. The intention was being part of help society in controlling and reduce the spread of the virus COVID-19. The company has built a factory to produce masks in the factory area of the SNC group and produce a mask with the purpose of donation only. Initially, more than 5,000,000 masks were donated.





SNC Free Vaccine

From the outbreak situation of the Covid-19 virus that has spread widely around the world as well as the rapid spread and high severity in Thailand, the company is aware of the seriousness in case of the virus-infected which may affect the lives of the employees or employee's family or the person who the employee lives with including community. Therefore, the company decided to seek and provide vaccines for employees and stakeholders of the organization so everyone could access them.

SNC

บริษัท เอส เอ็น ซี จำกัด (มหาชน)

โครงการ “SNC Free Vaccine”

เชิญชวนรับวัคซีน เพื่อป้องกันตัวเอง ลดความเสี่ยง และช่วยสังคม

Let's Get Vaccinated! มาฉีดวัคซีนกันเถอะ

16 พฤศจิกายน 2564

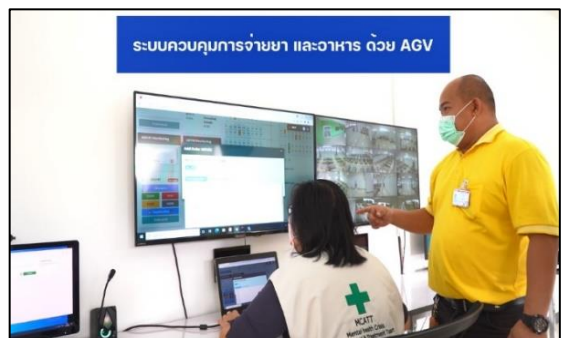
ณ บริษัท เอส เอ็น ซี จำกัด(มหาชน)



AS of December 31, 2021, the number of employees that were vaccinated was 2,681 people, and the number of employees' relatives and people in the community was 41 people (A total of 2,722 people)

Field Hospital

From the severe pandemic, which occurred in many areas in Thailand, the existing hospitals were insufficient to support the rapidly increasing number of patients. The company, therefore, decided to build a field hospital in the company's area, which is called SNC field hospital that can accommodate green level patients at a total of 80 beds. Apart from that, the company decided to build another field hospital in Nikompattana hospital, Rayong province, with a total of 207 beds available. The hospital can accommodate green level patients at a total of 198 beds consisting of 99 beds for men and 99 beds for women. 9 beds for yellow level patients are also available with essential medical equipment such as an Oxygen Concentrator capacity of 5 liters each. Inside the hospital area, an X-ray room was built for patients in need. The company has built 2 AGVs with the purpose of distributing foods and drinks instead of doctors and nurses themselves to reduce the risk of infection. Thirty units of CCTV were installed to track the patient's health conditions. At the registration counter, patients can register their personal information via QR Code. Doctors and nurses can review the patient's information and track the status in the control room via a provided monitor, available at 24 hours. In the yellow level patients' room, an intercom was installed for patients to be able to communicate with doctors on health status or for emergency cases.



4. Management Discussion and Analysis: MD&A

4.1 Analysis of operating results and financial position

Revenues	2019		2020		2021	
	Baht'million	%	Baht'million	%	Baht'million	%
Sale from parts:						
Sale from OEM assembly (OEM)	2,556.3	38.6	5,605.8	62.6	11,120.3	72.2
EA parts (PART)	2,983.6	45.0	2,579.7	28.8	3,426.1	22.3
Auto parts (AUTO)	1,082.0	16.3	772.0	8.6	850.0	5.5
Sale from other (OTHER)	3.7	0.1	3.0	0.0	1.4	0.0
Total sales	6,625.6	100.0	8,960.5	100.0	15,397.8	100
EAT	722.1	10.9	407.7	4.5	636.4	4.1
EBITDA	649.6	9.8	856.0	9.6	1,274.5	8.2



In 2021, the Company has focused on sustainable growth therefore, we have done activities to increase the company's potential for long-term sustainability. Whether finding new customers to spread the risk of relying on large customers. Investment to expand the business to build a factory and purchase machinery to modernize the production line. Investments to prevent water shortage. Investing in personnel development and investing in the quality of life of employees.

At present, the Company is in the process of using technology in the production line to increase product quality and increase production efficiency to create competitive opportunities. Since the company is aware of the change in technology, if the company does not adapt to the changing technology, the company will be at risk of its existence. Therefore, during the past year, the company has invested in business expansion and applied technology to improve the production line to create more stability and long-term sustainability. In addition, the company also encountered a drought that occurred in Rayong Province, the area where the Company's main business is located, causing water shortages. This will affect the production of the company causing the production line to stop. The company therefore invested more to build a water storage facility of more than 250,000 cubic meters on an area of 49 rai and install a water supply system using in the company's own plants for solving the problem of shortages during the dry season. In addition, the Company will be able to help the community around the company in the event of severe drought. There was crisis that threaten the company's sustainable operations, namely the outbreak of the COVID-19 and the shortage of skilled personnel. Therefore, the company has implemented various projects to deal with these crises to continue on a long-term sustainability basis. The Company has responded as follows: 1) The spread of the COVID-19: the Company built a field hospital to donate to Nikhom Pattana hospital and opened the SNC field hospital center in the SNC area at Nikhom Pattana District, Rayong Province. The Company also built a factory to produce the surgical masks to distribute to employees to help prevent the spread of the disease. The

Company proactive in providing vaccines and ATK test kits the Company's employees in both Samutprakarn and Rayong provinces. In addition, the company also donated the vaccines and surgical masks to the community around the Company throughout the time of the COVID-19 outbreak. 2) Shortage of skilled personal: the company took into account in personnel development, therefore, there was a project to improve the skills of personnel "SNC Human Development, Social Development Person" to support education at present. There are 190 students in the scholarship program in 2021. According to such project, resulting the increase in the 2021 operating result.

Revenue

Total sales revenue increased 6,437.3 million baht 71.8% increase from each business group as follows: 1) OEM the revenue increased Baht 5,514.5 million due to: increase in Air-conditioner and TV orders, the price adjustment of Toolbox products to be suitable for the cost structure, increase in Heat Pump orders for water heater and Thai Baht is depreciated compared with the previous year 2) PART the revenue increased by Baht 846 million due to the price adjustment in accordance with the cost of material increased and the increase in the revenue from air-conditioner's parts and home appliance's parts. 3) AUTO the revenue increased by Baht 78 million due to the price adjustment in accordance with the cost of material increased and more customers' orders after covid situation in last year.

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.

EAT

In 2021, EAT increased Baht 228.7 million due to increased in sale. EAT was Baht 636.4 million. EAT margin was 4.1% of sales.

In 2020, EAT increased because of increasing sales and due to business plan adjustment and cost control during COVID-19 outbreak so EAT Baht 407.7 million increased Baht 68.4 million, EAT margin was 4.5%.

Financial position analysis

Particular	31 December 2019		31 December 2020		31 December 2021	
	Baht'million	%	Baht'million	%	Baht'million	%
Assets	5,396.9	100.0	7,769.7	100.0	13,946.7	100
Liabilities	1,999.1	37.0	4,191.6	53.9	9,036.0	64.8
Equity	3,397.8	63.0	3,578.1	46.1	4,910.7	35.2

Assets

As at 31 December 2021, total assets was Baht 13,946.7 million (2020: Baht 7,769.7 million) increased Baht 6,177 million, 79.5 % because:

- Cash and cash equivalents increased by Baht 1,094.5 million, increased from financing for working capital.

- Trade accounts receivable increased by Baht 1,557 million, which was a variable amount in line with the increase in sales from growth in the air conditioner manufacturing and assembly (OEM) business.
- Inventories increased by Baht 1,953 million, which increased in line with the increase in revenue from OEM business.
- Land, buildings, and equipment increased by Baht 1,738 million due to the expansion of the factory building business and the purchase of machinery in Rayong.

As at 31 December 2020, total asset was Baht 7,769.7 million (2019: Baht 5,396.9 million) increased Baht 2,372.8 million or 44%, because:

- Trade account payable increased Baht 153.3 million, These amounts due to increased sales of manufacturing and assembly of air conditioners (OEM) and toolbox assembly (Toolbox).
- Inventories increased by 861.3 million baht, which increased in line with the increase in revenue from OEM business. The turnover period of 2020 was 43 days (Year 2019: 25 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.

Liabiliteis

As at 31 December 2021, total liabilities was Baht 9,036.0 million (2020: Baht 4,191.6 million) increased Baht 4,844.4 million or 115.6 % because:

- Trade account payable increased Baht 3,254.56 million due to increase in purchase of material and increased sales.
- Short term loan from banks increased Baht 825.1 million to be used as working capital in the business and for expanding the business of building factories and ordering machinery.
- 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 2020, total liabilities was Baht 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.
- in 2020 short-term loan increased amount Baht 541.0 million baht use as working capital and maintain liquidity during the company's impact from the Covid-19.
- Long term loan from banks increased Baht 669.8 million for investment in factory and purchase of machine for production capacity expansion.

Equity

Shareholders' equity consisted of share capital, share premium, and retained earnings. As at 31 December 2019-2021, the shareholders' equity (Equity attributable to owners of the parent) were Baht 3,225.7 million, Baht 3,482.7 million, Baht 4,785.4 million. Increase in shareholders' equity due to net profit deducted by dividend payment.

Capital structure

As at 31 December 2019-2021, debt to equity ratio were 0.6 times , 1.2 times and 1.8 times, respectively.

In 2021, debt to equity ratio increased to 1.8 times due to trade accounts payable increased in 4th Quarter in proportion to sales increase. and short-term and long-term loans from financial institutions to use as working capital in the business.

In 2020, the company's debt to equity ratio increased to 1.2 times due to short-term and long-term loans from financial institutions to use as working capital in the business and support plans to expand the electrical appliance manufacturing and assembly business.

In 2019, the company will use cash received from the sale of leasehold rights of land and factory buildings. to pay off some of the bank's loan debt and profit from the disposal of the said assets reflected in the net profit and shareholders' equity However, the company had a higher proportion of trade accounts payable and payable for purchase of machinery. This is a result of investment in machinery to support the expansion of production lines.

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, international war 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 impact of the tensions between Russia and Ukraine

If an international war breaks out, the impact will not only be on Russia and Ukraine but it will affect the world economy as well. Since Russia is a major exporter of energy and natural gas, when the war is in progress, export volumes will be adjusted, and prices will rise from the present. Therefore, the production cost of the product is higher and affects consumer confidence, purchasing power and purchasing decisions and may cause customers in Europe and America to postpone orders, which will affect the financial position and performance of the company.

4.3 Significant financial ratios analysis

		2019	2020	2021
Liquidity ratio	times	1.3	1.2	1.1
Average collection day	days	47	37	42
Average day sale	days	24	43	60
Average payment day	days	73	78	98
Cash cycle	days	-2	2	4
Dividend payout	%	72.1	52.9	51.2

Liquidity ratio

As at 31 December 2019-2021, the liquidity ratio were 1.4 times, 1.3 times, 1.2 times and 1.1 times, respectively. Decrease in liquidity ratio due to increase in bank loans and trade account payables.

Cash cycle

As at 31 December 2019-2021 , Cash cycle were (2) days, 2 days, and 4 days, respectively.

In 2021, the company had an increase of cash cycle of 4 days as the company had purchased goods and raw materials to support the production in early 2022, thus increasing the average sales period.

In 2020, the company had a slightly increased of 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 because the company receives payment for the product when the product is delivered to a new customer increasing the average repayment period. Both matters came from the electrical appliance manufacturing and assembly business.

Dividned payment

The company set a dividend policy of not less than 50% of net profit after tax and legal reserve. In 2019-2021, the company has paid dividends from its operations in each year of 0.85 Baht per share, 0.75 Baht per share and 0.90 Baht per share, totaling Baht 244.6 million, Baht 215.8 million and Baht 325.99 million, respectively. The dividend payout ratios were 72.1 %, 52.9 % and 51.2 % of net profit, respectively.

Cash flow and liquidity analysis

The changes in the Company's cash flow during the year 2019 - 2021 can be summarized as follows:

Cash flows (unit: Baht' million)	2019	2020	2021
Cash flows from operations	476.9	618.4	920.6
Cash flows from investing	98.9	(1,129.7)	(1,755.9)
Cash flows from financing	(618.6)	908.3	1,906.3
Net increase (decrease) in cash	(42.8)	397.1	1,071.0
Impact from exchange rate	(0.2)	1.2	23.6
Cash and cash equivalent at beginning	879.8	836.8	1,235.0
Cash and cash equivalent at ending	836.8	1,235.1	2,329.6

In 2021, the company had net cash from operating activities of Baht 920.6 million, the company has net cash used in investing activities amounting to Baht 1,755.9 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 1,906.3 million due to loans from financial institutions. As a result, in the year 2021, the company had an increased net cash of Baht 1,071.0 million and cash and cash equivalents as of 31 December 2021 of Baht 2,329.6 million.

In 2020, the company had 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 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 908.3 million due to loans repayment. 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 had net cash from operating activities of Baht 476.9 million. The company had net cash from investing activities of Baht 98.9 million, partly from cash received from the sale of leasehold rights to land and factory buildings at the same time. The company has invested in land Building and equipment for expanding the plastic production line and metal parts. In addition, the company had cash used in financing activities of Baht 618.6 million, mostly for repayment of loans from financial institutions, resulting in the year 2019, the company had a net decrease in cash flow of Baht 42.8 million and had cash and cash equivalents remaining. As of 31 December 2019, amounting to 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 2019- 2021 as follows:

Financial statements	Auditor's report
Financial statements for the year ended 31 December 2021	<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 2021 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 2020 and their financial performance and

Financial statements	Auditor's report
	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.

Summary of the Company's financial statements

Statement of financial position as of 31 December 2019 - 2021

Statement of financial position	Consolidated financial statements					
	31 December 2019		31 December 2020		31 December 2021	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	836.8	15.5	1,235.0	15.9	2,329.6	16.7
Trade accounts and other receivables	889.3	16.5	1,099.9	14.2	2,656.9	19.1
Short-term loans to related parties	27.4	0.5	27.4	0.4	25.6	0.2
Inventories	546.9	10.1	1,408.2	18.1	3,361.0	24.1
Other current assets	134.3	2.5	116.7	1.5	158.9	1.1
Total current assets	2,434.7	45.1	3,887.2	50.0	8,532.0	61.2
Other non-current financial assets	26.6	0.5	28.5	0.4	31.3	0.2
Investments in associate	4.2	0.1	-	-	-	-
Investment properties	210.0	3.9	226.8	2.9	41.9	0.3
Property, plant and equipment	2,630.9	48.7	3,174.4	40.9	4,912.0	35.1
Right-of-use assets	-	-	294.4	3.8	244.7	1.8
Intangible assets	52.8	1.0	53.3	0.7	45.0	0.3
Rights to service under concession arrangement	-	-	-	-	35.8	0.3
Deferred tax assets	24.8	0.5	50.8	0.7	36.4	0.3
Other non-current assets	12.9	0.2	54.4	0.7	67.6	0.5
Total non-current assets	2,962.2	54.9	3,882.6	50.0	5,414.7	38.8
Total assets	5,396.9	100.0	7,769.8	100.0	13,946.7	100.0
Liabilities						
Short-term borrowings from financial institutions	169.0	3.1	710.0	9.1	1,535.1	11.0
Trade and other payables	1,290.7	23.9	2,249.9	29.0	5,504.4	39.5
Current portion of deferred income	10.5	0.2	2.2	-	2.2	-
Accounts payable - acquisition of assets	221.3	4.1	44.7	0.6	189.6	1.4
Current portion of long-term borrowings	45.1	0.8	202.2	2.6	278.6	2.0
from financial institutions						
Current portion of lease liabilities	-	-	28.4	0.4	27.5	0.2
Current income tax payable						

Statement of financial position	Consolidated financial statements					
	31 December 2019		31 December 2020		31 December 2021	
	MB	%	MB	%	MB	%
Other current financial liability	84.1	1.6	28.7	0.4	42.0	0.3
Other current liabilities	-	-	0.9	-	0.6	-
Total current liabilities	13.3	0.2	10.6	0.1	15.1	0.1
Other non-current payables	-	-	-	-	7.3	0.1
Deferred income	48.2	0.9	46.0	0.6	43.8	0.3
Non- current accounts payable - acquisition of assets	-	-	-	-	127.8	0.9
Long-term borrowings from financial institutions	32.3	0.6	545.0	7.0	976.5	7.0
Lease liabilities	-	-	272.7	3.5	230.1	1.6
Deferred tax liabilities	1.8	-	-	-	-	-
Provisions for employee benefits	78.5	1.5	50.3	0.6	55.4	0.4
Other non-current liabilities	4.4	0.1	-	-	-	-
Total non-current liabilities	165.2	3.1	914.0	11.8	1,440.9	10.3
Total liabilities	1,999.2	37.0	4,191.6	53.9	9,036.0	64.8
Equity						
Authorised share capital	287.8	5.3	287.8	3.7	400.0	2.9
Issued and paid-up share capital	287.8	5.3	287.8	3.7	362.2	2.6
Share premium	1,213.6	22.5	1,213.6	15.6	2,086.4	15.0
Retained earnings						
Legal reserve	75.7	1.4	75.7	1.0	96.1	0.7
Unappropriated	1,648.5	30.5	1,910.0	24.6	2,246.8	16.1
Other components of equity	-	-	(4.4)	(0.1)	(6.1)	-
Equity attributable to owners of the parent	3,225.6	59.8	3,482.7	44.8	4,785.4	34.3
Non-controlling interests	172.1	3.2	95.5	1.2	125.3	0.9
Total equity	3,397.7	63.0	3,578.2	46.1	4,910.7	35.2
Total liabilities and equity	5,396.9	100.0	7,769.8	100.0	13,946.7	100.0

Statement of comprehensive income 2019-2021

Statement of comprehensive income	Consolidated financial statements					
	2019		2020		2021	
	MB	%	MB	%	MB	%
Revenue from sales	6,625.6	91.4	8,960.5	98.6	15,397.8	98.9
Other income	622.1	8.6	128.2	1.4	165.3	1.1
Total Revenues	7,247.7	100.0	9,088.7	100.0	15,563.1	100.0
Cost of sales	5,968.2	82.3	8,166.2	89.8	14,197.6	91.2
Distribution costs	119.0	1.6	158.1	1.7	212.6	1.4
Administrative expenses	283.5	3.9	286.6	3.2	332.8	2.1
Direct expenses arising from investment properties	20.4	0.3	1.6	-	1.7	-
Gain (loss) on sale of investment in associate	18.1	0.3	4.2	-	-	-
Total expenses	6,409.2	88.4	8,616.7	94.8	14,744.7	94.7
Profit from operating activities	838.5	11.6	472.0	5.2	818.4	5.3
Finance costs	10.7	0.1	48.7	0.5	70.6	0.5

Statement of comprehensive income	Consolidated financial statements					
	2019		2020		2021	
	MB	%	MB	%	MB	%
Profit before income tax expense	827.8	11.4	423.3	4.7	747.8	4.8
Tax expense	101.5	1.4	10.7	0.1	97.7	0.6
Profit for the year	726.3	10.0	412.6	4.5	650.1	4.2
Profit for the year after adjustment of extra items	343.5	4.7	412.6	4.5	650.1	4.2
<u>Other comprehensive income</u>						
<i>Items that will not be reclassified to profit or loss</i>						
Gain (loss) on remeasurements of defined benefit plans	10.9	0.2	2.2	-	-	-
Loss on investments in equity instruments designated at FVOCI	-	-	(2.1)	-	(2.1)	-
Income tax relating to items that will not be reclassified	(2.2)	-	-	-	0.4	-
Other comprehensive income for the year, net of tax	8.7	0.1	0.1	-	(1.7)	-
Total comprehensive income for the year	735.0	10.1	412.7	4.5	648.4	4.2
<u>Profit attributable to:</u>						
Owners of the parent	722.1	10.0	407.7	4.5	636.4	4.1
Non-controlling interests	4.2	-	4.9	-	13.7	0.1
Profit for the year	726.3	10.0	412.6	4.5	650.1	4.2
<u>Total comprehensive income attributable to:</u>						
Owners of the parent	730.8	10.1	407.7	4.5	634.7	4.1
Non-controlling interests	4.2	0.1	5.0	-	13.7	0.1
Total comprehensive income for the year	735.0	10.1	412.7	4.5	648.4	4.2
Basic earnings per share						
Basic earnings per share (Baht)	2.51		1.42		2.02	
Weighted average number of shares (million shares)	287.7		287.7		315.5	

Statement of cash flows for the year ended 31 December 2019 - 2021

Statement of cash flows	Consolidated financial statements		
	2019	2020	2021
	MB	MB	MB
Cash flows from operating activities			
Profit for the year	726.3	412.6	650.1
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	101.5	10.7	97.7
Finance costs	10.6	48.7	70.6
Depreciation of property, plant and equipment	289.7	377.7	457.7
Depreciation of investment properties	3.7	1.7	1.7
Depreciation of right-of-use assets	-	32.2	30.9
Amortisation of intangible assets	9.4	9.6	10.4
(Reversal of) provision for employee benefit	24.2	(15.9)	5.7
Unrealised gain on foreign exchange	(0.6)	(2.1)	(10.6)
Unrealised loss on forward exchange contract	-	0.9	(0.4)
(Gain) loss on disposal of investment in associate	(2.2)	-	-

Statement of cash flows	Consolidated financial statements		
	2019	2020	2021
	MB	MB	MB
Share of loss of associate accounted for using equity method, net of tax	18.2	4.3	-
Doubtful debts expenses (reversal)	(1.9)	0.4	-
(Reversal of) losses on inventories devaluation	6.7	7.0	84.0
Loss on disposal of property, plant and equipment	1.2	0.1	(1.1)
Loss from disposal of investment properties	-	-	-
Gain on sale of assets held for sale	(524.8)	-	-
Loss on written-off of property, plant and equipment	14.6	4.4	5.4
Difference arising from rent concession	-	0.2	(2.9)
Gain on loss of control from dissolution of subsidiary	(1.6)	-	-
Loss on written-off of intangible assets	0.3	-	-
Dividend income	(5.7)	(8.4)	(2.5)
	669.6	884.1	1,396.7
Changes in operating assets and liabilities			
Trade accounts receivable	9.0	(156.8)	(1,553.1)
Other receivables	-	(57.7)	(1.0)
Inventories	(291.5)	(868.2)	(2,036.8)
Other current assets	(60.5)	17.7	(42.3)
Current non-cash financial assets pledged as collateral	-	(5.0)	-
Other non-current assets	11.4	(36.6)	(13.1)
Trade and other payables	175.5	961.7	3,238.2
Employee benefits paid	-	(10.0)	(0.8)
Other current liabilities	0.1	(2.7)	4.6
Deferred income	(4.4)	(10.5)	(2.2)
Other non-current liabilities	0.2	(4.4)	-
Tax paid	(32.3)	(93.2)	(69.6)
Net cash from (used in) operating activities	477.1	618.4	920.6
Cash flows from investing activities			
Proceeds from increasing in share capital of non-controlling	-	-	15.0
Acquisition of other long-term investment	(10.0)	(7.5)	(5.0)
Proceeds from sale of investment properties	583.4	-	-
Acquisition of investment properties	(65.6)	(148.7)	-
Proceeds from sale of investments in associate	16.0	-	-
Proceeds from sale of investments in associate	9.5	2.6	2.2
Acquisition of property, plant and equipment	(464.6)	(974.7)	(1,759.5)
Acquisition of intangible assets	(3.3)	(10.1)	(2.0)
Acquisition of rights to service under concession arrangement	-	-	(11.0)
Loans to related parties	-	-	-
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	1.8
Loans to related parties		(8.0)	-
Interest received	5.7	8.7	2.6

Statement of cash flows	Consolidated financial statements		
	2019	2020	2021
	MB	MB	MB
Net cash from (used in) investing activities	98.9	(1,129.7)	(1,755.9)
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	-	-	947.2
Repayment of borrowings from financial institutions	735.0	4,864.4	4,365.8
Payment of lease liabilities	(1,036.7)	(3,654.2)	(3,032.1)
Dividends paid to owners of the Company	-	(38.9)	(37.1)
Dividends paid to non-controlling interests	(287.8)	(201.4)	(278.1)
Interest paid	(18.3)	(13.0)	-
Net cash from (used in) financing activities	(10.9)	(33.4)	(59.4)
	(618.7)	908.4	1,906.3
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	(42.7)	397.1	1,071.0
Effect of exchange rate changes on cash and cash equivalents	(0.2)	1.2	23.6
Net increase (decrease) in cash and cash equivalents	(42.9)	398.3	1,094.6
Cash and cash equivalents at 1 January	879.7	836.7	1,235.0
Cash and cash equivalents at 31 December	836.8	1,235.0	2,329.6

Key financial ratio

Key financial ratio	unit	2019	2020	2021
Liquidity Ratio				
Current Ratio	time	1.3	1.2	1.1
Quick Ratio	time	0.9	0.7	0.6
Cash flow liquidity ratio	time	0.3	0.2	0.2
Accounts Receivable Turnover	time	7.7	9.7	8.6
Collection Period	day	47	37	42
Inventory Turnover ^{/1}	Time	14.8	8.4	6.0
Inventory Turnover Period	Day	24	43	60
Accounts Payable Turnover	%	5.0	4.6	3.7
Payment Period	day	73	78	98
Cash Cycle	day	(2)	2	4
Profitability Ratio				
Gross Profit Margin	%	9.9	8.7	7.7
Operating profit margin	%	3.5	3.9	4.2
Other profit margin	%	8.6	1.4	1.1
Cash-to-profit ratio ^{/2}	%	158.7	177.7	141.0
Net profit margin	%	10.0	4.5	4.2
Net profit margin after extra items ^{/3}	%	4.7	4.5	4.2
Return on Equity ^{/4}	%	11.3	12.2	15.4

Key financial ratio	unit	2019	2020	2021
Efficiency ratio				
Return on assets ^{/5}	%	6.7	6.3	6.0
Return on fixed assets ^{/6}	%	25.9	14.2	16.1
Assets turnover ^{/7}	Time	1.4	1.4	1.4
Financial Policy Ratio				
Debt to equity ratio	Time	0.6	1.2	1.8
Interest coverage ratio ^{/7}	Time	35.7	13.9	15.4
Debt service coverage ratio (Cash basis) ^{/8}	Time	0.2	0.1	0.2
Debt service coverage ratio (Cash basis) adjust ^{/9}	Time	0.3	3.8	1.2
Dividend payout ratio	%	72.1	52.9	51.2

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)

5. Other References

5.1 Other References

- (1) Registrar : Thailand Securities Depository Company Limited
Address : 62 The Stock Exchange of Thailand Building Ratchadapisek Road
Klongtoey Bangkok
Telephone No : 02-009-9999
Fax No. : 02-009-9992
- (2) Auditor : KPMG Phoomchai Audit Company Limited
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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
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- (4) Financial advisor : Asia Plus Advisory Company Limited
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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, 2021, 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 Illegal History

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 4

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. The full policies is described at www.sncformer.com.

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.



Whistleblowing & 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: sirote@fispri.org, 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: sirote@fispri.org

- In 2021, 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 3rd November 2021.



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 2019-2021, the Company received an excellent rating (CG 5 stars).

SNC	2021	2020	2019
	90%	92%	93%
	▲▲▲▲▲	▲▲▲▲▲	▲▲▲▲▲

Quality Assessment Program for AGM

In 2021, 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 2021.

Policy for holding directorship in listed companies

The Board of Directors would like to make sure that directors can devote their time to taking care of the company business effectively so directors should not hold directorship position more than 5 listed companies. The detail of holding directorship in listed companies is shown in Attachment 1, and in the website of the Stock Exchange of Thailand (www.set.or.th). Currently there is no director holding directorship more than 5 listed companies.

Director Development Plan

The Company encourages all directors to attend training courses in accordance with the recommendations of the Office of the Securities and Exchange Commission organized by the Thai Institute of Directors Association (IOD) such as Directors Accreditation Program (DAP), Directors Certification Program (DCP), Audit Committee Program (ACP) etc. Currently, most of the company's directors have passed that training course. However, the company secretary will inform in providing additional training courses to all directors includes new directors regularly.

Attending the training for the year 2021

1. Pol.Lt.Gen.Nopsak Poovatanasedj
Training Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)
2. Mr. Somjai Chaopanich
Training Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)
3. Mrs. Chanisa Chutipat
Training Advanced Audit Committee Program (AACP), Thai Institute of Directors Association (IOD)
4. Dr. Apichart Thongyou
Training Directors Certification Program (DCP), Thai Institute of Directors Association (IOD)
5. Miss. Sineenart Thaisanguanvorakul
Training Directors Certification Program (DCP), Thai Institute of Directors Association (IOD)

Orientation for new directors

The Board of Directors requires an orientation for all new directors to create knowledge and understanding of the company's business and operations to prepare for the performance of the directors' duties. At the same time, it has a policy to enhance knowledge and new perspectives to all directors in terms of corporate governance industrial conditions technology business and new innovations to help support the effective performance of the directors. In 2021, there are 4 new directors as follows:

1. Miss. Sineenart Thaisanguanvorakul
2. Dr. Apichart Thongyou
3. Dr. Schitt Laowattana
4. Mr. Lec Sidoravit

Board Meetings

The Board of Directors shall set its meeting schedule in advance each year, the meeting must be held not less than per quarter 1 time per year. In 2021, the Board of Directors meeting were held for 10 times and notified the directors in advance so that each member of the board can manage time to attend the meetings. In case of critical issue, the Company may call for an additional meeting.

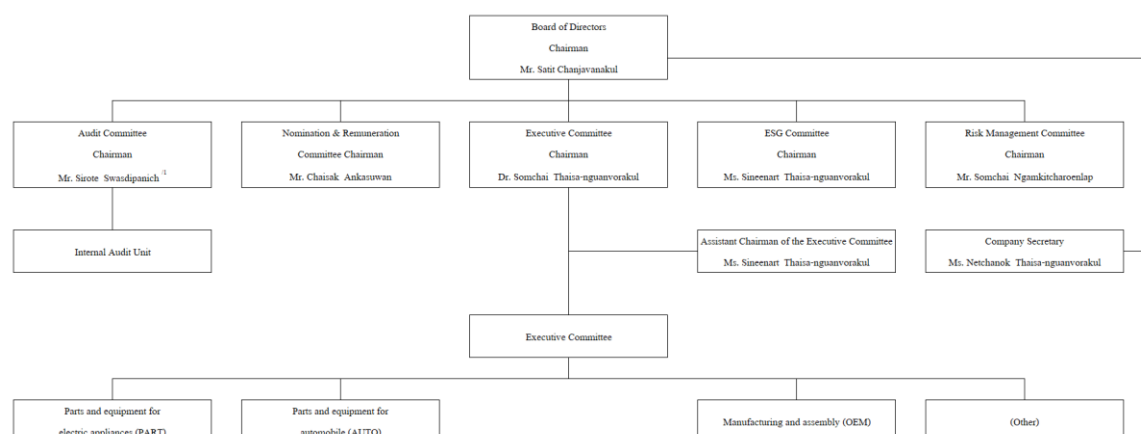
The Company determines the Schedule of 2022 Board of Directors Meeting in advance, as follows:

No.1/2022 Tuesday on January 25, 2022	No.4/2022 Wednesday on May 11, 2022
No.2/2022 Thursday on February 17, 2022	No.5/2022 Friday on August 5, 2022
No.3/2022 Thursday on March 31, 2022	No.6/2022 Friday on November 4, 2022

In addition, the Non-Executive Committee meeting will be held annually, without executive directors. They can discuss any interested topics independently from the executive directors. In the year 2021, a meeting without management was held on January 25, 2022.

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, 2021



¹ Mr. Sirote Swadipanch has been appointed as the Chairman of Audit Committee instead of Mr. Suchat Boonbanjerd Sri since December 20, 2021.

7.2 Board information

7.2.1 Composition of the Board of Directors

As at December 31, 2021, the Company's Board of Directors comprised of 13 directors, included

Independence director: 9 directors (More than one half of the Company's Board of Directors)

Non- executive director: 10 directors (77% 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

No.	Name		Position
4	Mr. Chaisak	Angkasuwan	Independence Director
5	Mrs. Chanisa	Chutipat	Independence Director
6	Pol.Lt.Gen. Maj Nopsak	Poovatanasedj	Independence Director
7	Mr. Sirote	Swasdipanich	Independence Director
8	Mr. Somjai	Chaopanich	Independence Director
9	Dr. Apichart	Thongyou	Independence Director
10	Dr. Schitt	Laowattana	Independence Director
11	Mr. Lec	Sicoravit	Director
12	Mr. Somchai	Ngamkitcharoenlap	Director and Vice Chairman of the Executive Committee
13	Ms. Sineenart	Thaisa-nguanvorakul	Assistant Chairman of the 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 or Ms. Sineenart Thaisa-nguanvorakul totally 2 of 3 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. (<https://www.sncformer.com/th>)

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/th/sustainability/corporate-governance/charter>

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 2021, consisted of:

Name – surname	Position
1. Mr. Sirote Swasdipani ¹	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

¹ Mr. Sirote Swasdipani has been appointed as Chairman of Audit Committee instead of Mr. Suchat Boonbanjerd Sri since December 20, 2021.

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 2021 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 2021 consisted of :

Name – surname	Position
1. Dr. Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee
2. Mr. Somchai Ngamkitcharoenlap	Executive Director
3. Ms. Sineenart Thaisa-nguanvorakul	Assistant Chairman of the Executive Committee
4. Mr. Surachai Chainarong	Senior Managing Director
5. Mr. Rattapoom Nuntapatawee	Senior Managing Director
Ms. Achara Nivongsa	Secretary of the Executive Committee

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 2021 consisted of:

Name – surname	Position
1. Mr. Somchai Ngamkitcharoenlap	Chairman of the Risk Management Committee
2. Mr. Surachai Chainarong	Risk Management Committee
3. Mr. Rattapoom Nuntapatawee	Risk Management Committee
Mr. Pornchai Sirikitpanichkul	Secretary of the Risk Management Committee

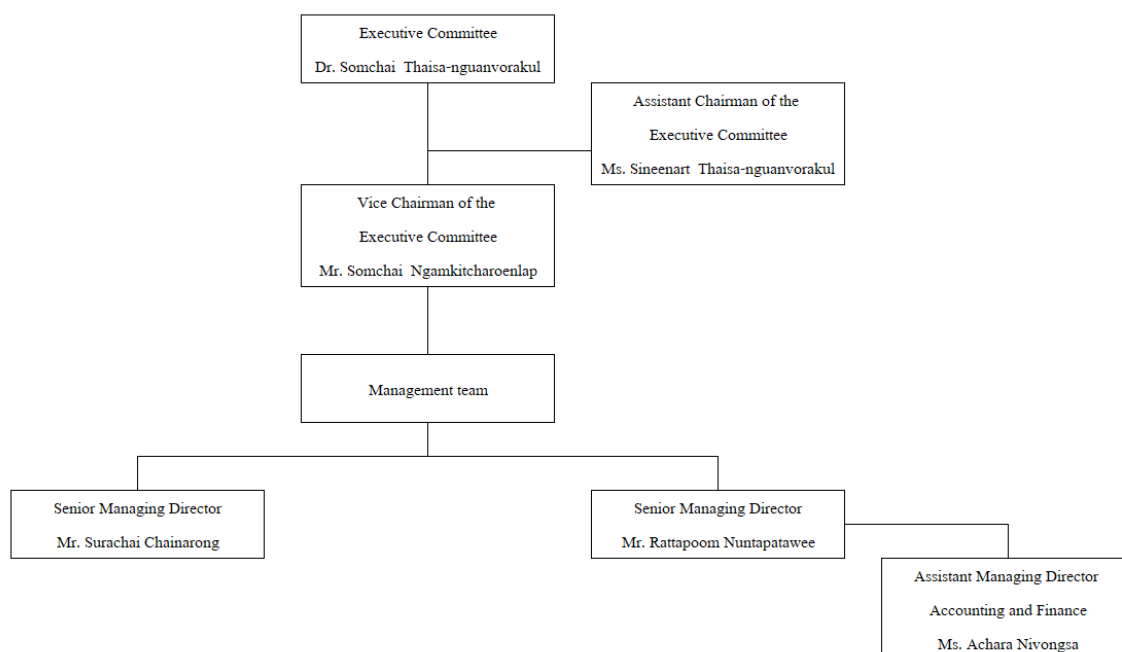
5. Environmental, Social and Governance Committee

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 2021 consisted of:

Name – surname	Position
1. Ms. Sineenart Thaisa-nguanvorakul	Chairman of the ESG Committee
2. Mr. Somchai Ngamkitcharoenlap	ESG Committee
3. Mr. Surachai Chainarong	ESG Committee
Ms. Khanittha Suwannapha	Secretary of the ESG Committee

7.4 Management information

7.4.1 Names and positions of executives



As at December 31, 2021, the Company group comprised of 6 executives as follows:

Name	Position
1. Dr. Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee
2. Mr. Somchai Ngamkitcharoenlap	Vice Chairman of the Executive Committee
3. Ms. Sineenart Thaisa-nguanvorakul	Assistant Chairman of the Executive Committee
4. Mr. Surachai Chainarong	Senior Managing Director
5. Mr. Rattapoom Nuntapatawee	Senior Managing Director
6. Ms. Achara Nivongsa	Assistant Managing Director Accounting and Finance

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	2020 ^{/2}		2021	
	Number (Person)	Compensation (Million Baht)	Number (Person)	Compensation (Million Baht)
Salary and bonus	12	21.5	6	18.7
Other ^{/1}	12	2.5	6	5.3
Total		24.0		24.0

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

^{/2} 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, 2020	During the year		December 31, 2021
			Buy	Sell	
1	Mr. Satit Chanjavanakul	-	-	-	-
	Spouse and underage children	-	-	-	-
2	Dr. Somchai Thaisa-nguanvorakul	16,586,622	4,796	-	16,591,418
	SNC Holding Company Limited	91,000,100	-	-	91,000,100
	Spouse and underage children	1,698,300	-	-	1,698,300
3	Mrs. Chanisa Chutipat	-	-	-	-
	Spouse and underage children	-	-	-	-
4	Mr. Chaisak Ankasuwan	-	-	-	-
	Spouse and underage children	-	-	-	-
5	Mr. Wisan Wuttisaksin	-	-	-	-
	Spouse and underage children	-	-	-	-
6	Pol.Lt.Gen. Nopsak Poovatanasedj	-	-	-	-
	Spouse and underage children	-	-	-	-
7	Mr. Sirote Swasdipanich	-	-	-	-
	Spouse and underage children	-	-	-	-
8	Mr. Somjai Chaopanich	-	-	-	-
	Spouse and underage children	-	-	-	-

	Name	No. of Shares			
		December 31, 2020	During the year		December 31, 2021
			Buy	Sell	
9	Dr. Apichart Thongyou	-	-	-	-
	Spouse and underage children	-	-	-	-
10	Dr. Schitt Laowattana	-	-	-	-
	Spouse and underage children	-	-	-	-
11	Mr. Somchai Ngamkitcharoenlap	-	4,700	-	4,700
	Spouse and underage children	-	-	-	-
12	Ms.Sineenart Thaisa-nguanvorakul	10,026,000	1,795	-	10,027,795
	Spouse and underage children	-	-	-	-
13	Mr. Surachai Chainarong	20,069	3,645	-	23,714
	Spouse and underage children	-	-	-	-
14	Mr.Rattapoom Nuntapatawee	24,422	4,056	-	28,478
	Spouse and underage children	-	-	-	-
15	Ms. Achara Nivongsa	-	33,275	-	33,275
	Spouse and underage children	-	-	-	-

7.5 Personnel

Number of staffs

As at December 31, 2019 - 2021, the staffs of the Company and subsidiaries can be classified by each department as follows:

Department	No. of staffs		
	31 Dec 2019	31 Dec 2020	31 Dec 2021
1. Production	1,404	1,514	2,668
2. Maintenance	32	28	46
3. Marketing	1	-	7
4. Supply Chain	111	90	89
5. Quality Assurance	45	9	23
6. Accounting and Finance	35	25	25
7. Human Resource	33	29	36
8. Technology and Information Management	13	16	19
9. Internal Audit	6	4	6
Total	1,680	1,715	2,919
Outsource	154	484	383
Total	1,834	2,199	3,302

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 2019-2021, the Company and its subsidiaries paid monetary compensation to employees (excluding executives) details as follows:

Employee Compensation (Million Baht)	2019	2020	2021
Salary and Bonus	565.9	457.1	665.3
Others ^{/1}	252.2	333.0	375.5
Total	818.1	790.1	1,040.8

^{/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 employee's 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 : 086-517-0260 or 081-901-0061

E-mail : sineenart@sncformer.com or rattapoom@sncformer.com

Audit Fee

For the fiscal year of 2021, 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	880,000
<u>Direct subsidiaries</u>	
SNC Creativity Anthology Co., Ltd.	600,000
SNC Cooling Supply Co., Ltd.	350,000
Immortal Part Co., Ltd.	350,000
SNC Pyongsan Evolution Co., Ltd.	330,000
Paradise Plastic Co., Ltd.	270,000
SNC Atlantic Heat Pump Co., Ltd.	200,000
Odin Power Co., Ltd.	50,000
<u>Indirect subsidiaries</u>	
Infinity Part Co., Ltd.	300,000
Meisou SNC Precision Co., Ltd.	170,000
Yala Fah saard Co., Ltd.	100,000
SSM Automation Co., Ltd.	50,000
Ultimate Part Co., Ltd.	50,000
Odin Myanmar Co., Ltd.	50,000
Total	3,750,000

Other service fees (Non-Audit Fee)

The Company and its subsidiaries do not receive any other services from the audit firm that the auditor is affiliated with. Person or business related to the auditor and the accounting firm that the auditor is affiliated with* in the past fiscal year

* Persons or businesses related to the auditor and the accounting firm that the auditor is affiliated with, including

1. Spouse and children who are still dependent or dependent on the auditor
2. Entities with power to control the audit firm businesses controlled by the audit firm; and address business under the same control as the audit firm whether directly or indirectly
3. Businesses that are under the material influence of the audit firm
4. Partner or equivalent of the audit firm
5. Spouse and children who are still dependent or dependent on persons under (4)
6. Businesses in which the auditors, persons under (1), (4) or (5) have the power to control or have

significant influence

important whether is it directly or indirectly

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. Nomination 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

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

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

The Board Self-Assessment comprises of 6 topics which are 1) structure and qualification of the Board 2) scope, duty and responsibility of the Board 3) the Board's meeting 4) the Board's duty 5) the relationship with the management 6) the development of the directors and executives.

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

Sub-Committee Assessment

The Board of Directors has set Sub-Committee Assessment annually in addition to the assessment of the entire Board of Directors. The assessment criteria in 2021 are as follows:

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

The summary outcome in 2021

1. Audit Committee was shown that most of the operations were excellent and proper
2. Remuneration and Nomination Committee was shown that most of the operations were excellent and proper
3. Risk Management Committee was shown that most of the operations were excellent and proper
4. ESG Committee was shown that most of the operations were excellent and proper
5. Executive Committee was shown that most of the operations were excellent and proper

Individual sub-committees Assessment

Besides, the Board of Directors has set the Individual sub-committees Assessment annually in addition to the assessment of the entire Board of Directors. The assessment criteria in 2021 are as follows:

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

The result of the assessment in 2021, 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	
	2020	2021
1. Mr. Satit Chanjavanakul	7/7	10/10
2. Mr. Somchai Thaisa-Nguanvorakul	7/7	10/10
3. Mr. Chaisak Ankasuwana	7/7	10/10
4. Mr. Wisan Wuttisaksin	7/7	10/10
5. Pol. Lt. Gen. Nopsak Poovatanasedj	7/7	10/10
6. Mr. Sirote Swasdipanich	5/5	10/10
7. Mrs. Chanisa Chutipat	6/7	10/10
8. Mr. Somjai Chaopanich	4/4	10/10
9. Dr. Apichart Thongyou ^{/2}	-	4/4
10. Dr. Schitt Laowattana ^{/3}	-	4/4
11. Mr. Lec Sidoravit ^{/4}	-	-
12. Mr. Somchai Ngamkitcharoenlap	3/3	10/10
13. Ms. Sineenart Thaisa-nguanvorakul ^{/1}	-	10/10
Ms. Netchanok Thaisa-Nguanvorakul		Company Secretary

^{/1} Ms. Sineenart Thaisa-nguanvorakul has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.1/2021 on January 26, 2021.

^{/2} Dr. Apichart Thongyou has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.2/2021 on June 14, 2021.

^{/3} Dr. Schitt Laowattana has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.2/2021 on June 14, 2021.

^{/4} Mr. Lec Sidoravit has been appointed as a director from the Board of Directors Meeting No. 10/2021 on December 20, 2021.

The Board of Directors' structure consists of 9 independent directors from a total of 13 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 2021 Annual General Meeting of Shareholders held on March 31, 2021, set the remuneration policy to the Board of Directors, Audit Committee, and the Nomination and Remuneration Committee as follows:

Position	2020 (Baht)		2021 (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	-
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 2021 in monetary as detailed below.

List of Directors	2021 (Baht)					Total
	Director	Audit Committee	Nomination and Remuneration Committee ^{/4}	Risk Management Committee	Environmental, Social, and Governance Committee	
1. Mr. Satit Chanjavanakul	860,000	-	-	-	-	860,000
2. Mr. Somchai Thaisa-nguanvorakul	35,000	-	-	-	-	35,000
3. Mr. Wisan Wuttisaksin	430,000	-	20,000	-	-	450,000
4. Pol. Lt. Gen. Nopsak Poovatatanasedj	430,000	-	20,000	-	-	450,000
5. Mr. Suchat Boonbanjersri ^{/4}	370,000	80,000	-	-	-	450,000
6. Mr. Chaisak Ankasuwan	430,000	40,000	40,000	-	-	510,000
7. Mrs. Chanisa Chutipat	430,000	40,000	-	-	-	470,000
8. Mr. Sirote Swasdipanich	430,000	-	-	-	-	430,000
9. Mr. Somjai Chaopanich	430,000	-	-	-	-	430,000
10. Dr. Apichart Thongyou ^{/2}	230,000	-	-	-	-	230,000
11. Dr. Schitt Laowattana ^{/3}	230,000	-	-	-	-	230,000
12. Mr. Somchai Ngamkitcharoenlap	35,000	-	-	-	-	35,000
13. Ms. Sineenart Thaisa-nguanvorakul ^{/1}	30,000	-	-	-	-	30,000
Total	4,370,000	160,000	80,000	-	-	4,610,000

^{/1} Ms. Sineenart Thaisa-nguanvorakul has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.1/2021 on January 26, 2021.

^{/2} Dr. Apichart Thongyou has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.2/2021 on June 14, 2021.

^{/3} Dr. Schitt Laowattana has been appointed as a director at in the Annual Extraordinary Meeting of Shareholders No.2/2021 on June 14, 2021.

^{/4} Mr. Suchat Boonbanjersri has resigned from Director Company effective from November 6, 2021.

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 2021 the company examined the and no conflicts of interest.

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. The whole version of the policy has been disclosed on the company website <https://www.sncformer.com/th/sustainability/corporate-governance/company-policy>.

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.

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:

7. The Chairman of the Board's Email: satit.ck@gmail.com, or
8. The Chairman of the Executive Board's Email: somchai@sncformer.com, or
9. The Chairman of the Audit Committee's Email: sirote@fispri.org, or
10. The Company website: <http://www.sncformer.com> (Whistleblowing), or
11. Telephone number: 02-108-0360-66 (Public Relations Department/Company Secretary), or
12. 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.

The whole version of the policy has been disclosed on the company website

<https://www.sncformer.com/th/sustainability/corporate-governance/company-policy>

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, 2021.



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	
		2020	2021
1. Mr. Suchat Boonbanjerd Sri	Chairman of the Audit Committee (Resigned from the position 6/11/21)	4/4	4/4
2. Mr. Sirote Swasdipani	Chairman of the Audit Committee (Take the position 20/12/21)	-	-
3. Mr. Chaisak Ankasuwan	Audit Committee	4/4	4/4
4. Mrs. Chanisa Chutipat	Audit Committee	3/4	4/4

Mr. Pornchai Sirikijpanichkul is 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 2021 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 been certified as a member of the Private Sector Collective Action against Corruption (CAC) on September 30, 2021. 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 2021 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. Sirote Swasdipanich is the Chairman of the Audit Committee, Mr.Chaisak Ankasuwan and Mrs. Chanisa Chutipat are 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 2021, 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 2021 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 regarding the policies of the Collective Action Coalition Against Corruption Committee (CAC) which the company has been certified as a member of the Private Sector Collective Action against Corruption (CAC) on September 30, 2021. Also, to ensure that the company had optimal control system in protecting against fraud & corruption risks.
7. The Audit Committee followed up the operation of year 2021 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. Sirote Swasdipanich)

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 2020	Y 2021
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 Phuwananaset	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 2020	Y 2021
1. Mr.Somchai Thaisa-nguanvorakul	Chairman of Executive Committee	11/11	9/9
2. Mr.Somchai Ngamkitcharoenlarp	Director of Executive Committee	7/7	9/9
3. Ms.Sineenart Thaisa-nguanvorakul	Director of Executive Committee	-	9/9

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

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 2020	Y 2021
1. Mr.Somchai Ngamkitcharoenlarp	Chairman of Risk Management Committee	1/1	4/4
2. Ms.Sineenart Thaisa-nguanvorakul	Director of Risk Management	2/2	4/4

Mr. Pornchai Sirikijpanichakool as secretary of the risk management committee

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 2020	Y 2021
1. Miss Sineenart Thaisanguanvorakul	Chairman of ESG Committee	-	3/3
2. Mr.Somchai Ngamkitcharoenlarp	Director of ESG Committee	-	3/3

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

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 Phu wattanaset | 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 2021, 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 1 November 2021 and 1 February 2022.



(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 2021, the Executive Committee had 9 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 2021, Risk Management Committee had 4 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 2021, ESG 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. 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. As the implementation of SAP system (instead of the Express system), Infinity Parts Co., Ltd. found that the cost of inventory amount of Baht 1.5 million which was higher than the actual cost. The company increased value of allowance for decline in value of inventories.	Low	Resolved by reducing the cost of inventories amount of Baht 1.5 million instead of increasing the allowance for decline in value of inventories. Status: The action has been taken.
2. From the inventory count at year end 2021, Immortal Parts Co., Ltd. has reduced the work in process in the system by increasing the allowance for decline in value of inventories.	Low	Resolved by reducing the cost of inventories (work in process) instead of increasing the allowance for decline in value of inventories. Status: The action has been taken.
3. Some unauthorized employee received the authorization to access the Bill of Material (CS01 and CS02)	Moderate	1. Properly assign the accessibility to the authorized person. 2. Assign the supervisor to regularly review user code status to ensure that operators have the appropriate rights to perform their duties. Status: The action has been taken.
4. The written procedures has not been updated in consistent with the current work, such as the process of preparing the employment contract through the online system / contract change / contract renewal for employees.	Moderate	Resolved: To update the written procedure in consistent with the actual operating process. Status: Pending (To be completed by March 31, 2022)

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 2021
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of SNC Former Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SNC Former Public Company Limited and its subsidiaries (the "Group") and of SNC Former Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021 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.

Morisa

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 inventories	
Refer to notes 3(g) and 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group's inventories are measured at the lower of cost and net realisable value. The Group manufactures parts for automobile and electric appliances. As the industry's sales volumes are highly depends on the production of the manufacturers in the automobile and electric appliances industries, high competition in determining of selling prices, fluctuation of raw materials price, and the current economic conditions, there is the risk that inventories may be slow-moving, long-outstanding and obsolescence and, the cost of inventory may be stated above its net realisable value.</p> <p>Because inventories are material to the financial statements and the estimation of allowance for decline in value of inventories involved management's judgement. I considered this as a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the Group's policies and procedures relating to estimation of allowance for decline in value of inventories and considering the Group's compliance with the policies; • Testing on sampling basis, the calculation of inventory aging in the inventory aging report with supporting documents; • Evaluating the reasonableness of assumptions the Group applied in estimating allowance for decline in value of obsolescence and slow-moving inventories; • Testing on sampling basis, the net realisable value, including costs necessary to make the sale with relevant sales document, testing calculation; • Considering the reasonableness of historical accuracy of the allowance for decline in value of inventories for evaluating the appropriateness of the assumptions applied in the current year; and • 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.

Mariza

- 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 2022

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
Current assets					
Cash and cash equivalents	6	2,329,561,282	1,235,026,360	305,242,042	183,456,044
Trade accounts receivable	5, 7	2,560,707,134	1,003,328,393	65,595,780	51,230,013
Other receivables	5	96,230,413	96,563,076	27,688,295	5,890,898
Short-term loans to related parties	5	25,632,653	27,432,653	55,632,653	1,364,140,165
Inventories	8	3,361,017,959	1,408,244,049	17,367,006	14,066,208
Other current assets	9	158,892,848	116,587,386	451,833	355,060
Total current assets		8,532,042,289	3,887,181,917	471,977,609	1,619,138,388
Non-current assets					
Other non-current financial assets	27	31,342,024	28,486,872	31,342,024	28,486,872
Investments in subsidiaries	11	-	-	3,721,395,641	1,586,394,141
Investments in associate	10	-	-	-	-
Investment properties	12, 18	41,928,389	226,754,798	-	-
Property, plant and equipment	13, 18	4,912,037,425	3,174,361,176	188,580,309	184,331,147
Right-of-use assets	15	244,677,289	294,403,238	42,953,006	48,322,132
Intangible assets	16	44,975,475	53,333,062	18,327,057	20,040,591
Rights to service under concession arrangement	14	35,832,469	-	-	-
Deferred tax assets	24	36,356,289	50,765,113	7,522,270	6,345,992
Non-current financial assets pledged					
as collateral	18	5,000,000	5,000,000	-	-
Other non-current assets	17	62,547,589	49,458,078	13,044,414	8,501,500
Total non-current assets		5,414,696,949	3,882,562,337	4,023,164,721	1,882,422,375
Total assets		13,946,739,238	7,769,744,254	4,495,142,330	3,501,560,763

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 statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Current liabilities					
Short-term borrowings from financial institutions	18	1,535,054,087	710,000,000	720,000,000	710,000,000
Trade and other payables	5	5,504,391,302	2,249,933,896	89,779,909	77,207,045
Current portion of deferred income		2,187,810	2,187,810	-	-
Accounts payable - acquisition of assets		189,641,599	44,698,944	3,344,720	1,184,009
Short-term loans from related parties	5, 18	-	-	100,000,000	-
Current portion of long-term borrowings from financial institutions	18	278,641,103	202,179,383	-	-
Current portion of lease liabilities	18, 27	27,522,002	28,355,938	4,793,158	4,594,062
Current income tax payable		41,966,208	28,697,151	-	8,147,993
Other current financial liability	27	558,590	925,555	-	-
Other current liabilities		15,148,689	10,575,903	1,845,646	1,112,222
Total current liabilities		7,595,111,390	3,277,554,580	919,763,433	802,245,331
Non-current liabilities					
Other non-current payables	14	7,379,857	-	-	-
Deferred income		43,756,217	45,944,018	-	-
Non- current accounts payable - acquisition of assets		127,849,569	-	-	-
Long-term borrowings from financial institutions	18	976,456,723	544,949,187	-	-
Lease liabilities	18, 27	230,131,238	272,683,619	39,900,801	44,693,960
Provisions for employee benefits	19	55,355,015	50,435,361	9,452,504	8,502,217
Total non-current liabilities		1,440,928,619	914,012,185	49,353,305	53,196,177
Total liabilities		9,036,040,009	4,191,566,765	969,116,738	855,441,508

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	2021	2020	2021	2020
		(in Baht)			
Equity					
Share capital:	20				
Authorised share capital		400,000,000	287,777,339	400,000,000	287,777,339
Issued and paid-up share capital		362,220,339	287,777,339	362,220,339	287,777,339
Share premium on ordinary shares	20	2,086,386,465	1,213,596,360	2,086,386,465	1,213,596,360
Other surpluses		11,079,536	12,124,121	-	-
Retained earnings					
Appropriated					
Legal reserve	21	96,081,087	75,697,824	50,523,587	30,140,324
Unappropriated		2,235,769,558	1,897,887,991	1,033,021,582	1,119,015,734
Other components of equity		(6,126,381)	(4,410,502)	(6,126,381)	(4,410,502)
Equity attributable to owners					
of the parent		4,785,410,604	3,482,673,133	3,526,025,592	2,646,119,255
Non-controlling interests		125,288,625	95,504,356	-	-
Total equity		4,910,699,229	3,578,177,489	3,526,025,592	2,646,119,255
Total liabilities and equity		13,946,739,238	7,769,744,254	4,495,142,330	3,501,560,763

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	2021	2020	2021	2020
		(in Baht)			
Continuing operations					
Revenue from sales of goods and rendering of services	22	15,397,750,021	8,960,518,324	407,025,439	349,934,410
Cost of sales of goods and rendering of services	8	(14,197,582,285)	(8,166,207,388)	(345,672,532)	(287,724,749)
Gross profit		1,200,167,736	794,310,936	61,352,907	62,209,661
Interest income		2,567,307	8,356,796	32,674,577	76,697,870
Other income		162,807,357	119,841,073	3,868,397	12,217,602
Dividend income from subsidiaries	11	-	-	180,000,000	171,962,667
Distribution costs		(212,569,887)	(158,110,728)	(13,346,437)	(11,138,120)
Administrative expenses		(303,982,844)	(257,770,319)	(21,969,417)	(25,005,573)
Direct expenses arising from investment properties		(1,698,273)	(1,616,792)	-	-
Directors and management benefit expenses	6	(28,847,266)	(28,794,755)	(1,672,149)	(1,180,378)
Profit from operating activities		818,444,130	476,216,211	240,907,878	285,763,729
Finance costs		(70,621,279)	(48,700,905)	(25,873,001)	(21,549,071)
Share of loss of associate accounted for using equity method	10	-	(4,217,669)	-	-
Profit before income tax expense		747,822,851	423,297,637	215,034,877	264,214,658
Tax expense	24	(97,730,974)	(10,679,255)	(2,558,403)	(11,251,999)
Profit for the year		650,091,877	412,618,382	212,476,474	252,962,659
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Loss on investments in equity instruments designated at FVOCI		(2,144,849)	(2,125,899)	(2,144,849)	(2,125,899)
Gain (loss) on remeasurements of defined benefit plans	19	-	2,194,819	-	(1,980,243)
Income tax relating to items that will not be reclassified	24	428,970	(13,784)	428,970	821,228
Other comprehensive income for the year, net of tax		(1,715,879)	55,136	(1,715,879)	(3,284,914)
Total comprehensive income for the year		648,375,998	412,673,518	210,760,595	249,677,745

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	2021	2020	2021	2020
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		636,352,193	407,665,268	212,476,474	252,962,659
Non-controlling interests		<u>13,739,684</u>	<u>4,953,114</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>650,091,877</u>	<u>412,618,382</u>	<u>212,476,474</u>	<u>252,962,659</u>
Total comprehensive income attributable to:					
Owners of the parent		634,636,314	407,714,317	210,760,595	249,677,745
Non-controlling interests		<u>13,739,684</u>	<u>4,959,201</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>648,375,998</u>	<u>412,673,518</u>	<u>210,760,595</u>	<u>249,677,745</u>
Basic earnings per share	25	<u>2.02</u>	<u>1.42</u>	<u>0.67</u>	<u>0.88</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								
		Retained earnings				Other components of equity				
	Note	Issued and paid-up share capital	Share premium	Other surpluses (deficits)	Legal reserve	Unappropriated (in Baht)	Fair value reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2020										
Balance at 1 January 2020		287,777,339	1,213,596,360	(41,340,716)	75,697,824	1,689,917,022	(2,709,783)	3,222,938,046	172,112,477	3,395,050,523
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Dividends	26	-	-	-	-	(201,444,067)	-	(201,444,067)	(12,987,333)	(214,431,400)
Total contributions by and distributions to owners of the parent		-	-	-	-	(201,444,067)	-	(201,444,067)	(12,987,333)	(214,431,400)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control		-	-	53,464,837	-	-	-	53,464,837	(68,579,989)	(15,115,152)
Total changes in ownership interests in subsidiaries		-	-	53,464,837	-	-	-	53,464,837	(68,579,989)	(15,115,152)
Total transactions with owners, recorded directly in equity		-	-	53,464,837	-	(201,444,067)	-	(147,979,230)	(81,567,322)	(229,546,552)
Comprehensive income for the year										
Profit		-	-	-	-	407,665,268	-	407,665,268	4,953,114	412,618,382
Other comprehensive income		-	-	-	-	1,749,768	(1,700,719)	49,049	6,087	55,136
Total comprehensive income for the year		-	-	-	-	409,415,036	(1,700,719)	407,714,317	4,959,201	412,673,518
Balance at 31 December 2020		287,777,339	1,213,596,360	12,124,121	75,697,824	1,897,887,991	(4,410,502)	3,482,673,133	95,504,356	3,578,177,489

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	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Note	Issued and paid-up share capital	Share premium	Other surpluses (deficits)	Legal reserve	Unappropriated (in Baht)	Fair value reserve			
Year ended 31 December 2021										
Balance at 1 January 2021		287,777,339	1,213,596,360	12,124,121	75,697,824	1,897,887,991	(4,410,502)	3,482,673,133	95,504,356	3,578,177,489
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Issue of ordinary shares	20	74,443,000	872,790,105	-	-	-	-	947,233,105	-	947,233,105
Dividends	26	-	-	-	-	(278,087,363)	-	(278,087,363)	-	(278,087,363)
Total contributions by and distributions to owners of the parent		74,443,000	872,790,105	-	-	(278,087,363)	-	669,145,742	-	669,145,742
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control		-	-	(1,044,585)	-	-	-	(1,044,585)	16,044,585	15,000,000
Total changes in ownership interests in subsidiaries		-	-	(1,044,585)	-	-	-	(1,044,585)	16,044,585	15,000,000
Total transactions with owners, recorded directly in equity		74,443,000	872,790,105	(1,044,585)	-	(278,087,363)	-	668,101,157	16,044,585	684,145,742
Comprehensive income for the year										
Profit		-	-	-	-	636,352,193	-	636,352,193	13,739,684	650,091,877
Other comprehensive income		-	-	-	-	-	(1,715,879)	(1,715,879)	-	(1,715,879)
Total comprehensive income for the year		-	-	-	-	636,352,193	(1,715,879)	634,636,314	13,739,684	648,375,998
Transfer to legal reserve		-	-	-	20,383,263	(20,383,263)	-	-	-	-
Balance at 31 December 2021		362,220,339	2,086,386,465	11,079,536	96,081,087	2,235,769,558	(6,126,381)	4,785,410,604	125,288,625	4,910,699,229

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	
				Retained earnings		of equity	
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value reserve	Total equity
(in Baht)							
Year ended 31 December 2020							
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 changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Fair value reserve	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
				(in Baht)			
Year ended 31 December 2021							
Balance at 1 January 2021		287,777,339	1,213,596,360	30,140,324	1,119,015,734	(4,410,502)	2,646,119,255
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	20	74,443,000	872,790,105	-	-	-	947,233,105
Dividends	26	-	-	-	(278,087,363)	-	(278,087,363)
Total contributions by and distributions to owners		74,443,000	872,790,105	-	(278,087,363)	-	669,145,742
Comprehensive income for the year							
Profit		-	-	-	212,476,474	-	212,476,474
Other comprehensive income		-	-	-	-	(1,715,879)	(1,715,879)
Total comprehensive income for the year		-	-	-	212,476,474	(1,715,879)	210,760,595
Transfer of legal reserve		-	-	20,383,263	(20,383,263)	-	-
Balance at 31 December 2021		362,220,339	2,086,386,465	50,523,587	1,033,021,582	(6,126,381)	3,526,025,592

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	
	Note	2021	2020	2021	2020
		(in Baht)			
Cash flows from operating activities					
Profit for the year		650,091,877	412,618,382	212,476,474	252,962,659
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	24	97,730,974	10,679,255	2,558,403	11,251,999
Finance costs		70,621,279	48,700,905	25,873,001	21,549,071
Depreciation of investment properties	12	1,688,692	1,693,497	-	-
Depreciation of property, plant and equipment	13	457,740,444	377,731,059	24,034,463	26,876,752
Depreciation of right-of-use assets	15	30,906,514	32,219,773	5,369,126	5,369,126
Amortisation of intangible assets	16	10,392,903	9,623,452	2,428,534	1,359,370
(Reversal of) provision for employee benefit	19	5,681,214	(15,868,378)	950,287	(1,705,429)
Unrealised gain on foreign exchange		(10,580,328)	(2,117,730)	-	-
Unrealised (gain) loss on forward exchange contract		(366,965)	925,555	-	-
Share of loss of associate accounted for using equity method, net of tax	10	-	4,217,669	-	-
(Reversal of) Impairment loss recognised in profit or loss	7	(15,086)	376,640	-	-
(Reversal of) losses on inventories devaluation	8	84,044,948	6,995,316	368,028	(421,129)
(Gain) losses on disposal of property, plant and equipment		(1,066,400)	137,564	(18,747)	603
Loss on written-off of property, plant and equipment		5,383,690	4,394,166	-	-
Loss on written-off of intangible assets		-	15,336	-	-
Difference arising from rent concession	15	(2,997,261)	162,492	-	-
Dividend income	11	-	-	(180,000,000)	(171,962,667)
Interest income		(2,567,307)	(8,356,796)	(32,674,577)	(76,697,870)
		1,396,689,188	884,148,157	61,364,992	68,582,485

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	
Note	2021	2020	2021	2020
	(in Baht)			
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(1,553,063,739)	(156,762,569)	(14,365,767)	8,472,641
Other receivables	(1,005,330)	(57,671,698)	(25,178,089)	9,789,498
Inventories	(2,036,818,858)	(868,321,236)	(3,668,826)	(4,267,971)
Other current assets	(42,305,462)	17,691,138	(96,773)	(86,962)
Non-current financial assets pledged as collateral	-	(5,000,000)	-	-
Other non-current assets	(13,089,511)	(36,566,126)	(4,542,914)	-
Trade and other payables	3,238,152,371	961,717,375	12,074,535	(14,557,143)
Employee benefits paid	(761,560)	(10,012,099)	-	(2,792,453)
Other current liabilities	4,572,786	(2,707,968)	733,424	(1,543,180)
Deferred income	(2,187,801)	(10,480,351)	-	-
Other non-current liabilities	-	(4,426,452)	-	-
Net cash generated from operating	990,182,084	711,608,171	26,320,582	63,596,915
Tax paid	(69,624,123)	(93,161,525)	(11,453,704)	(83,134,069)
Net cash from (used in) operating activities	920,557,961	618,446,646	14,866,878	(19,537,154)
<i>Cash flows from investing activities</i>				
Acquisition of shares increasing in subsidiaries	11	-	-	(2,135,001,500)
Proceeds from increasing in share capital of non-controlling	11	15,000,000	-	-
Proceeds from acquisition of a subsidiaries	11	-	-	(401,085,000)
Acquisition of non-marketable equity securities		(5,000,000)	(7,500,000)	(5,000,000)
Acquisition of investment properties		-	(148,658,250)	-
Proceeds from sale of property, plant and equipment		2,206,339	2,601,472	290,000
Acquisition of property, plant and equipment		(1,759,425,052)	(974,691,766)	(26,394,168)
Acquisition of intangible assets		(2,035,334)	(10,142,700)	(715,000)
Acquisition of rights to service under concession arrangement	14	(11,038,168)	-	-
Short-term loan to other party		-	(63,000,000)	-
Proceeds from repayment of short-term loan to other party		-	63,000,000	-
Proceeds from repayment of loans to related parties	5	1,800,000	8,000,000	1,628,507,512
Loans to related parties	5	-	(8,000,000)	(320,000,000)
Dividend income	11	-	-	180,000,000
Interest received		2,571,740	8,727,353	36,055,269
Net cash used in investing activities		(1,755,920,475)	(1,129,663,891)	(642,257,887)
Net cash from (used in) operating activities		920,557,961	618,446,646	14,866,878
Net cash from (used in) investing activities		(1,755,920,475)	(1,129,663,891)	(211,855,554)

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	
		2021	2020	2021	2020
	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 issue of shares, net of relating direct expenses	20	947,233,105	-	947,233,105	-
Proceeds from borrowings from financial institutions		4,365,794,825	4,864,362,092	2,800,000,000	4,079,000,000
Repayment of borrowings from financial institutions		(3,032,147,445)	(3,654,226,667)	(2,790,000,000)	(3,523,000,000)
Payment of lease liabilities		(37,102,894)	(38,855,000)	(6,600,000)	(6,600,000)
Proceeds from loans from related parties		-	-	430,000,000	-
Repayment of loans from related parties		-	-	(330,000,000)	-
Dividends paid to owners of the Company	26	(278,087,363)	(201,444,067)	(278,087,363)	(201,444,067)
Dividends paid to non-controlling interests		-	(12,987,333)	-	-
Interest paid		(59,385,256)	(33,446,683)	(23,368,735)	(17,871,869)
Net cash from financing activities		1,906,304,972	908,287,190	749,177,007	330,084,064
Net increase in cash and cash equivalents,					
before effect of exchange rate changes		1,070,942,458	397,069,945	121,785,998	98,691,356
Effect of exchange rate changes on cash and cash equivalents		23,592,464	1,188,600	-	-
Net increase in cash and cash equivalents		1,094,534,922	398,258,545	121,785,998	98,691,356
Cash and cash equivalents at 1 January		1,235,026,360	836,767,815	183,456,044	84,764,688
Cash and cash equivalents at 31 December		2,329,561,282	1,235,026,360	305,242,042	183,456,044
Non-cash transactions					
Liabilities from construction of plant and purchase of equipment		175,187,915	29,828,815	260,600	-
Transfer other receivables to rights to service under					
concession arrangement		1,333,110	-	-	-
Transfer investment properties to property, plant and equipment		183,137,718	130,209,780	-	-
Transfer property, plant and equipment to rights to service					
under concession arrangement		11,923,521	-	-	-
Transfer property, plant and equipment to inventories		13,272,000	-	4,172,000	-
Changes in right-of-use assets		17,658,883	327,337,999	-	53,691,258
Changes in lease liabilities		18,819,435	327,337,999	-	53,691,258
Changes in rights to service under concession arrangement		4,157,813	-	-	-

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

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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 2022.

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 (25.12% shareholding), incorporated in Thailand and Kittanamongkolchai family group (12.2% shareholding).

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 2021 and 2020 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 2021. The initial application of these new and revised TFRS has no material impact on the financial statements in the period of initial application.

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.

(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.

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(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 3(l) and 15	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 4	Impact of COVID-19 Outbreak.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2021 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 3(f)	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;
Note 3(g) and 8	Measurement of valuation of inventories;
Note 3(l)	Determining the incremental borrowing rate to measure lease liabilities;
Note 4	Impact of COVID-19;
Note 10	Impairment test: key assumptions underlying recoverable amount;
Note 19	Measurement of defined benefit obligations: key actuarial assumptions;
Note 27	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Significant accounting policies

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

(a) Basis of consolidation

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

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.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition [or disposal] of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders’ equity.

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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.

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

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

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 are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) *Financial instruments*

(d.1) *Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivables (see note 3 (l)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

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

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On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk as 12-month ECLs.

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 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.

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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.

(d.5) Write offs

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.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. 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 complete and to make the sale.

(h) Investment properties

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. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and recognised in profit or loss.

Buildings

15 - 30 years

No depreciation charged on freehold land.

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Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

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

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Differences between the proceeds from disposal and the carrying amount of property, plant and equipment 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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvement	5 - 30 years
Buildings	20 - 30 years
Building improvement	5 - 30 years
Machinery, tool and equipment	5 - 20 years
Office equipment	5 years
Vehicles	5 years

(j) Rights to service under concession arrangement

Rights to service under concession arrangement is right derived from service concession arrangements for waste-to-energy plant construction and management from the government. Amortisation of rights to service under concession arrangement is calculated on a straight-line basis over the concession arrangement for a period 20 years and recognised in profit or loss.

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Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it, operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates that services that the operator must provide with the infrastructure, to whom it must provide them, and service fee and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it, operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates that services that the operator must provide with the infrastructure, to whom it must provide them, and service fee and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the Group as the operator provides construction or upgrade services, revenue and costs relating to construction or upgrade services shall be accounted for based on the stage of completion on the construction contract. The consideration received or receivable by the operator shall be recognised at its fair value of a financial asset or an intangible asset.

The Group shall recognise financial assets to extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. Revenue and costs relating to operation services shall be recognised when service is provided by reference to the contract term.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognised and measured at the best estimate of expenditure that would be required to settle the present obligation at the end of the reporting period.

Currently, the Group has service concession arrangements recognised rights to service under concession arrangement as intangible assets.

(k) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licenses	5 - 10 years
Production licenses	10 years

(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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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.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate] to discount the lease payments to the present value. 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

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.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

(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.

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An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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.

(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 by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually 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.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted

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.

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(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.

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

- Level 1: quoted prices 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.

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability 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, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(r) Revenue from contracts with customers

Revenue recognition

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.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. [For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

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) 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.

(t) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of 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 temporary differences: 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 to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

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.

(v) 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.

(w) 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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4 Impact of COVID-19 Outbreak

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Due to uncertainty of the situation in 2020, the Group applied accounting guidance on *temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19* in preparing the financial statements for the year ended 31 December 2020 by excluding COVID-19 situation in *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 and associate, and property, plant and equipment. As the accounting guidance already expired on 31 December 2020 and has no material impact on the financial statements. The Group has not adjusted the value of assets in 2021.

5 Related parties

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

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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	12,885	170
Purchases of goods	-	-	12,539	30,978
Receiving of services	-	-	1,508	103
Rendering services	-	-	907	28
Sales of machinery and equipment	-	-	290	-
Purchases of machinery and equipment	-	-	1,852	-
Interest income	-	-	31,193	72,093
Interest expense	-	-	3,081	-
Dividend income	-	-	180,000	171,963
Associate				
Sales of goods	1,058	2,459	-	-
Rendering of services	12,374	10,186	-	-
Receiving of services	1,764	3,030	-	-
Rental income	6,600	6,600	-	-
Interest income	988	1,338	988	1,338
Directors and management				
Directors and management benefit expenses				
Short-term benefits	28,225	28,226	1,654	951
Post-employment benefits	622	569	18	229
Total directors and management benefit expenses	<u>28,847</u>	<u>28,795</u>	<u>1,672</u>	<u>1,180</u>

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	7,731	18
Associate	118	193	-	-
	118	193	7,731	18
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	118	193	7,731	18
<i>Other receivables</i>				
Subsidiaries	-	-	19,186	5,595
Associate	2,538	2,370	-	-
	2,538	2,370	19,186	5,595
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	2,538	2,370	19,186	5,595
<i>Loans to</i>				
Subsidiaries	-	-	49,605	1,356,312
Associate	25,633	27,433	25,633	27,433
	25,633	27,433	75,238	1,383,745
<i>Less allowance for expected credit loss</i>	-	-	(19,605)	(19,605)
Net	25,633	27,433	55,633	1,364,140
<i>Trade accounts payable</i>				
Subsidiaries	-	-	781	1,656
Total	-	-	781	1,656
<i>Other payables</i>				
Subsidiaries	-	-	831	511
Associate	310	302	-	-
Total	310	302	831	511
<i>Loans from</i>				
Subsidiaries	-	-	100,000	-
Total	-	-	100,000	-

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	275	433	58	12
Cash at banks	2,187,078	1,089,772	305,184	183,444
Highly liquid short-term investments	142,208	144,821	-	-
Total	2,329,561	1,235,026	305,242	183,456

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7 Trade accounts receivable

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
			<i>(in thousand Baht)</i>	
Not due yet*	2,307,251	990,030	65,596	51,126
Overdue**				
1 – 30 days	247,154	5,021	-	-
31 – 60 days	1,320	11	-	-
61 – 90 days	896	48	-	-
More than 90 days	4,447	8,594	-	104
Total	2,561,068	1,003,704	65,596	51,230
<i>Less allowance for expected credit loss</i>	<i>(361)</i>	<i>(376)</i>	<i>-</i>	<i>-</i>
Net	2,560,707	1,003,328	65,596	51,230

<i>Allowance for expected credit loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
			<i>(in thousand Baht)</i>	
As at 1 January	376	-	-	-
Increase	-	376	-	-
Reverse	(15)	-	-	-
As at 31 December	361	376	-	-

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

Information about the exposure to credit risk was disclose in note 27 (b.1).

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
			<i>(in thousand Baht)</i>	
Finished goods	1,577,721	298,542	10,196	7,365
Work in progress	367,153	146,235	653	646
Raw materials	775,825	339,255	6,705	6,032
Factory supplies	43,738	31,982	458	300
Goods in transit	710,385	621,989	-	-
	3,474,822	1,438,003	18,012	14,343
<i>Less : allowance for decline in value of inventories</i>	<i>(113,804)</i>	<i>(29,759)</i>	<i>(645)</i>	<i>(277)</i>
Net	3,361,018	1,408,244	17,367	14,066

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	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Inventories recognised in ‘cost of sales of goods’:				
- Cost	14,113,537	8,159,211	345,305	288,146
- Write-down to net realisable value	84,045	6,996	368	-
- Reversal of write-down	-	-	-	(421)
Net	14,197,582	8,166,207	345,673	287,725

9 Other current assets

	Consolidated financial statements		Separate 37 financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Revenue department receivable	144,563	103,767	-	-
Withholding tax	191	2,245	-	-
Import customs clearance receivable	3,329	3,146	-	-
Others	10,810	7,429	452	355
Total	158,893	116,587	452	355

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10 Investments in associate

		Consolidated financial statements											
	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend Income for the year			
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
		(%)		(in thousand Baht)									
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	27,300	-	-	-	-		
Total						27,300	27,300	-	-	-	-		

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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend Income for the year	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)		(in thousand Baht)									
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.

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 2021, the Group's cumulative share of unrecognised losses was Baht 29.29 million (*31 December 2020: Baht 10.10 million*), of which Baht 19.19 million were the Group's share of losses for the year (*2020: Baht 14.32 million*). The Group has no obligation in respect of these losses.

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. The Group has fully impairment of investment in associate in 2019.

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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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)						(in thousand Baht)					
Direct subsidiaries													
SNC Pyongsan Evolution Co., Ltd.	Manufacturing of cooling parts and manufacturing and assembly of cooling machines	99.99	99.99	1,220,000	220,000	1,212,010	212,010	-	-	1,212,000	212,010	-	-
SNC Santec Co., Ltd.	Under liquidation process	80.00	80.00	20,000	20,000	16,000	16,000	(16,000)	(16,000)	-	-	-	-
SNC Cooling Supply Co., Ltd.	Manufacturing automotive air conditioner parts	99.99	99.99	30,000	30,000	30,000	30,000	-	-	30,000	30,000	45,000	-
Immortal Parts Co., Ltd.	Production of cooling parts	99.99	99.99	70,000	70,000	70,000	70,000	-	-	70,000	70,000	65,000	45,000
Paradise Plastic Co., Ltd.	Manufacturing plastic parts for electric appliance and automobile	99.99	99.99	30,000	30,000	29,999	29,999	-	-	29,999	29,999	70,000	90,000
SNC Creativity Anthology Co., Ltd.	Manufacturing household and automotive air conditioner parts	99.99	99.99	1,934,758	834,756	2,192,008	1,092,006	-	-	2,192,008	1,092,006	-	-
SNC Atlantic Heat Pump Co., Ltd.	Manufacturing of heat pump for water heat pump	74.00	74.00	45,000	45,000	33,300	33,300	-	-	33,300	33,300	-	36,963
Odin Power Co., Ltd.	Investing in alternative power plant	65.00	60.00	250,000	200,000	154,079	119,079	-	-	154,079	119,079	-	-
Total						3,737,396	1,602,394	(16,000)	(16,000)	3,721,396	1,586,394	180,000	171,963

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		Separate financial statements										Dividend income for the year	
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(%)						(in thousand Baht)					
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	99.99	360,000	360,000	-	-	-	-	-	-	-	-
Yalafahsaard Co., Ltd.	Generating biomass electric plant garbage	65.00	60.00	150,000	150,000	-	-	-	-	-	-	-	-
Odin Myanmar Co., Ltd.	Investing in alternative power plant	39.00	36.00	1,000	1,000	-	-	-	-	-	-	-	-
Total						-	-	-	-	-	-	-	-

All subsidiaries were incorporated and operate in Thailand.

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<i>Material movement</i> <i>For the year ended 31 December</i>	Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Increase capital of Odin Power Co., Ltd.	35,000	-
Increase capital of SNC Creativity Anthology Co., Ltd.	1,100,002	392,006
Increase capital of SNC Pyongsan Evolution Co., Ltd.	1,000,000	-
Acquire investment in Odin Power Co., Ltd.	-	9,079

Acquisition of subsidiaries

On 22 March 2021, Odin Power Co., Ltd. increased its registered capital of 2,000,000 shares, with a par value of Baht 100 per share, with a called payment of Baht 25 per share. The Company had invested in these additional shares, amounting to Baht 35 million, increasing its ownership from 60% to 65%. The Group recognised a increase in non-controlling interests of Baht 16.05 million and decrease in other surpluses of Baht 1.05 million.

On 31 August 2021, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 16,923,100 shares, with a par value of Baht 65 per share. The Company had invested in these additional shares, amounting to Baht 1,100 million. The proportion of ownership remain unchanged.

On 3 September 2021, SNC Pyongsan Evolution Co., Ltd. registered additional ordinary shares of 100,000,000 shares, with a par value of Baht 10 per share. The Company had invested in these additional shares, amounting to Baht 1,000 million. The proportion of ownership remain unchanged.

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 Bath 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 Bath 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.

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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.

Partial business transfer between Meisou SNC Precision Co., Ltd. and SNC Creativity Anthology Co., Ltd.

At the extraordinary meeting of the shareholders of Meisou SNC Precision Co., Ltd, the subsidiary, held on 25 May 2021, the meeting approved a resolution to transfer production line of injected plastic mold and pump steel mold to SNC Creativity Anthology Co., Ltd., another subsidiary. Therefore, on 30 June 2021, the business transferrer company transferred net assets in amount of Baht 27.36 million. The business transferee company will pay the compensation in amount of Bath 27.36 million.

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.

12 Investment properties

	<i>Note</i>	Consolidated financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Cost			
At 1 January		236,354	219,595
Additions		-	148,658
Transfer to property, plant and equipment	13	(183,138)	(131,899)
At 31 December		53,216	236,354
Depreciation and impairment losses			
At 1 January		9,599	9,595
Depreciation charge for the year		1,689	1,693
Transfer to property, plant and equipment	13	-	(1,689)
At 31 December		11,288	9,599
Net book value			
At 31 December		41,928	226,755

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Transfer to property, plant and equipment

During the year 2021, the Group transferred investment property to property, plant and equipment with the carrying amount of Baht 183 million as the Group used some area of land for the Group's internal usage.

Pledge

During the year 2020, The subsidiary has pledged land with carrying amount is Baht 30.71 million as collateral for long-term borrowings from a commercial bank (*note 18*).

Information relating to leases are disclosed in note 15.

Year ended 31 December	Consolidated financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss		
Rental income	6,600	6,600

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 (*2020: 1 year*). 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 67.27 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% 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> The discount rate were lower (higher).

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Notes to the financial statements
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13 Property, plant and equipment

Consolidated financial statements									
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
Cost									
At 1 January 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	12	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 and 1 January 2021		458,824	1,398,512	3,024,289	544,607	97,666	31,571	350,478	5,905,947
Additions		197,809	235,804	255,692	84,989	16,522	19,770	1,233,413	2,043,999
Transfers from investment properties	12	183,138	-	-	-	-	-	-	183,138
Transfers to inventories		-	-	-	-	-	-	(13,272)	(13,272)
Transfer to rights to service under concession arrangement	14	(10,245)	-	-	-	-	-	(1,679)	(11,924)
Transfers		21,338	211,491	87,507	10,242	2,054	424	(333,056)	-
Disposals		-	(7,957)	-	(1,636)	(450)	(2,192)	-	(12,235)
At 31 December 2021		850,864	1,837,850	3,367,488	638,202	115,792	49,573	1,235,884	8,095,653

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Consolidated financial statements

	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment (in thousand Baht)	Office equipment	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>									
At 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	12	1,689	-	-	-	-	-	-	1,689
Disposals		-	(349)	(147)	(4,495)	-	-	-	(4,991)
At 31 December 2020 and 1 January 2021		39,978	330,024	1,806,665	459,988	75,532	19,399	-	2,731,586
Depreciation charge for the year		17,594	79,935	301,409	44,062	9,205	5,536	-	457,741
Disposals		-	(2,319)	-	(750)	(450)	(2,192)	-	(5,711)
At 31 December 2021		57,572	407,640	2,108,074	503,300	84,287	22,743	-	3,183,616
<i>Net book value</i>									
At 31 December 2020									
Owned assets		418,846	1,068,488	1,217,624	84,619	22,134	12,172	350,478	3,174,361
		418,846	1,068,488	1,217,624	84,619	22,134	12,172	350,478	3,174,361
At 31 December 2021									
Owned assets		793,292	1,430,210	1,259,414	134,902	31,505	26,830	1,235,884	4,912,037
		793,292	1,430,210	1,259,414	134,902	31,505	26,830	1,235,884	4,912,037

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 372.23 million (2020: Baht 374.84 million).

Capitalised borrowing costs relating to the construction of the new buildings for the Group are amounted to Baht 5.04 million (2020: Baht 1.94 million), with a capitalization rate of 3.55% - 4.8 %, respectively (2020: rate 2.55% - 4.8%).

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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 18*).

Pledge

The subsidiary has pledged land with the carrying amount is Baht 1,441.96 million (*2020: Baht 117.95 million*) as collateral for long-term borrowings from a commercial bank (*note 18*).

Agreement

On 12 August 2016, the Group has entered into an International consortium agreement with Sharp Corporation to build a solar rooftop system to reduce greenhouse gas emissions and obtaining the subsidy from the Global Environment Center foundation (GEC) for construction under the requirements of the JCM project. The Group received a grant of JPY 187 million. The Group is obligated to submit JCM credit in a minimum 50% reduction of greenhouse gases to the Japanese government for a period of 10 years, starting within one year from the date of registration for the JCM project.

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	Separate financial statements							
	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment (in thousand Baht)	Office equipment	Vehicles	Assets under construction and installation	Total
Cost								
At 1 January 2020	31,103	118,893	253,183	25,012	16,101	3,859	1,972	450,123
Additions	-	145	10,739	1,707	1,185	330	8,616	22,722
Transfers	-	-	1,934	38	-	-	(1,972)	-
Disposals	-	-	-	(864)	-	-	-	(864)
At 31 December 2020 and 1 January 2021	31,103	119,038	265,856	25,893	17,286	4,189	8,616	471,981
Additions	-	1,626	5,619	2,280	634	4,280	18,288	32,727
Transfers	-	-	4,274	-	-	-	(4,274)	-
Disposals	-	-	-	-	-	(330)	(4,172)	(4,502)
At 31 December 2021	31,103	120,664	275,749	28,173	17,920	8,139	18,458	500,206
Depreciation and impairment losses								
At 1 January 2020	716	39,725	186,971	20,975	11,671	1,571	-	261,629
Depreciation charge for the year	109	4,113	18,753	1,839	1,487	576	-	26,877
Disposals	-	-	-	(856)	-	-	-	(856)
At 31 December 2020 and 1 January 2021	825	43,838	205,724	21,958	13,158	2,147	-	287,650
Depreciation charge for the year	109	4,116	15,390	1,939	1,477	1,004	-	24,035
Disposals	-	-	-	-	-	(59)	-	(59)
At 31 December 2021	934	47,954	221,114	23,897	14,635	3,092	-	311,626

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	Land and land improvement	Buildings and building improvement	Machinery	Separate financial statements		Vehicles	Assets under construction and installation	Total
				Tool and equipment <i>(in thousand Baht)</i>	Office equipment			
Net book value								
At 31 December 2020								
Owned assets	30,278	75,200	60,132	3,935	4,128	2,042	8,616	184,331
	30,278	75,200	60,132	3,935	4,128	2,042	8,616	184,331
At 31 December 2021								
Owned assets	30,169	72,710	54,635	4,276	3,285	5,047	18,458	188,580
	30,169	72,710	54,635	4,276	3,285	5,047	18,458	188,580

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 45.56 million (2020: Baht 39.56 million).

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14 Rights to service under concession arrangement

The movements of rights to service under concession arrangement for waste-to-energy plant construction and management for the year 2021 were as follows:

	<i>Note</i>	Consolidated financial statements <i>(in thousand Baht)</i>
At 1 January 2020		-
Addition		23,908
Transfer from property, plant and equipment	13	11,924
At 31 December 2021		35,832

Waste-to-energy plant construction and management contract Yala municipality

On 11 June 2021, Yala Fahsaard Company Limited, a subsidiary, entered into contract with Yala municipality to construct and manage waste disposal by waste-to-energy project for a period 20 years starting from the commercial operation date (CoD). As specified in the contract, the subsidiary must construct a project and install machinery and electrical equipment. When the contract ends, the project and its extension area and related equipment will be transferred to Yala municipality without any charges. The subsidiary has to comply with any relevant conditions as specified in the agreements.

The aforesaid subsidiary must pay the return benefit not less than 10% of profit before tax. If the 10% of profit before tax is less than Baht 0.50 million, the subsidiary will pay the return benefit to Yala municipality amounting to Baht 0.50 million for that year. The Group recognised the minimum payment for return benefit as rights to service under concession arrangement amounting to Baht 7.38 million.

Land lease agreement

On 11 June 2021, Yala Fahsaard Company Limited, a subsidiary, entered into a lease agreement with Yala municipality to lease a partial of land to use as sanitary landfill for burying the bottom ash from the project, to protect the public from cross-contamination and reserve water supply for waste-to-energy project for a period 20 years. The rental rate is Baht 0.30 million per year. The Group recognised the lease agreement as rights to service under concession arrangement amounting to Baht 4.16 million.

15 Leases

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Buildings	244,237	293,587	42,953	48,322
Vehicles	440	816	-	-
Total	244,677	294,403	42,953	48,322

In 2021, no addition to the right-of-use assets (2020: 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.

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Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

As at 1 January 2021, the Group exercised the extension options in leases with the formerly lessors and revised contracts by reducing rental rate. The Group gain from lease modification amounting to Baht 3 million in the consolidated statement of comprehensive income for the year ended 31 December 2021. Right-of-use assets and lease liability of the Group decreases amounting to Baht 18.82 million and Baht 21.82 million, respectively.

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	30,530	31,906	5,369	5,369
- Vehicles	377	314	-	-
Interest on lease liabilities	11,375	13,397	2,006	2,197
Expenses relating to short-term leases	57,239	25,169	4,219	4,584
Expenses relating to leases of low-value assets	1,212	1,053	156	156

In 2021, total cash outflow for leases of the Group and the Company were Baht 37.1 million and Baht 6.6 million, respectively (2020: 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. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts.

	Consolidated financial statements	
<i>Rental receive under operating lease At 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
	-	-
Within 1 year	6,600	6,050
Total	6,600	6,050

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16 Intangible assets

Consolidated financial statements				
	Software licenses	Production licenses <i>(in thousand Baht)</i>	Software under installation	Total
<i>Cost</i>				
At 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 and 1 January 2021	64,781	52,887	6,779	124,447
Additions	1,116	400	520	2,036
Transfers	6,779	-	(6,779)	-
At 31 December 2021	72,676	53,287	520	126,483
<i>Amortisation</i>				
At 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 and 1 January 2021	30,183	40,931	-	71,114
Amortisation for the year	5,372	5,022	-	10,394
At 31 December 2021	35,555	45,953	-	81,508
<i>Net book value</i>				
At 31 December 2020	34,598	11,956	6,779	53,333
At 31 December 2021	37,121	7,334	520	44,975

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	Separate financial statements		
	Software licenses	Software under installation (in thousand Baht)	Total
Cost			
At 1 January 2020	11,850	3,917	15,767
Additions	9,126	744	9,870
Transfers	3,917	(3,917)	-
At 31 December 2020 and 1 January 2021	24,893	744	25,637
Additions	195	520	715
Transfers	744	(744)	-
At 31 December 2021	25,832	520	26,352
Amortisation and impairment losses			
At 1 January 2019	4,237	-	4,237
Amortisation for the year	1,359	-	1,359
At 31 December 2019 and 1 January 2020	5,596	-	5,596
Amortisation for the year	2,429	-	2,429
At 31 December 2020	8,025	-	8,025
Net book value			
At 31 December 2020	19,297	744	20,041
At 31 December 2021	17,807	520	18,327

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.

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
			(in thousand Baht)	
Land and factory rental deposit	36,547	8,712	8,502	8,502
Revenue department receivable	23,148	24,826	4,542	-
Advance payments for equipment	2,841	14,704	-	-
Others	12	1,216	-	-
Total	62,548	49,458	13,044	8,502

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18 Interest-bearing liabilities

Consolidated financial statements				
2021				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.00 - 2.75	-	1,535,054	1,535,054
Current portion of long-term borrowings from financial institutions	2.69 - 3.87	278,641	-	278,641
Long-term borrowings from financial institutions	2.69 - 3.87	976,457	-	976,457
Current portion of lease liabilities	4.25	-	27,522	27,522
Lease liabilities	4.25	-	230,131	230,131
Total interest-bearing liabilities		1,255,098	1,792,707	3,047,805

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

Separate financial statements				
2021				
Note	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.70 - 2.75	-	720,000	720,000
Short-term borrowings from related party	5 3.69	-	100,000	100,000
Current portion of lease liabilities	4.25	-	4,793	4,793
Lease liabilities	4.25	-	39,901	39,901
Total interest-bearing liabilities		-	864,694	864,694

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

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<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
			(in thousand Baht)		
Investment property	12	-	30,705	-	-
Property, plant and equipment	13	1,441,963	117,954	-	-
Non-current non-cash financial assets pledged as collateral		5,000	5,000	-	-
Total		1,446,963	153,659	-	-

As at 31 December 2021 the Group had unutilised credit facilities totalling Baht 77 million and the Company had fully utilised credit facilities (2020: Baht 504 million).

Short-term borrowings from financial institutions

The Group and the Company have short-term borrowings from commercial banks under promissory notes, amounting to Baht 1,535 million and Baht 720 million, respectively (2020: Baht 710 million and Baht 710 million, respectively) at an interest rate of 2.50% - 2.75% per annum (2020: 2.70% - 3.16% per annum), which will become due during January until June 2022.

Long-term borrowings from financial institutions

On 19 March 2021, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 220 million at an interest rate of MLR - 2% and MLR - 1.75% per annum, which will be paid in monthly instalment start from April 2021 until March 2026.

Long-term loan 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 (note 13).

In addition, the subsidiary has to maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and the debt-service coverage ratio, etc.

On 27 July 2021, a subsidiary entered into a long-term loan agreement with a commercial bank under promissory notes, amounting to Baht 14 million at an interest rate of 2.00% - 7.00% per annum, which will become due in July 2026.

On 10 August 2021, a subsidiary entered into a credit facility agreement with a commercial bank amounting to Baht 1,500 million. The aforesaid credit facility agreement was pledged by the Company and also the Group has mortgaged lands of another subsidiary. The building improvement of such subsidiary will be mortgaged within 31 December 2021. At 31 December 2021, the carrying amount of lands and building improvement is Baht 131.58 million and Baht 779.87 million, respectively.

On 24 November 2021, a subsidiary entered into a long-term loan agreement with a commercial bank, amounting to Baht 13 million at an interest rate of 3.4% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2022 until December 2026.

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 13).

On 24 November 2021, a subsidiary entered into a long-term loan agreement with a commercial bank, amounting to Baht 17 million at an interest rate of 3.4% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2022 until December 2026.

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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 13*).

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 12 and 13*).

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 13*).

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 13*).

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. As at 31 December 2021, the carrying amount of land and plant was Baht 148.66 million and Baht 381.85 million, respectively (*2020: carrying amount of land was 148.66 million*).

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 20 million.

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 13*).

In addition, the subsidiaries must maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and leverage ratio.

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As at 31 December 2021, 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 21 December 2021, these subsidiaries received the waiver of the breach of covenant. Therefore, long-term loan of the subsidiaries as at 31 December 2021 was not classified as current liabilities.

19 Provision for employee benefit

	Consolidated		Separate	
	financial statements		financial statements	
At 31 December	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Retirement benefits	55,355	50,435	9,453	8,502

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.

<i>Present value of the defined benefit obligations</i>		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
At 1 January		50,435	78,511	8,502	11,020
Include in profit or loss:					
Current service cost		4,924	5,376	844	493
Interest on obligation		758	1,256	107	391
Reversal		-	(22,501)	-	(2,590)
		5,682	(15,869)	951	(1,706)
Included in other comprehensive income					
Actuarial (gain) loss					
- Financial assumptions		-	949	-	158
- Experience adjustment		-	(3,144)	-	1,822
		-	(2,195)	-	1,980
Benefit paid		(762)	(10,012)	-	(2,792)
At 31 December		55,355	50,435	9,453	8,502

<i>The principal actuarial assumptions</i>		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
				<i>(%)</i>	
Discount rate		1.05 - 1.92	1.05 - 1.92	1.13 - 1.26	1.13 - 1.26
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.

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At 31 December 2021, the weighted-average duration of the defined benefit obligation was 10 - 22 years (2020: 11 - 23 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.

<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 2021				
Discount rate (0.5% movement)	(2,753)	2,966	(400)	425
Future salary growth (1% movement)	6,218	(5,458)	909	(817)
Employee turnover (10% movement)	(2,186)	2,473	(210)	237
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

20 Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Baht	Number	Baht
		<i>(thousand shares)</i>		<i>/in thousand Baht)</i>	
<i>Authorised shares</i>					
At 1 January					
- ordinary shares	1	287,777	287,777	287,777	287,777
Increase of new shares	1	112,223	112,223	-	-
At 31 December					
- ordinary shares	1	400,000	400,000	287,777	287,777
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	287,777	287,777	287,777	287,777
Increase of new shares	1	74,443	74,443	-	-
At 31 December					
- ordinary shares	1	362,220	362,220	287,777	287,777

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. The Company registered its incremental authorised shares with the Ministry of Commerce on 16 February 2021. There will be an allotment of capital incremental shares for Public Offering.

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At the extraordinary shareholders meeting of the Company No. 2/2021 held on 14 June 2021, the shareholders approved to change the purpose of increasing in share capital by Public Offering from the original to be used for construction the factories and warehouses for rent to other party, construction warehouse for internal use in the Group, relocation the production line, using as working capital and repayment of borrowings approximate amounting to Baht 1,400 million to use for expanding the production capacity of original business which are manufacturing and assembly of electric appliances, manufacturing of component parts of electric appliances and manufacturing of component parts for automobile use and supporting the new business opportunities approximate amounting to Baht 1,155 million, the remaining cash from share increasing use as working capital and repayment of borrowings, etc.

At the Company's Board of Directors meeting No. 7/2021 held on 6 August 2021, the Board of Director approved the offering price for newly issued shares of Baht 13 per share with the offering period from 9 August 2021 to 11 August 2021. The filing was approved by the Securities and Exchange Commission on 6 August 2021. The number of offering shares is Baht 74.44 million, amounting to Baht 967.76 million before deducting any related expenses. The Company registered the change of issued and paid-up capital with the Ministry of Commerce on 13 August 2021. The trading day of the Company's ordinary shares on the Stock Exchange of Thailand was on 18 August 2021.

Expenses directly related to the issuance of Public Offering shares amounting to Baht 20.53 million are deducted from the share premium received. As at 31 December 2021, the Company had the share premium of Baht 2,086.39 million.

21 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.

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 2021 or 2020.

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.

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											
	Manufacturing of component parts for automobile use		Electric appliances				Other segments		Eliminations		Total	
	2021	2020	Manufacturing and assembly		Manufacturing of component parts		2021	2020	2021	2020	2021	2020
			2021	2020	2021	2020						
<i>(in thousand Baht)</i>												
Information about reportable segment												
Revenue from external customers	850,019	771,993	11,120,258	5,605,826	3,426,115	2,579,733	1,358	2,966	-	-	15,397,750	8,960,518
Inter-segment revenue	2,862	3,030	282	1,073	1,386,149	276,234	70,541	16,975	(1,459,834)	(297,312)	-	-
Total revenues	852,881	775,023	11,120,540	5,606,899	4,812,264	2,855,967	71,899	19,941	(1,459,834)	(297,312)	15,397,750	8,960,518
Segment results	71,216	69,498	442,683	144,082	327,935	276,476	(23,389)	(13,840)	-	-	818,445	476,216
Unallocated amounts:												
Finance costs											(70,622)	(48,701)
Share of loss of associate accounted for using equity method											-	(4,218)
Tax expense											(97,731)	(10,679)
Profit for the year											650,092	412,618
Disaggregation of revenue												
Primary geographical markets												
Thailand	585,807	682,551	1,337,313	1,264,611	3,425,581	2,579,257	1,358	2,966	-	-	5,350,059	4,529,385
Other countries	264,212	89,442	9,782,945	4,341,215	534	476	-	-	-	-	10,047,691	4,431,133
Total	850,019	771,993	11,120,258	5,605,826	3,426,115	2,579,733	1,358	2,966	-	-	15,397,750	8,960,518
Timing of revenue recognition												
At a point in time	850,019	771,993	11,120,258	5,605,826	3,426,115	2,579,733	1,358	2,966	-	-	15,397,750	8,960,518

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Major customer

In 2021, revenues from five 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 10,913 million (2020: Baht 5,457million) 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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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
SNC Pyongsan Evolution Co., Ltd.				
60-0456-1-04-1-0	Manufacturing of steel for cooling machines, plastic parts	21 April 2017	3 years	5 years
SNC Cooling Supply Co., Ltd.				
62-0639-1-05-1-0	Manufacturing of steel products and steel parts	1 July 2019	3 years	5 years
Immortal Parts Co., Ltd.				
63-0890-1-05-1-0	Manufacturing of parts for electrical appliances	18 May 2020	3 years	5 years
1993(2)/2557	Manufacturing of parts for electrical appliances	2 March 2015	5 years	5 years
Paradise Plastic Co., Ltd.				
1326(5)/2555	Manufacturing of plastic and plastic enamel products	1 September 2012	8 years	5 years

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
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
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

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
SNC Creativity Anthology Co., Ltd.				
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
64-0034-1-00-1-0	Manufacturing of air conditioner, refrigerator, freezer, washing machine, clothes dryers	8 January 2021	3 years	5 years
64-0584-1-00-1-0	Manufacturing of steel and parts for steel	4 June 2021	3 years	5 years
64-0827-1-00-1-0	Manufacturing of air conditioner	-	3 years	5 years

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
SNC 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:

<i>Year ended 31 December</i>	Consolidated financial statements					
	2021			2020		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	1,706,121	8,341,570	10,047,691	512,673	3,918,460	4,431,133
Local sales	416,832	4,933,227	5,350,059	763,262	3,766,123	4,529,385
Total revenues	2,122,953	13,274,797	15,397,750	1,275,935	7,684,583	8,960,518

<i>Year ended 31 December</i>	Separate financial statements					
	2021			2020		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Local sales	-	407,025	407,025	-	349,934	349,934
Total revenues	-	407,025	407,025	-	349,934	349,934

23 Expenses by nature

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Changes in finished goods and work in progress		(1,500,097)	(172,474)	(2,839)	(25,414)
Raw materials and consumables used		13,822,050	7,279,075	244,793	172,346
Employee benefit expenses		1,040,793	790,055	83,238	69,137
Depreciation	12, 13, 15	490,336	411,644	29,404	32,246
Amortisation of intangible assets	16	10,393	9,624	2,429	1,359
Lease-related expenses		111,117	51,261	6,271	4,068

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current period	81,578	39,488	3,145	10,264
Under (over) provided in prior years	1,315	(1,756)	160	261
Deferred tax expense				
Movements in temporary differences	14,838	(27,053)	(747)	727
Total income tax expense	97,731	10,679	2,558	11,252

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Consolidated financial statements						
<i>Income tax</i>	Before tax	2021 Tax benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax benefit	Net of tax
Recognised in other comprehensive income						
Financial assets at FVOCI	(2,145)	429	(1,716)	(2,126)	425	(1,701)
Defined benefit plan actuarial gains	-	-	-	2,195	(439)	1,756
Total	(2,145)	429	(1,716)	69	(14)	55

Separate financial statements						
<i>Income tax</i>	Before tax	2021 Tax benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax benefit	Net of tax
Recognised in other comprehensive income						
Financial assets at FVOCI	(2,145)	429	(1,716)	(2,126)	425	(1,701)
Defined benefit plan actuarial losses	-	-	-	(1,980)	396	(1,584)
Total	(2,145)	429	(1,716)	(4,106)	821	(3,285)

Reconciliation of effective tax rate

Consolidated financial statements				
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		747,823		423,297
Income tax using the Thai corporation tax rate	20	149,565	20	84,659
Income not subject to tax		(30,958)		(51,425)
Expenses not deductible for tax purposes		1,266		1,922
Expenses that can be deductible for tax purposes		(17,984)		(12,957)
Recognition of previously unrecognised tax losses		(7,920)		(22,642)
Current year losses for which no deferred tax asset was recognised		2,447		12,878
Under (over) provided in prior years		1,315		(1,756)
Total	13	97,731	3	10,679

Reconciliation of effective tax rate

Separate financial statements				
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		215,035		264,215
Income tax using the Thai corporation tax rate	20	43,007	20	52,843
Income not subject to tax		(36,904)		(34,847)
Expenses not deductible for tax purposes		813		165
Expenses that can be deductible for tax purposes		(4,518)		(7,170)
Under provided in prior years		160		261
Total	1	2,558	4	11,252

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Deferred tax At 31 December	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>				<i>(in thousand Baht)</i>			
Total	57,292	73,310	(20,936)	(22,545)	12,559	11,517	(5,037)	(5,171)
Set off of tax	(20,936)	(22,545)	20,936	22,545	(5,037)	(5,171)	5,037	5,171
Net deferred tax assets (liabilities)	36,356	50,765	-	-	7,522	6,346	-	-

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	Consolidated financial statements (Charged) / Credited to:			Consolidated financial statements (Charged) / Credited to:			
	At 1 January 2020	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2020	At 1 January 2021	Profit or loss (in thousand Baht)	At 31 December 2021
Deferred tax							
Deferred tax assets							
Trade and other receivables (doubtful accounts)	-	75	-	75	75	(3)	72
Inventories (allowance for decline in value)	4,532	1,420	-	5,952	5,952	17,108	23,060
Investments in subsidiaries (impairment losses)	8,660	-	-	8,660	8,660	-	8,660
Property, plant and equipment (impairment losses)	2,603	(2,180)	-	423	423	-	423
Property, plant and equipment (the difference of useful life and increase in revaluation)	-	-	-	-	-	1,468	1,468
Right-of-use assets	-	-	-	-	-	1,817	1,817
Financial assets measured at FVOCI (decrease in fair value)	677	-	425	1,102	1,102	-	1,531
Provision employee benefit	16,384	(5,858)	(439)	10,087	10,087	984	11,071
Deferred income	11,722	(2,096)	-	9,626	9,626	(436)	9,190
Loss carry forward	-	37,385	-	37,385	37,385	(37,385)	-
Total	44,578	28,746	(14)	73,310	73,310	(16,447)	57,292
Deferred tax liabilities							
Property, plant and equipment (the difference of useful life and increase in revaluation)	(20,852)	(366)	-	(21,218)	(21,218)	282	(20,936)
Right-of-use assets	-	(1,327)	-	(1,327)	(1,327)	1,327	-
Total	(20,852)	(1,693)	-	(22,545)	(22,545)	1,609	(20,936)
Net	23,726	27,053	(14)	50,765	50,765	(14,838)	36,356

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	At 1 January 2020	Separate financial statements (Charged) / Credited to:		At 31 December 2020	At 1 January 2021	Separate financial statements (Charged) / Credited to:		At 31 December 2021
		Profit or loss (in thousand Baht)	Other comprehensive income			Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax								
Deferred tax assets								
Inventories (allowance for decline in value)	140	(85)	-	55	55	74	-	129
Investments in subsidiaries (impairment losses)	3,200	-	-	3,200	3,200	-	-	3,200
Investments in associate (impairment losses)	5,460	-	-	5,460	5,460	-	-	5,460
Financial assets measured at FVOCI (decrease in fair value)	677	-	425	1,102	1,102	-	429	1,531
Right-of-use assets	-	-	-	-	-	348	-	348
Provision for employee benefit	2,204	(900)	396	1,700	1,700	191	-	1,891
Total	11,681	(985)	821	11,517	11,517	613	429	12,559
Deferred tax liabilities								
Property, plant and equipment (the difference of useful life)	(5,429)	451	-	(4,978)	(4,978)	(59)	-	(5,037)
Right-of-use assets	-	(193)	-	(193)	(193)	193	-	-
Total	(5,429)	258	-	(5,171)	(5,171)	134	-	(5,037)
Net	6,252	(727)	821	6,346	6,346	747	429	7,522

SNC Former Public Company Limited and its Subsidiaries
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<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Tax losses	26,731	34,251	-	-
Total	26,731	34,251	-	-

The tax losses expire in 2022-2027. 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.

25 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	636,352	407,665	212,476	252,963
Ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	287,777	287,777	287,777	287,777
Effect of shares issued on (18 August)	27,738	-	27,738	-
Weighted average number of ordinary shares outstanding (basic) at 31 December	315,515	287,777	315,515	287,777
Earnings per share (basic) (in Baht)	2.02	1.42	0.67	0.88

26 Dividends

The dividends paid by the Group to the shareholders are as follows:

Dividend	Approved by	Dividend paid (in thousand Baht)	Dividend rate per share (in Baht)	Dividend payment date
SNC Former Public Company Limited				
Interim dividend paid from the profit of first six months of 2021	Board of Director's Meeting on 13 August 2021	162,976	0.45	10 September 2021
Annual dividend paid from the profit of last six months of 2020	Annual General Meeting of shareholders on 31 March 2021	115,111	0.40	27 April 2021
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

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Dividend	Approved by	Dividend paid (in thousand Baht)	Dividend rate per share (in Baht)	Dividend payment date
Annual dividend paid from the profit of last six months of 2019	Annual General Meeting of shareholders on 27 March 2020	<u>100,722</u>	0.35	27 April 2020
SNC Atlantic Heat Pump Co., Ltd.				
Dividend paid from Retain earnings as at 31 October 2020	Board of Directors' Meeting on 16 November 2020	<u>49,950</u>	111.00	29 November 2020

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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	Carrying amount		Consolidated financial statements				Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	
<i>At 31 December 2021</i>			<i>(in thousand Baht)</i>				Total
Financial asset							
Other financial asset:							
Non-marketable equity instruments	-	31,342	31,342	-	-	31,342	31,342
Total other financial asset	-	31,342	31,342				
Financial liability							
Other financial liability:							
Forward exchange contracts	(559)	-	(559)	-	(559)	-	(559)
Total other financial liability	(559)	-	(559)				
<i>At 31 December 2020</i>							
Financial asset							
Other financial asset:							
Non-marketable equity instruments	-	28,487	28,487	-	-	28,487	28,487
Total other financial asset	-	28,487	28,487				
Financial liability							
Other financial liability:							
Forward exchange contracts	(926)	-	(926)	-	(926)	-	(926)
Total other financial liability	(926)	-	(926)				

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	Separate financial statements				Fair value	
	Financial instruments measured at FVOCI	Carrying amount Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
<i>At 31 December 2021</i>						
<i>Financial asset</i>						
Other financial asset:						
Non-marketable equity instruments	31,342	31,342	-	-	31,342	31,342
Total other financial asset	31,342	31,342				
<i>At 31 December 2020</i>						
<i>Financial asset</i>						
Other financial asset:						
Non-marketable equity instruments	28,487	28,487	-	-	28,487	28,487
Total other financial asset	28,487	28,487				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

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.

(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.

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The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial 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 5 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 7.

(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 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 2021, the Group has issued a guarantee to certain bank in respect of credit facilities granted to four subsidiaries (*see note 18*).

(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.

SNC Former Public Company Limited and its Subsidiaries
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Consolidated financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
2021					
<i>Non-derivative financial liabilities</i>					
Short-term borrowings					
from financial institutions	1,535,054	1,542,246	-	-	1,542,246
Trade and other payables	5,504,391	5,504,391	-	-	5,504,391
Accounts payable					
- acquisition of assets	189,642	189,642	-	-	189,642
Non-current accounts payable					
- acquisition of assets	127,850	-	127,850	-	127,850
Current portion of long-term borrowings					
from financial institutions	278,641	313,860	-	-	313,860
Long-term borrowings from financial institutions	976,457	-	946,321	97,082	1,043,403
Current portion of lease liabilities	27,522	37,943	-	-	37,943
Lease liabilities	230,131	-	150,699	116,907	267,606
	<u>8,869,688</u>	<u>7,588,082</u>	<u>1,224,870</u>	<u>213,989</u>	<u>9,026,941</u>
2020					
<i>Non-derivative financial liabilities</i>					
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
	<u>4,052,801</u>	<u>3,272,511</u>	<u>734,582</u>	<u>160,800</u>	<u>4,167,893</u>

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Separate financial statements					
Contractual cash flows					
<i>At 31 December</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>					
2021					
<i>Non-derivative financial liabilities</i>					
Short-term borrowings					
from financial institutions	720,000	723,360	-	-	723,360
Trade and other payables	89,780	89,780	-	-	89,780
Accounts payable					
- acquisition of assets	3,345	3,345	-	-	3,345
Short-term borrowings					
from related party	100,000	100,000	-	-	100,000
Current portion of lease liabilities	4,793	6,600	-	-	6,600
Lease liabilities	39,901	-	26,400	19,800	46,200
	<u>957,819</u>	<u>923,085</u>	<u>26,400</u>	<u>19,800</u>	<u>969,285</u>
2020					
<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>

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(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.

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	Consolidated financial statements	
	2021	2020
	United States Dollars	United States Dollars
<i>Exposure to foreign currency at 31 December</i>	<i>(in thousand Baht)</i>	
Cash and cash equivalents	803,730	63,450
Trade and other receivables	1,763,322	350,352
Trade and other payables	(4,426,406)	(1,169,272)
Accounts payable - acquisition of assets	(136,741)	-
Net statement of financial position exposure	(1,996,095)	(755,470)
Currency forwards purchase	375,190	143,576
Currency forwards sales	(397,379)	(64,559)
Net exposure	(2,018,284)	(676,453)

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	<i>Movement (%)</i>	Consolidated financial statements	
		Strengthening	Weakening
		<i>(in thousand Baht)</i>	
<i>At 31 December 2021</i>			
United States Dollars	10	(5,810)	5,810
Euro	10	(7)	7
Swedish Krona	10	(1)	1
		<u>(5,818)</u>	<u>5,818</u>
<i>At 31 December 2020</i>			
United States Dollars	10	(2,530)	2,530
Euro	10	(1)	1
		<u>(5,231)</u>	<u>2,531</u>

(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 18*).

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 regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	122,670	231,726	-	262
Machinery and equipment	31,615	47,646	281	2,778
Total	154,285	279,372	281	3,040
<i>Other commitments</i>				
Short-term lease commitments	8,310	9,063	4,800	3,970
Unused letters of credit to guarantee payments due to creditors	1,249,281	1,322,604	-	-
Bank guarantees for land rental, electricity used and others	22,021	22,038	5,748	5,748
Total	1,279,612	1,353,705	10,548	9,718

30 Events after the reporting period

On 17 February 2022, 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 2022 adopt a resolution to pay a year-end dividend of Baht 0.45 per share in respect of the operating result of 2021, or a total of Baht 163 million. The dividend payment is scheduled for 27 April 2022 and represented a total dividend payment of Baht 0.45 per share, inclusive of the interim dividend of Baht 0.90 per share.

Attachment 1

Details of directors, sub-committees, management, chief of accounting and finance, and company secretary are as follows:

Details of Directors

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number 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 :AGM 27/2021 on 31 Mar 2021</i>	73	- Master of Business Administration, Thammasat University - Master of Science in Textile Technology University of Leeds, UK - Bachelor of Industrial Engineering, Chulalongkorn University Training - 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	Number 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	Number 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 <i>Appointment: AGM 27/2021 on 31 Mar 2021</i> - Chairman of the Executive Committee <i>Appointment: BoD 1/2004 on 19 Apr 2004</i>	65	<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 	4.58%	Father of Miss Sineenart Thaisa- nguanvorakul.	2004 - present	- 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	Number 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 (ACP) 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	Number 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 Company Limited <i>Wholesale of machinery and equipment</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						2021 - Present	- Director	Pattana Phaedin Thong Company Limited <i>Real estate, Land development and buildings.</i>
						2022 - present	- Director	Mercury Transform Company Limited <i>production and sale, repairs, maintains, inspects, alters, corrects, provides consultations related to electric vehicles. Converting a combustion engine car to an electric vehicles and other related businesses</i>
3.	Mr. Somchai Ngamkitcharoenlap - Director <i>Appointment: BoD 4/2020 on 13 May 2020</i> - Vice Chairman of the Executive Committee <i>Appointment: BoD 1/2021 on 26 Jan 2021</i> - Chairman of Risk Management Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i> - ESG Committee	55	- 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)	0.01%	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>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
	<i>Appointment: BoD 2/2022 on 17 Feb 2022</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>
						2021 - present	- Director	Odin Power Company Limited <i>Energy business</i>
4.	Mr. Chaisak Ankasuwan - Independent Director <i>Appointment: AGM 25/2019 on 27 Mar 2019</i> - Chairman of Nomination and Remuneration Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i>	72	- Master of Public Administration, Public and Private Management Program, National Institute of Development Administration (NIDA) - Bachelor of Law, Thammasat University Training - Training program - Director Accreditation Program (DAP), Class 51/2006 Thai Institute of Directors Association (IOD)	None	None	2014 - present	- Independent Director - Chairman of Nomination and Remuneration Committee - 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>
						2016 - present	- Independent Director - Audit committee	Rich Sport Public Company Limited <i>Import and distribute fashion products</i>
						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>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - 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) 					
5.	Mr.Wisan Wuttisaksin - Independent Director <i>Appointment: AGM 25/2019 on 27 Mar 2019</i>	71	Master of Public and Private Management, National Institute of Development Administration (NIDA)	None	None	2012 - present	<ul style="list-style-type: none"> - 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>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
	- Nomination and Remuneration Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i>		- Bachelor of Laws, Ramkhamhaeng University			2011 - 2017	- Advisor	Office of The National Broadcasting and <i>Telecommunications Commission</i>
			Training - Director Certification Program (DCP125/2009) Thai Institute of Directors Association (IOD) - Financial Statements for Directors (FSD6/2009) Thai Institute of Directors Association (IOD) - 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			2012- 2013	- Independent Director	Thai Oil Public Company Limited <i>Petroleum Refining and Distribution</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			- 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					
6.	Mrs. Chanisa Chutipat - Independent Director <i>Appointment: AGM 26/2020 on 27 Mar 2020</i> - Audit committee <i>Appointment : BoD 2/2022 on 17 Feb 2022</i>	60	- Bachelor of Commerce and Accountancy, Thammasat University - Master of Business Administration (Accountancy), Thammasat University Training - Director Certification Program (DCP) class 71/2006 Thai Institute of Directors Association (IOD)	None	None	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>
						2019 - present	- Director -	BANGKOK SKY TOWER COMPANY LIMITED <i>Financial service activities</i>
						2019 - 2021	- Director	VOR TOR TOR.FOR SOCIETY COMPANY LIMITED <i>Distribution business</i>
						2017 - present	- Director	Bangkok Sky Tower Foundation

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - Top level management, Capital Market Academy, Batch 1 - Senior Executive Program Batch 19 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) 			2019 - present	-Independent Director	Small and Medium Enterprise Development Bank of Thailand <i>State financial institution, Ministry of Finance</i>
						2020 - present 2019	- Audit Subcommittee - Advisor	Mae Fah Luang Foundation under Royal Patronage <i>Non-profit organization</i>
						2014 - 2017 2018 - 2020	- Managing Director - Advisor	Siam Piwat Company Limited <i>Renting and operating relevant own real estate or rented from someone other than for housing</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
7.	Pol.Lt.Gen. Nopsak Poovatatanasedj - Independent Director <i>Appointment: AGM 26/2020 on 27 Mar 2020</i> - Nomination and Remuneration Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i>	62	- Doctor of Medicine (M.D.) Mahidol University - Bachelor of Science Mahidol University Training - Director Accreditation Program (DAP) Class 180/2564 Thai Institute of Directors Association (IOD) - Certificate Course in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand - Executive Police (27 th) (Bor Tor Sor 27) Police College	None	None	2020 – 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>
						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	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
8.	Mr. Sirote Swasdipanich - Independent Director <i>Appointment : AGM 26/2020 on 27 Mar 2020</i>	73	- Master of Business Administration University of Missouri-Columbia, USA - Bachelor's degree (Honor Roll) in Financial and Banking University of Chulalongkorn	None	None	2020 – present	- Director and Chairman of the 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>
	- Chairman of Audit committee <i>Appointment : BoD 2/2022 on 17 Feb 2022</i>		- Diplomatic in Financial Management by International 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			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 University Affairs Promotion Committee	Walailuck University <i>Educational Institute</i>
						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>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						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>
						1994 - present	Director and Secretary	Dr. Kor Sawatdphanich Foundation in reading encouragement
9.	MR. Somjai Chaopanich - Independent Director <i>Appointment : AGM 26/2020 on 27 Mar 2020</i>	65	- Master's Degree, Mahasarakham University M.Ed. - Bachelor degree, SukhothaiThammathirat University, Bachelor of Arts	None	None	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>
						2019 - present	- Director	Institute of Vocational Education: Northeastern Region 3

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Training - Director Accreditation Program (DAP) 180/2021 Thai Institute of Directors Association (IOD)			2018 - 2019	Subcommittee of the Teacher Civil Service and Educational Personnel	Office of the Vocational Education Commission
10	Ms. Sineenart Thaisa-nguanvorakul - Director <i>Appointment : EGM 1/2021 on 26 Jan 2021</i> - Assistant Chairman of the Executive Committee <i>Appointment : BoD 1/2028 on 1 Feb 2018</i> - Executive Director <i>Appointment : BoD 2/2022 on 17 Feb 2022</i> - Chairman of the ESG Committee <i>Appointment : BoD 2/2022 on 17 Feb 2022</i>	33	- 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. Training - Director Accreditation Program (DAP) 303/2021 Thai Institute of Directors Association (IOD)	2.77%	Daughter of Dr. Somchai Thaisa-nguanvorakul	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>
						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>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - Chief Transformation Officer (CTO) The Stock Exchange of Thailand - Labor Law for Organization Management program "Advanced Labor Law Certificate": Institute of 			2019 - present	- Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for the automotive and appliances. Manufacture and assembly electrical appliances</i>
			<ul style="list-style-type: none"> Legal Education of the Thai Bar - 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 - Integrating the SDGs into Sustainability Reporting, GRI Academy - Reporting on Human Rights with the GRI Standards 2021 Update, GRI Academy 			2020 - present	- Director	Ultimate Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2019 - present	- Director	Infinity Part Company Limited <i>Metal stamping</i>
						2019 - present	- Director	Meisou SNC Precision Company Limited <i>Manufacture mold</i>
						2019 - present	- Director	SSM Automation Company Limited <i>Metal stamping</i>
						2021 - present	Director	Odin Myanmar Co., Ltd. <i>Electricity generation and distribution</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - Reporting with the GRI Standards 2021 Update, GRI Academy - Introduction to Sustainability Reporting and the GRI Standards 2021 Update, GRI Academy 					
11.	DR. Apichart Thongyou - Independent Director <i>Appointment : EGM 2/2021 on 14 Jun 2021</i>	65	<ul style="list-style-type: none"> - Bachelor of Education (Geography) Srinakarinwiroj University, Bangsaen campus - Higher Graduate Diploma (Environmental Management) Akademie Klausenhof, Germany - Master of Public Administration Program, National Institute of Development Administration (NIDA) - D.BA. (Honorary) Rajamangala University of Technology Tawan-ok <p><u>Training</u></p> <ul style="list-style-type: none"> - Director Accreditation Program (DAP) 185/2021 	None	None	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	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Thai Institute of Directors Association (IOD)					
12.	DR. Schitt Laowattana - Independent Director <i>Appointment : EGM 2/2021 on 14 Jun 2021</i>	60	- Bachelor of Engineering (Honor Roll) King Mongkut's University of Technology Thonburi - Diplomatic from Kyoto University - Doctor of Engineering Carnegie Mellon University - Diplomatic from Massachusetts Institute of Technology <u>Training</u>	None	None	2021 - 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>
						1996 - 2021	- Professor	Institute of field robotics (FIBO) King Mongkut's University of Technology Thonburi
						2018 - present	- Independent Director	KTB Computer Services Company Limited <i>IT Consulting Service</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - Director Certification Program (DCP) Class 93/2007 Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) Class 29/2009 Thai Institute of Directors Association (IOD) - The Role of Chairman (RCM) Class 19/2009 - Understanding the Fundamental of Financial Statement (UFS) Class 27/2010 - Improving the Quality of Financial Reporting (QFR) Class MFR 9/2009 - DCP Refresher Course Class MFA 7/2009, MFM 1/2009, MIR 7/2009, FGP 3/2013 - Top level management, Capital Market Academy, Batch 15/2013 - Training program Business commissioning for directors and 			2019 – present	- Independent Director	Buriram Sugar Public Co., Ltd. <i>Manufacture and distribute Sugar products such as White Sugar, Gloden Cane Sugar</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			top level management of state enterprise and Public, Batch 3/2010					
13.	Mr. Lec Sidoravit - Director <i>Appointment: BoD 10/2021 on 20 Dec 2021</i>	65	<ul style="list-style-type: none"> - Bachelor Business Administration Hosei University, Tokyo - MBA Business Administration Tarleton State University, Texas - Research Business Administration Fellowship Kobei University, Kobe <p>Training</p> <ul style="list-style-type: none"> - Director Certification Program (DCP) Class 42/2004 Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) Class 17/2007 - Thai Institute of Directors Association (IOD) 	None	None	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>
						Present	- Advisor	Country Group Securities PCL. <i>Underwriting business</i>
						Present	- Independent Director - Audit committee	Siam Steel International PCL. <i>Manufacturing and importing the furniture and part</i>
						1999 - 2020	- Director	Asia Plus Advisory Co., Ltd. <i>Financial Advisor Services</i>

Part 4 Certification of the Correctness of Information

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	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
1.	Mr. Rattapoom Nuntapatawee - Senior Managing Director <i>Appointment: on 26 Jan 2021</i> - Executive Director <i>Appointment: BoD 2/2022 on 17 Feb 2022</i> - Risk Management Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i>	50	- 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>
						2005 - present	- Director	2T AUDIT COMPANY LIMITED <i>Accounting, bookkeeping and auditing activities, tax consultancy</i>
						2021 - present	- Director	Odin Power Company Limited <i>Electricity generation and distribution</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
2.	Mr. Surachai Chainarong - Senior Managing Director <i>Appointment: on 26 Jan 2021</i> - Executive Director <i>Appointment: BoD 2/2022 on 17 Feb 2022</i> - Risk Management Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i> - Member of the ESG Committee <i>Appointment: BoD 2/2022 on 17 Feb 2022</i>	48	- Studying Master of Mechanical Engineering (Robotics and Automation) Kasetsart University - Master of Business Administration, Burapha University - Bachelor of Electrical Control Engineering (Associate Electrical Engineer (Power)), Siam University Training - Director Accreditation Program (DAP) Class 118/2015 Thai Institute of Directors Association (IOD)	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 - Deputy Managing Director	<i>conditioner, parts for electric 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>
						2021 - present	- Director	Paradise Plastic Company Limited <i>Manufacture plastics parts</i>
						2021 - present	- Director	Odin Power Company Limited <i>Electricity generation and Distribution</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
3.	Ms. Achara Nivongsa Assistant Managing Director of Accounting and Finance <i>Appointment: On 1 Jun 2016</i>	47	- 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>
						2021 - present	- Director	Odin Power Company Limited <i>Electricity generation and Distribution</i>

Details of the Company Secretary

Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
					Period	Position	Company / Type of business
Ms. Netchanok Thaisa-nguanvorakul Company Secretary <i>Appointment: BoD 7/2020 on 16 Dec 2020</i>	31	<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"> - Company Secretary Program (CSP 177/ 2021), Thai Institute of Directors (IOD) - Company Reporting Program (CRP 29/ 2021), Thai Institute of Directors (IOD) - Board Reporting Program (BRP 36/ 2021), Thai Institute of Directors (IOD) - Effective Minutes Taking (EMT 49/ 2021), Thai Institute of Directors (IOD) - Executive Development Program (EDP) Class 20 	0.6%	Daughter 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>

Part 4 Certification of the Correctness of Information

Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
					Period	Position	Company / Type of business
		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					

Details about the bookkeeper

Name-Surname / Position Appointment date	Age (Years)	Education / Training	Number of shares and % of shares holding	Relationship	Experience		
					Period	Position	Company / Type of business
Ms. Parichat Hemvipat Accounting and Finance Manager <i>Appointment: On 1Dec2020</i>	47	- Master of Business Administration Ramkhamhaeng University - Bachelor of Accounting University of the Thai Chamber of Commerce	<0.01%	None	2020 - Present	Accounting and Finance 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>
					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	Number of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
1.	Mr.Samran Pattanee	53	-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 <i>Manufacture parts for electric appliances</i>
2.	Mr.Chatchapol prasopchock	53	- 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	NO	NO	2017 - Present	- Director	Odin Power Company Limited <i>Energy business</i>
						2017 - Present	- Director	Odin Myanmar Company Limited <i>Energy business</i>
						2019 - Present	- Director	Vientiane Waste Management Company Limited <i>Renewable energy business</i>
						2013 - Present	- Director	Solar Energy Roof Power Company Limited <i>Energy business</i>
						2008 - Present	- Director	Bangchak Biofuel Company Limited <i>Biodiesel production business</i>

NO.	Name-Surname / Position	Age (Years)	Education / Training	Number of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
			Association (IOD) - Director Accreditation Program (DAP) Course, Class 82/2010 Thai Institute of Directors Association (IOD) - TLCA Executive Development Program (EDP) Class 8/2011 - Future Entrepreneurs Forum (FEF) Class 1/2013 Creative Entrepreneurship Development Institute (CEDI) - The Executive Program in Energy Literacy (WorPhorMor) Class 7/2015 Thailand Energy Academy -Leadership Development Program 2015 Thai Institute of Directors Association (IOD) -Leadership Succession Program (LSP) Class 5/2015			2016 - Present	- Director	PPWE Company Limited <i>Energy business</i>
						2020 - Present	- Chairman of the Executive Committee	UAC Global PCL. <i>Energy business</i>
						2012- Present	- Risk Management Committee	UAC Global PCL. <i>Energy business</i>
						2010 - Present	- Executive Director	UAC Global PCL. <i>Energy business</i>
						2014-2019	- Managing director	UAC Global PCL. <i>Energy business</i>
						2017 - Present	- Director	UAC Top Energy Company Limited <i>Energy business</i>
						2011 - Present	- Director	UAC Utilities Company Limited <i>Tap Water business</i>
						2013 - Present	Director	UAC Energy Company Limited <i>Energy business</i>
						2015- Present	Director	UAC Advance Polymers and Chemicals Company Limited <i>Chemical distribution business</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position	Age (Years)	Education / Training	Number of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
			Institute of Research and Development for Public Enterprises - Advanced Master of Management Program (AMM) Class 2/2018 GSCM NIDA -Chief Transformation Officer (CTO Course) 2019 mai Listed Company Association (maiA)			2012 - Present	Director	UAC & TPT Energy Company Limited <i>Biogas production and distribution business</i>
3.	Mr.Pongchai Amatanon	57	-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 <i>Energy business</i>
						2002 - Present	Director	Genius Traffic System Company Limited <i>Traffic light equipment manufacturing business</i>
						2011 – Present	Director	Forth Consulting Company Limited <i>Software Consulting Business</i>
						2005 – Present	- Director - Risk Management Committee	Forth Corporation PCL. <i>Electronic parts business</i>

NO.	Name-Surname / Position	Age (Years)	Education / Training	Number of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
							- Chairman of the Executive Committee	
						2002 - Present	Director	Forth Tracking System Company Limited <i>Vehicle tracking device business</i>
						2002 - Present	Director	Forth Meter Company Limited <i>Manufacturing and distribution of electricity meter equipment</i>
						2013 - Present	Director	Forth Lighting Company Limited <i>Manufacturing and distribution of electric bulb</i>
						2015 - Present	Director	Forth Vending Company Limited <i>Vending machine business</i>
						2016 - Present	Director	Forth Smart Capital Company Limited <i>Vending machine business</i>
						2017 – Present	- Director - Nomination and Remuneration Committee - Chairman of the Executive Committee	Forth Smart Service PCL <i>Mobile phone top-up service business</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position	Age (Years)	Education / Training	Number of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
						2008 - 2017	Director	Forth Smart Service PCL <i>Mobile phone top-up service business</i>
						2020 - Present	Director	Forth Smart Distribution Company Limited <i>Oil transportation business</i>
						2019 - Present	Director	Forth Ems Company Limited <i>Electronic circuit board manufacturing and assembly business</i>
						2020 - Present	Director	Forth MRO Service Company Limited <i>Vehicle repair service business</i>
						2008 - Present	Director	Electronics Source Company Limited <i>Business distribution electronic equipment and parts</i>
4.	Mr. Sebastian Hugh Marie Legarek	44	- Master of Engineering National school of engineers of Tarbes, France - Master in Fluid Mechanics University of Nantes, France - Bachelor of Science Academy of Rennes, France	NO	NO	2015- Present	- Director	SNC Atlantic Heat Pump Company Limited <i>Heating pump manufacturing business</i>
						2015 - Present	- Director	SNC Atlantic Water Heater Asia Company Limited <i>Manufacture and sale of water heater machines</i>
						2012 - 2015	- Director	Signalisation Lacroix <i>Smart City and Roadsign</i>

Head of Internal Audit Manager

[illegible]

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	Grant Thornton Company Limited <i>Auditing service business</i>
					2001 – 2002	International Audit Manager	Grant Thornton LLP Seattle, USA <i>Auditing and Consulting Services</i>
					2000 - 2001	Senior manager	Grant Thornton Company Limited <i>Auditing service business</i>
					1995 - 2000	Senior manager	PricewaterhouseCoopers ABAS Company Limited <i>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

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 and no more than 12 directors, comprising at least one-two of the entire board of directors. The company can consider adjusting according to the size and 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.
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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

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.
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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



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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

ONE REPORT 2021

The logo for SNC, with the letters 'SNC' in a bold, red, italicized sans-serif font.

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