

(F 53-4)

*The English translation of this document is prepared solely for reference for non-Thai shareholders of the Company. It should neither be relied upon as the definitive nor the official document of the Company. The Thai version is the official document and shall prevail in all respects in the event of any inconsistency with the English translation.*

**Capital Increase Report Form**  
**SNC Former Public Company Limited**  
**16 December 2020**

We, SNC Former Public Company Limited, ("the Company"), would like to report the resolutions of the Board of Directors' Meeting No. 7/2020 held on 16 December 2020 relating to the capital increase and share allotment as follows:

**1. Capital increase**

The Board of Directors' Meeting has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2021 to consider and approve to increase the registered capital of the Company at the amount of Baht 112,222,661 from Baht 287,777,339 to Baht 400,000,000 by issuing newly issued ordinary 112,222,661 shares at the par value of Baht 1.00 in order to offer 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:

1. 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 3.
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.
3. 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
  - (1) 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
  - (2) 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
  - (3) 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.
  - (4) 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 capital increase/allotment

The Extraordinary General Meeting Shareholder No. 1/2021 is scheduled to be held on 26 January 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. 1/2021	
The date fixed to determine the names of shareholders who entitle to attend the Extraordinary General Meeting of Shareholders No. 1/2021 (Record Date)	30 December 2020
The Extraordinary General Meeting of Shareholders No. 1/2021	26 January 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 the capital increase and paid-up capital with Business Development Department, Ministry of Commerce, amend the Memorandum of Association of the Company with respect to the registered capital
  - (2) The Company shall submit the 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 submit the application within 3 months from the shareholders' approval of the capital increase.

- (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

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/or for repayment of loans from financial institutions for the proceeds received in excess of Clause (1) and (2)

The Company expects to use the proceeds received from the capital increase for the objectives (1) (2) and (3) by 2021, 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.

Other details for the construction of factories and warehouses for rent, for the manufacturing of Toolbox and warehouses for electric appliances business appeared in the information memorandum on the acquisition of assets. (Enclosure 1)

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

The construction of factories and warehouses for rent, for the Toolbox manufacturing business and the construction of warehouses for electric appliances business are the construction of a 90,000 square meter factory building on the existing Company's land which currently in the process of entering into a rental agreement with the customer, with the rental term of 5 years. The Company expects to receive approximately 17% internal rate of return (IRR) with a payback period of 5 years.

##### 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 factory and warehouse rental projects for the Toolbox business, and to build warehouses for electric



appliances business are relatively low because the Company has been a manufacturer (OEM) Toolbox for customers since 2019 and over the past 2 years, Toolbox business has grown steadily with increasing contract volume from more than 13,000 sets in 2019 to over 200,000 sets in 2020 which requires more space for assembly and storage. In addition, such customers have planned to expand their production capacity and are interested in renting the Company's factory space for such business. The project, therefore, is low risk and it also helps to diversify the Company's income while still within the scope of the business it has expertise and will provide the Company with consistent income and cash flow throughout the rental term.

**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 name 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 the capital increase or allotment of new shares**

Procedures of the capital increase	Date
1. The Board of Directors' Meeting No. 7/2020 to approve capital increase and the allocation of newly issued ordinary shares to the public (Public Offering)	16 December 2020
2. The date fixed to determine the names of shareholders who entitle to attend the Extraordinary General Meeting of Shareholders No. 1/2021 (Record Date)	30 December 2020
3. The Extraordinary General Meeting of Shareholders No. 1/2021	26 January 2021
4. Registration of paid-up capital increase with the Ministry of Commerce	Within 14 days after the shareholders meeting approved the capital increase
5. Submit application for offer newly issued ordinary shares to public (Public Offering, PO) to the SEC	Within 3 months after the shareholders meeting approved the capital increase



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

x

(Mr. Somchai Ngamkitcharoenlap)

Director

x

(Mr. Somchai Thaisanguanvorakul)

Director

(Company's stamp)