



(F 53-4)

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Capital Increase Report Form
SNC Former Public Company Limited

7 May 2021

(Revised Edition: Changing the use of proceeds from the capital increase)

We, SNC Former Public Company Limited, ("the Company"), would like to report the resolution of the Board of Directors' Meeting No. 4/2021 held on 7 May 2021 relating to changing the use of proceeds received from the Public Offering (PO), where the Company was approved by the Extraordinary General Shareholders' Meeting No.1/2021 held on 26 January 2021 for capital increase total 111,222,661 Baht by issuing 112,222,661 ordinary shares with a par value of Baht 1 per share for Public Offering as follows:

1. Capital increase

The Extraordinary General Shareholders' Meeting held on 26 January 2021, passed resolution to increase the registered capital of the Company at the number of Baht 112,222,661 by issuing newly issued ordinary 112,222,661 shares at the par value of Baht 1 per share by offering to the public (Public Offering) in the amount of 112,222,661 shares as detailed below:

Type of Capital Increase	Type of Share	Number of Shares	Par Value (Baht per Share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	112,222,661	1.00	112,222,661
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

2. Allotment of new ordinary shares

2.1 Capital increase with specified purpose of use of subscription proceeds.

Allotted to	Number of Shares	Ratio (Existing : New)	Offering Price (Baht per Share)	Subscription and Payment Period	Remarks
Public - to reserve for the allotment of new shares to the public (Public Offering)	Not exceeding 112,222,661	-	Details in Remark 1-3	Details in Remark 1-3	Details in Remark 1-3
Total	Not exceeding 112,222,661				

Remark:

- The Company shall allocate newly issued ordinary shares not exceeding 112,222,661 shares with a par value of Baht 1.00 per share in order to reserve for the offering to public (Public Offering). The Preliminary Features of Newly Issued Ordinary Shares of SNC Former Public Company Limited offering to public (Public Offering) are shown in Enclosure 2.
- The offering price, subscription and payment period will be determined by the Board of Directors and/or the Executive Committee and/or the person(s) entrusted by the Board of Directors and/or the Executive Committee later, after the approval for the offering of newly issued ordinary shares by the SEC.
- The Board of Directors and/or the Executive Committee and/or the person(s) entrusted by the Board of Directors and/or the Executive Committee shall be empowered
 - To determine and adjust the relevant details of the issuance and offering of newly issued ordinary shares to public (Public Offering) in all aspects which including but not limited to the offering price, subscription and payment period, and relevant conditions.
 - To correct words or texts in any related document such as minutes of meeting, memorandum, application form and/or take any action to comply with the Registrar request for the Company's capital register to the Department of Business Development, Ministry of Commerce
 - To provide the information, execute the application and necessary supporting documents relevant to the issuance and offering of the Public Offering shares, including to contact and file such application and documents to the authorities or government agencies concerning the issuance and offering of the Public Offering shares, and the listing of the new shares on the Stock Exchange of Thailand.
 - To take any other actions which are deemed necessary and appropriate to the issuance and offering of the Public Offering shares

2.2 The Company's plan in case where there is a fraction of shares remaining

Such fraction shall be discarded.

3. Schedule for a shareholders' meeting to approve the changing the use of proceeds from the capital increase

The Extraordinary General Shareholders' Meeting No.2/2021 is scheduled to be held on 14 June 2021, 10.00 hrs. At Head Office, SNC Former Public Company Limited, 333/3 Moo 6, Bangpreang District, Amphur Bangbo Samut Prakarn

The Extraordinary General Meeting of Shareholders No. 2/2021	
The date fixed to determine the names of shareholders who entitle to attend the Extraordinary General Meeting of Shareholders No. 2/2021 (Record Date)	21 May 2021
The Extraordinary General Meeting of Shareholders No. 2/2021	14 June 2021

4. The Progress/Approval of the capital increase/share allotment by relevant governmental agency and conditions thereto (if any)

- (1) The Company shall register paid-up capital with Business Development Department, Ministry of Commerce
- (2) The Company is in the process of application for the offering of newly issued ordinary shares to public (Public Offering) to the SEC and apply for approval to effective the filing and prospectus after the approval for the offering of newly issued ordinary shares. In this regard, the Company expects to offer newly issued ordinary shares within 3 months from the SEC's approval.
- (3) The Company shall apply for approval from the Stock Exchange of Thailand to accept its newly issued ordinary shares as listed securities for trading on the Stock Exchange of Thailand.

However, the capital increase and the offering of newly issued ordinary shares to public is still uncertain which is depended upon the results of the approval from the SEC.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase.

According to the Extraordinary General Shareholders' Meeting of held on 26 January 2021 to capital increase for total 111,222,661 Baht by issuing 112,222,661 ordinary shares with a par value of Baht 1 per share for Public Offering. The Company will use funding from new shares issuance for the following objectives:

- (1) To support the construction of factories and warehouses for rent, for the Toolbox manufacturing business and the construction of warehouses for electric appliances business with an amount of approximately Baht 780 million.
- (2) To support the relocation of production lines from Samut Prakan Province to Rayong to be a one-stop production center with a budget of Baht 200 million
- (3) To use as working capital and for repayment of loans from financial institutions for the proceeds received in excess of Clause (1) and (2)

However, the Company receive the notice from customer who will be a tenant of the factories and warehouse that the customer is in the process of business acquisition and would like to delay the expansion of investment in Thailand by waiting for due diligence and acquisition results which will take several months. As the consequence The Board of Director's of the Company has considered to use capital from Public Offering to expand the production and assembly capacity of the electrical appliances (OEM) instead which have continuously high growth rate in order to create business opportunities and increase competitiveness that will make the best benefit to the company. Hence, the Board of Director has resolution to change the use of proceeds from the capital increase as follows;

- (1) To expand the production capacity of the existing business including manufacture and assembly of electrical appliances (OEM), manufacture and sales of electrical equipment parts (PARTS) and manufacturer and sales of air conditioning equipment parts used for vehicles (AUTO) and support new business opportunity with an amount of approximately Baht 1,155 million.
- (2) To use as working capital and for repayment of loans from financial institutions for the proceeds received in excess of Clause (1)

The Company expects to use the proceeds received from the capital increase for the objectives (1) and (2) by 2021-2022, whereby the amount received from this capital increase will depend on the offering price which will be determined after the approval for the offering of newly issued shares by the SEC and will be considered as appropriate based on the market price of the Company's shares at the time of offering of securities.

5.1 Details of the projects and all project budget that is expected to be used initially.

The project consists of buildings and factories for existing business and support new business opportunity with total areas of 100,000 square meters with total production capacity of air conditioners to 4,000,000 sets per year, refrigerator 240,000 sets per year, TV 350,000 sets per years and washing machine 200,000 sets per year. The construction period is approximately 6 months and expect to start the production within 2022. The Company expects to receive approximately 17.6% internal rate of return (IRR) with a payback period of 3 years 5 months.

5.2 Expected impacts in the event that the project cannot be successfully executed and the risk of project execution

The Company expects that the opportunity that the Company will not be able to undertake such project are relatively low because it is a project to expand the current production capacity in which the company has expertise.

6. Benefits which the Company will receive from the capital increase/share allotment

- (1) The proceeds received from the capital increase will provide the company with sufficient funding sources for the business expansion plan and will help increase the Company's capital appropriately to support the business expansion of the Group in the future.
- (2) This capital increase will reduce the financial burden, strengthen the financial status of the Company, enable the Company to continue the business with sustainability, as well as help increase the opportunity to expand the business. This will generate sustainable income and profits for the Company in the future.

7. Benefits which shareholders will receive from the capital increase/share allotment

7.1 Dividend policy

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

7.2 The right to receive dividends from the operations of the company.

Subscriber of newly issued ordinary shares offered to public (Public Offering) will be entitled to receive dividends when the subscriber's names has been registered as a shareholder of the Company with related government authorities and the Company has announced dividend payment which will be in accordance with the relevant laws and regulations.

8. Schedule of action if the board of directors passes a resolution approving to change the use of proceeds from the capital increase

Procedures of the capital increase	Date
1. The Board of Directors' Meeting No. 4/2021 to approve changing the use of proceeds from the capital increase	7 May 2021
2. The date fixed to determine the names of shareholders who entitle to attend the Extraordinary General Meeting of Shareholders No. 2/2021 (Record Date)	21 May 2021
3. The Extraordinary General Meeting of Shareholders No. 2/2021	14 June 2021

The Company hereby certifies that the information contained in this report form is true and complete in all respects.



(Mr. Somchai Ngamkitcharoenlap)

Director



(Mr. Somchai Thaisanguanvorakul)

Director

(Company's stamp)