

Analyst meeting on 26 June 2018

- OEM: A/C window type has been developed to comply with the energy efficiency standards of Saudi Arabia (SASO). The product is in the testing process at SASO. We expected that the product will be passed with the standard and will be produced by end of 2018. The production volume in 2018 is expected 210,000-220,000 units (2017: 335,406 units).
  - SAHP: Heat pump for water heater that export to France. Production volume in 2018 is expected 50,000-53,000 units (2017: 63,495 units).
  - Water3 Vending machine: In the first and second quarter of 2018, the Water3 have been sold 39 units and 140 units, respectively. The volume is still low because of design change. We expected to produce 80 units per month in the second half year. The water3 is exported to Australia and USA.
  - SAWHA has invested THB 124 million (SNC 49%: Atlantic 51%) to produce Enamel tank which is a component part of water heater. The set of machinery are completely installed and now we are in the process of test run. The production capacity is 300,000 units per year to serve Vietnam, Europe and India market.
  - Automotive parts segment
    - Pipe: Component parts for MAZDA3 will be produced by end of 2018 which will generate income of THB 15 million a year. In the second quarter, we have issued quotations for component part of ISUZU (new parts) which is planned to be produced in November of 2019 and generate income appx THB 90 million a year. We have also issued quotations for component part of CIVIC
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- (replacement) and CRV (new) which is planned to be produced in 2022 and generate income appx THB 136 million.
- Sheet SSMA: we have returned some low profit margin parts to customers and finding new higher profit margin parts from other customers.
  - Plastic: Total revenue of 2018 is expected same as 2017. We will transfer the injection machines of 15 units from Branch2 to another subsidiary and will transfer some injection machines to Rayong in order to save the factory rental expense and getting tax saving of THB 4.5 million.
  - EA parts segment is expected increasing:
    - Component parts which are supplied directly to customers, expected increase 5%.
    - Component parts which are internally supplied to OEM A/C, expected decreased.
  - In 2018-2019, SNC will continue the reorganization program. Any same businesses will be merged to utilize the resources together. The major production base will be located at Rayong province over our own land that has water supply system and solar rooftop. We will keep all upstream parts business which generate good profit. Any non-profitable business will be terminated. We will control budget for production cost and administrative expenses. Our business will be operated in compliance with the Anti-corruption policy and sustainability policy.
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