



www.spcg.co.th

รายงานประจำปี 2559

Annual Report 2016

The Leading
Solar Farm & Solar Roof Developer in ASEAN

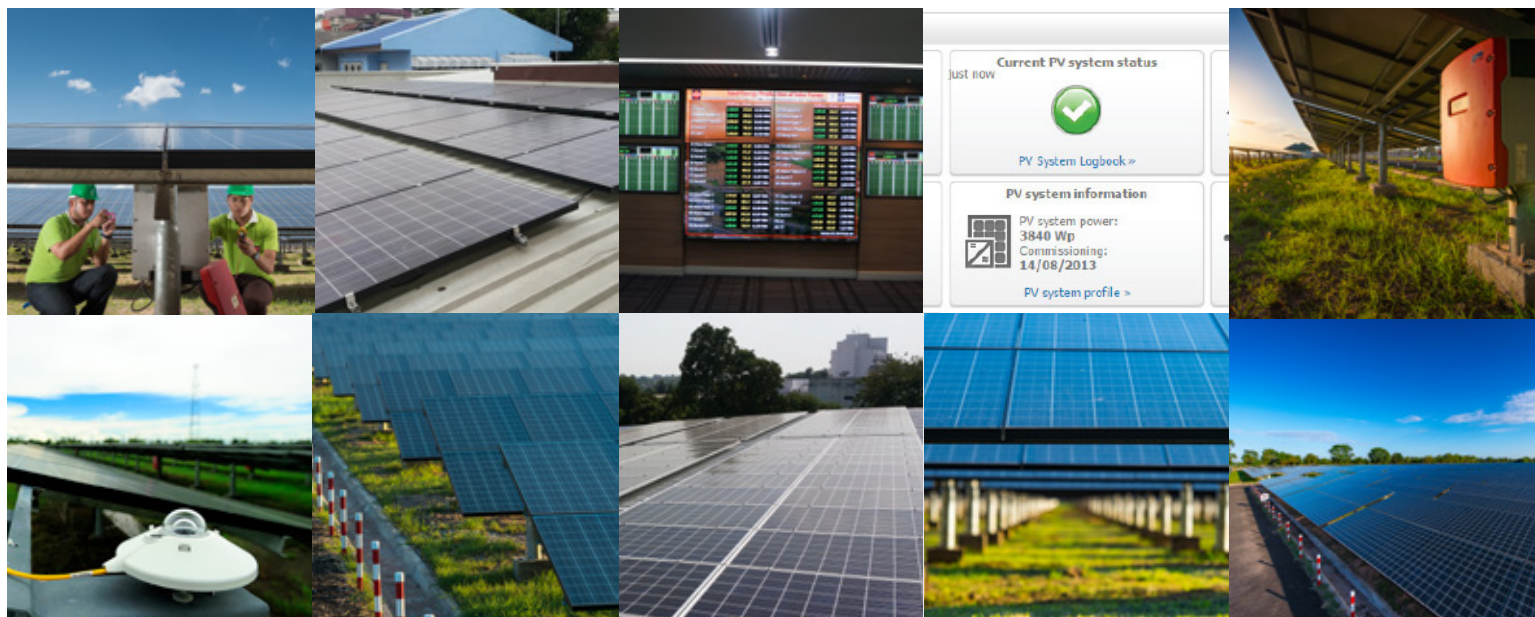
• Best Value • Best Design • Best Output • Best Service



2016



2559



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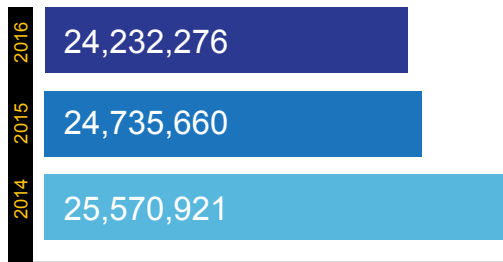


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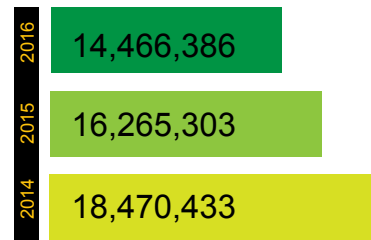
Financial Highlights

(Unit: thousand Bath)

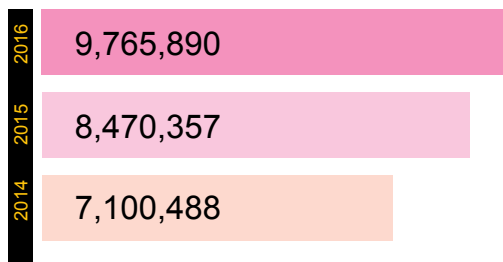
	2559/2016	2558/2015	2557/2014
Consolidated Statement of Financial Position			
Current Assets	5,019,557	4,986,495	4,766,524
Property, plant and equipment	17,743,670	18,314,469	18,779,094
Total Assets	24,232,276	24,735,660	25,570,921
Current Liabilities	3,828,600	2,842,636	2,816,757
Total Liabilities	14,466,386	16,265,303	18,470,433
Issued and paid-up share capital	923,990	923,990	923,990
Total Shareholders' Equity	9,765,890	8,470,357	7,100,488
Consolidated Statement of Comprehensive Income			
Revenue from electricity distribution	4,361,507	4,529,465	3,957,338
Revenue from sales of goods	155,444	175,377	169,685
Revenue from sales and installation services of roof & solar roof	931,145	295,215	230,106
Revenue from structure contract	-	-	-
Total revenue from sales and services	5,448,096	5,000,057	4,357,129
Total revenue	5,544,302	5,057,637	4,410,715
Total expense	2,926,835	2,592,616	2,520,782
Net profits (losses)	2,617,467	2,465,021	1,889,933
Comprehensive income	2,605,180	2,481,778	1,908,473
Profit attributable to Owners of the parent	2,314,209	2,190,165	1,655,610
Comprehensive income attributable to Owners of the parent	2,301,975	2,206,880	1,674,116
Earnings per share (Bath)	2.50	2.37	1.89
Key Financial Ratios			
Gross Profit Margin	64.8%	72.8%	73.2%
Net Profit Margin	41.7%	43.3%	37.5%
EBITDA Margin	60.8%	65.1%	64.8%



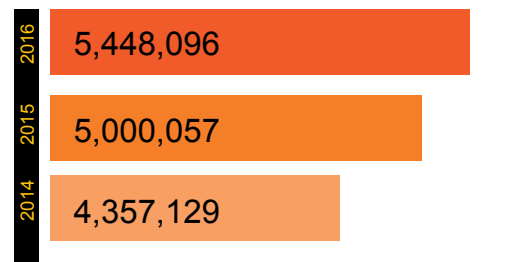
Total Assets



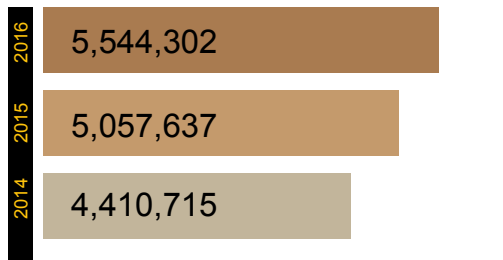
Total Liabilities



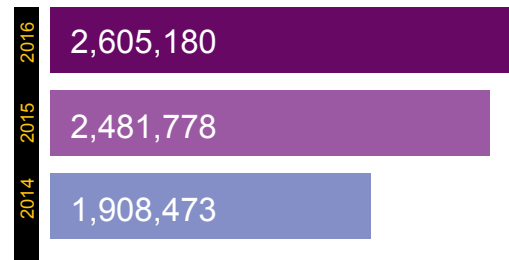
Total Shareholder's Equity



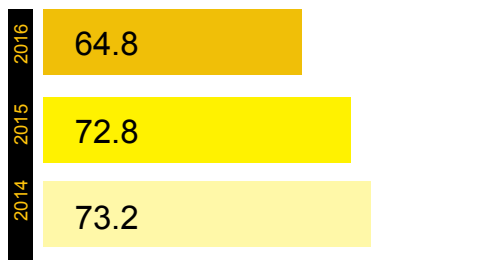
Total revenue from sales and services



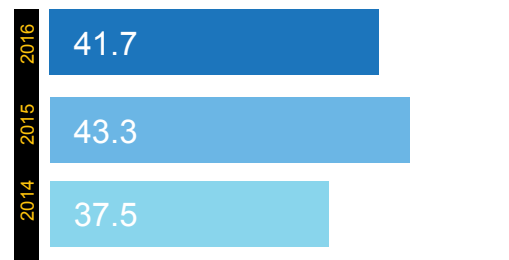
Total revenue



Comprehensive income



Gross Profit Margin



Net Profit Margin

Vision

SPCG is the Leader in Solar Power Development and Solar Roof with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.





Mission

SPCG SPCG is the Leading Developer in Solar Power System with the Highest Quality, Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services under the Standard Policy: **“Continuing To Give Best Value, Best Design, Best Output and Best Service To All Of Customers”**

Message from the Chairperson

In 2016 is successful year of SPCG Public Company Limited (“SPCG”). The company continues to generate numerous profits for shareholders. Regardless the fluctuations in the global economy, SPCG’s management efficiently operates 36 solar farms with the total production capacity of 260 MW to generate electricity at its maximum. After the success of this investment, SPCG has successfully expanded our investment in Sales and installation of solar rooftop under the name of Solar Power Roof Co., Ltd. “SPR” using solar panel, the Inverter, equipment like used in solar farm to guarantee our standard that its quality has proven in actual usage. SPR targets in both the household and industrial markets.

As a result, SPCG has the revenue from the operating for the year 2016 in the amount of excess Baht 5,544.3 million or increasing 9.6 percent comparing to last year, Net profit in the amount of Baht 2,617.5 million accounting for net profit margin at 6.18 percent. TRIS Rating Co., Ltd. reported SPCG with the Rating at “A-” Stable outlook.

Due to our policy, SPCG continues to be a leader and pioneer in solar power generation. Both in Thailand And ASEAN and the company have been acknowledged globally. We are the first developer that successful in large commercial solar farm project in Thailand and ASEAN. Solar roof is an innovation for energy saving which is our principle of operation under the quality policy “Best Value, Best Design, Best Output and Best Service To All Of Customers”. It is our commitment to build confidence in product value that aims to maximize performance and excellent service to our customers. SPCG has business partners with “Kyocera Corporation” a leader in

solar panel with a capacity of more than 5,000 MW per year with 60 years old experience, in which a debt-free company and one of the most financial strengths in Japan. SPCG aims to create a corporate culture for work by coaching our staffs to work under the 12 philosophy of KYOCERA Corporation under the principle of success: “SUCCESS = Ability x Effort x Attitude”

From the operational philosophy mentioned above and with SPCG, it is a business that is committed to environmental protection. That it made honored by United Nations Framework Convention on Climate Change (UNFCCC) representing the business sector from Thailand, invited as a special guest speaker and participant in the dialogue. For the second time in “2016 Momentum for Change: Women for Results Event “ at “the 22nd Conference of the Parties” or “COP 22” in Marrakech, Morocco on November 14-18, 2016 focusing on The fact that women should be taken the lead in global climate change and bring renewable energy to power. Benefit the policy of the UNFCCC. “Renewable Energy” is the best solution to global warming from greenhouse effect in order to develop the sustainability according to the UN’s 17 goals of UN sustainable development. From this meeting, 200 countries have ratified this agreement that will reinforce in their countries. The issue of global climate change has always been important and every participating country still follows to this agreement in order to work together solving global climate change. To significantly reduce the size of the greenhouse gas emissions gap by 2020.

In addition, SPCG does not only operate for profit, but also take into account the role of social responsibility. Particularly around the 36 solar farms that invested more than Baht 24,000 million, 20,000 jobs was created

and more than 1,000 labors will be created for local people over the next 30 years. SPCG established the Solar Farm knowledge Center in Nakhon Ratchasima to provide students and the general public an opportunity to study the knowledge of solar clean energy and adopted a scholarship program on National Children's Day and community-based activities the locals. SPCG persuades all sectors to participate in the learning of solar energy production, which is clean energy environmentally friendly that can also reduces global warming up to 200,000 tons of carbon dioxide per year.

Last year was the first time the SPCG had sold carbon credits to France Electric or Electricite de France (EDF) and is the first in Thailand. SPCG received its lump sum in January 2016 and we contributed to the seminar of The focus of CLIMATE CHANGE is the "Unlock Renewable Energy", organized by the Energy for the Environment Foundation (EforE). With main purpose promoting the use of renewable energy in the country to become widespread. And the company also funded the project of "Community Support for Forests to Reduce Global Warming" Chiang Rai is organized by the Forest Department through the Greenhouse Gas Management Organization Public Organization for Sustainable Community Forest to be a carbon dioxide source site by this lump sum as well. SPCG also strengthen the well being of the community. It is important to push for Thailand to be a green country to reduce global warming and to make community forest projects come true, resulting in development of Sustainable Environmental Conservation to achieve the objectives of social activities to reduce global warming according to the company policy that Solar energy is the community sustainably.



Dr. Wandee Khunchornyakong Juljarern
Chairperson

Message from the Chairman of the Audit Committee



Since 2015, SPCG has been already completed all 36 solar projects, the first of its kind in Thailand and ASEAN. Become a leader in the installation of solar roof systems to households, commercial buildings, office buildings, governance building and industrial plants. By focusing on the saving energy is important. Although the economy in 2016 is not bright, the Audit Committee It can be suggested and implemented according to the operational plan laid out, which is satisfactory.

The task of the Audit Committee of SPCG is to still preserve the working standard to oversee in the matter of operational processes towards the righteousness as well as good governance. Moreover, we pay attention to monitor the compliance with laws and regulations of the Stock Exchange of Thailand and taking into consideration of our Investor's Upmost Benefits.

The Audit Committee still well realizes of our duties and responsibilities, and will always adhere to SPCG's Good Governance Principles in order to participate in SPCG's Sustainable Progress.

A handwritten signature in blue ink, appearing to read 'N. Pongpanich', with a horizontal line underneath.

Mr. Kiatchai Pongpanich
Chairman of the Audit Committee



BEST
VALUE



BEST
DESIGN



BEST
OUTPUT



BEST
SERVICE

General Information

Company name SPCG PUBLIC COMPANY LIMITED

English name SPCG PUBLIC COMPANY LIMITED

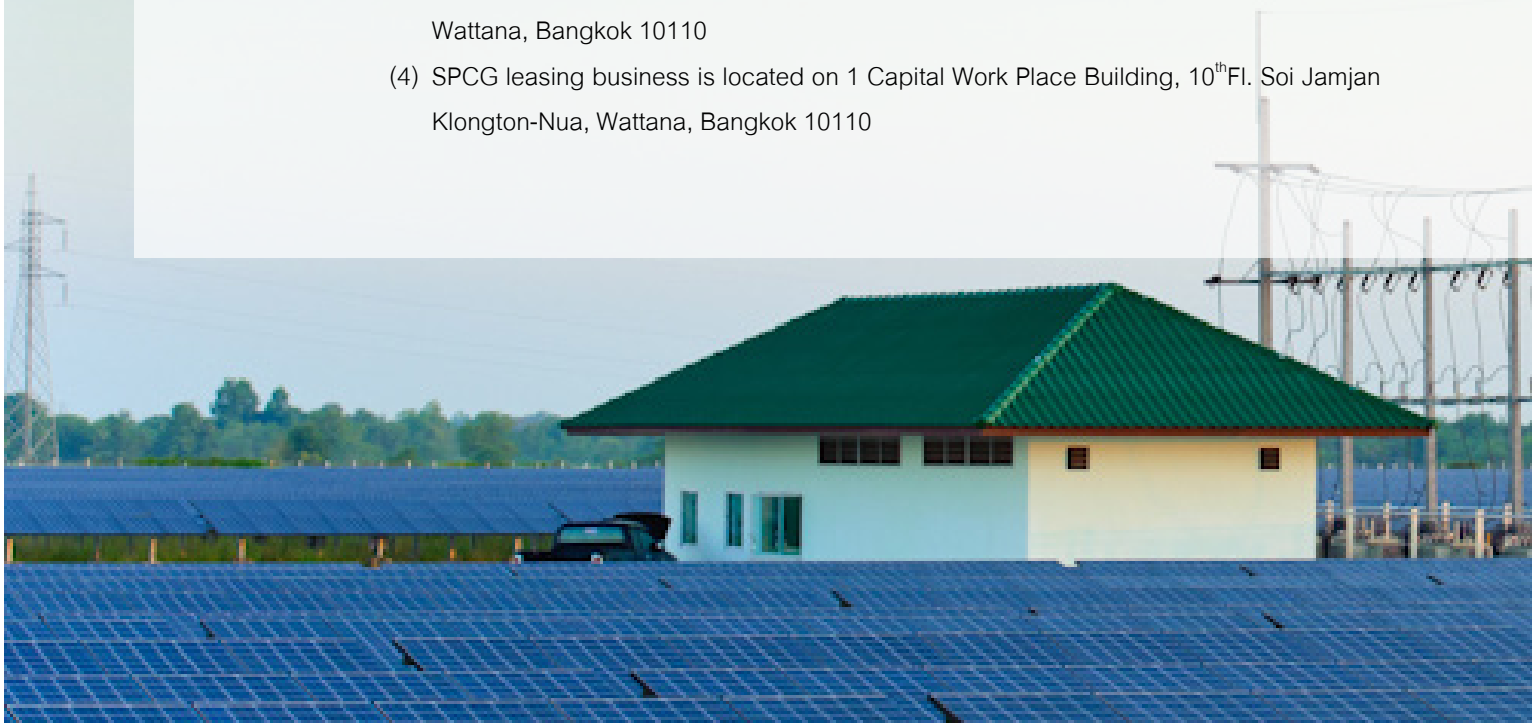
Type of business Run business in investment by holding shares in subsidiary companies and associates to operate 4 type of business, which are as follow:

- (1) Business of investment and development of solar farm engineering, procurement and construction (EPC) and operation, Maintenance and Monitoring (OM&M)
- (2) Business of manufacturing, distribute and installation of roll forming metal sheet including other related roof and wall cladding materials.
- (3) Business of supply and installation of solar roof
- (4) Business of SPCG Leasing offers leasing services for companies and manufactures to invest in Solar development system and solar rooftop to support energy saving and renewable energy for the country.

Head office 1 Capital Work Place Building, 10thFl. Soi Jamjan, Klongton-Nua, Wattana, Bangkok 10110

Factory location

- (1) Solar farm business of corporation group are located in 10 provinces with the total of 36 projects.
- (2) Steel business is located on 8 Moo. 15, Bangplee Yai, Bangplee, Samutprakarn 10540.
- (3) Solar roof business is located on 1 Capital Work Place Building, 9thFl. Soi Jamjan Klongton-Nua, Wattana, Bangkok 10110
- (4) SPCG leasing business is located on 1 Capital Work Place Building, 10thFl. Soi Jamjan Klongton-Nua, Wattana, Bangkok 10110



Registration number 0107574800137

Website www.spcg.co.th

Telephone 0-2011-8111

Facsimile 0-2011-8112

Registered capital Baht 923,990,000

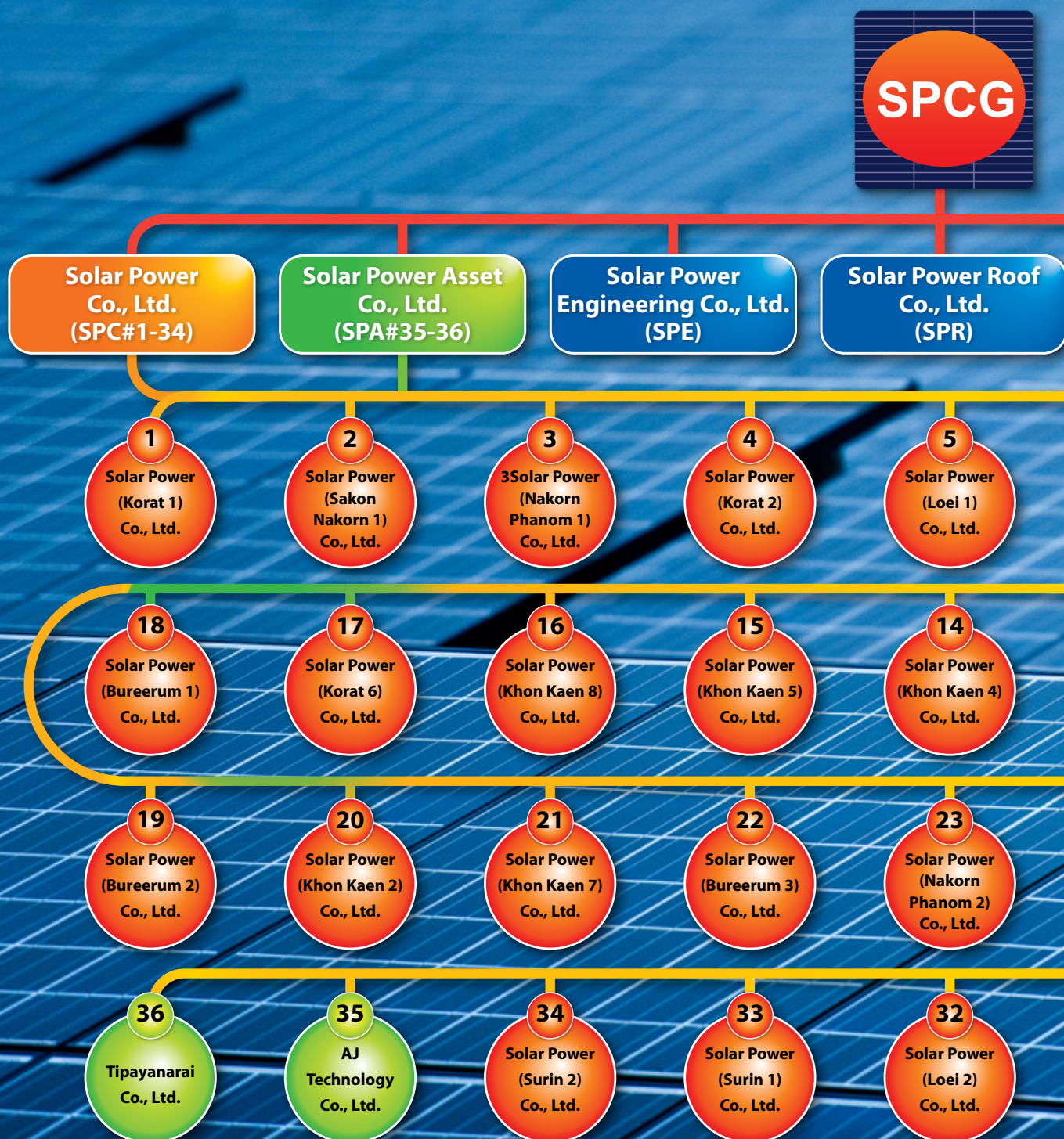
Paid-up capital Baht 923,990,000

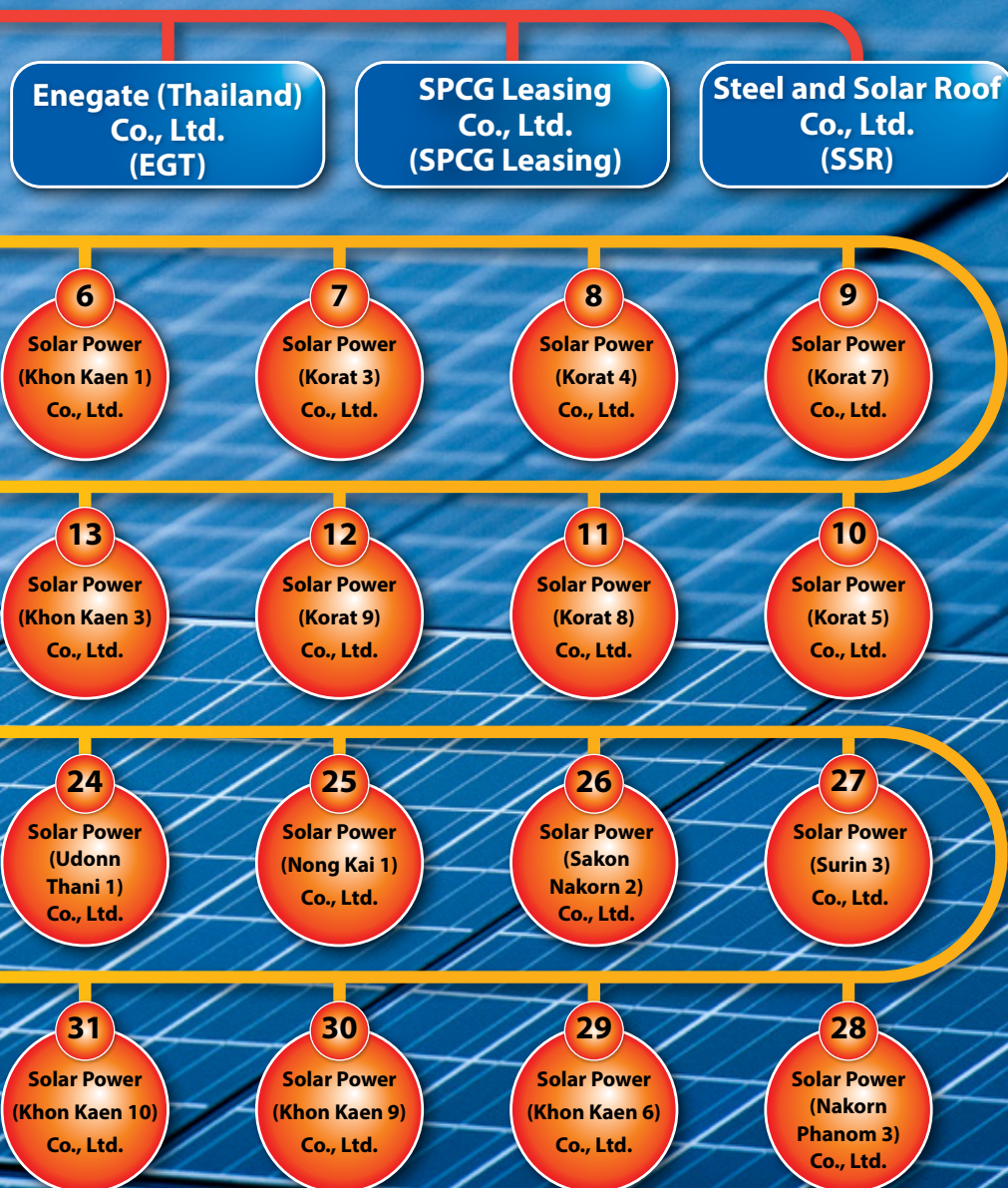
Par value Baht 1 per share

Registrar Thailand Securities Depository Co.,Ltd. ("TSD")
93 Rachadaphisek Rd., Dindaeng, Dindaeng, Bangkok 10400
Telephone 0-2009-9000 Facsimile 0-2009-999

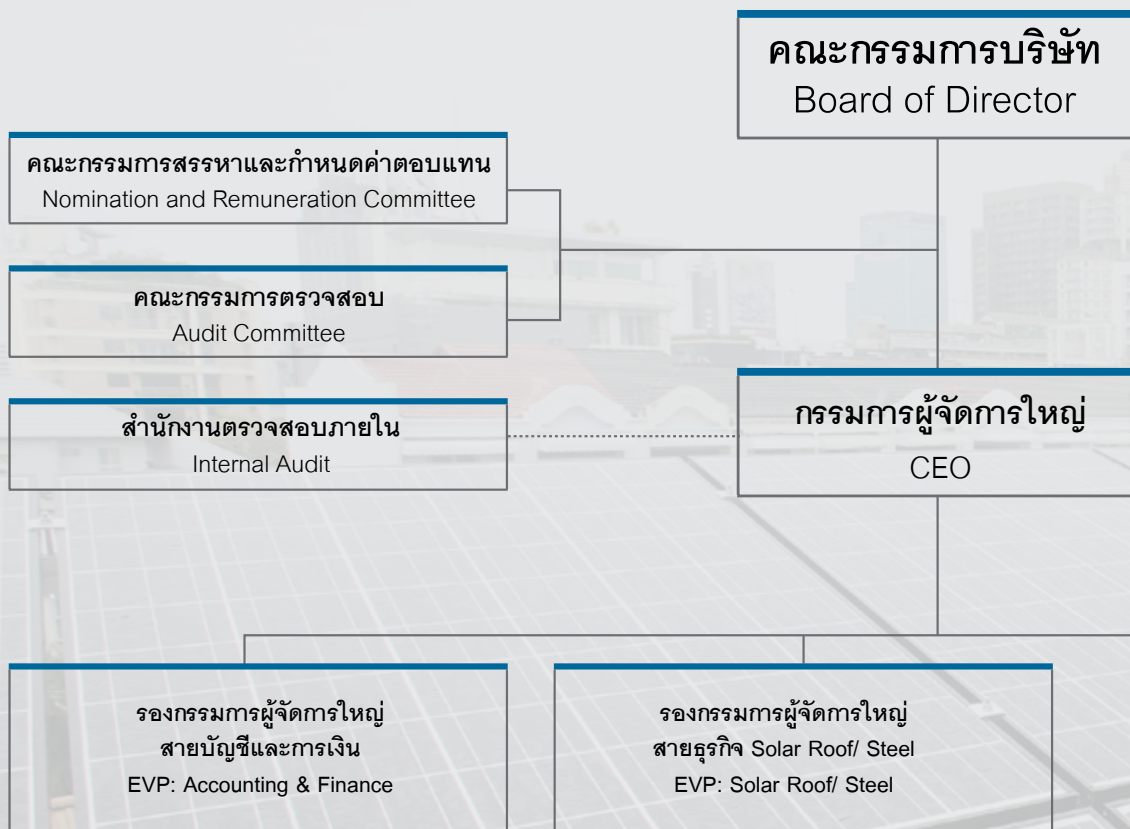
Company's auditors Mr. Vairoj Jindamaneepitak Certified Public Accountant No. 3565 or
Mr. Sakda Kaothanthong Certified Public Accountant No. 4628 or
Mr. Natthaphong Tantichattanont Certified Public Accountant No. 8829
KPMG Phoomchai Audit Ltd.
50th - 51st Floor, Empire Tower
1 South Sathorn Road Yannawa, Sathorn Bangkok 10120
Telephone 0-2677-2000 Fax.02-677-2222

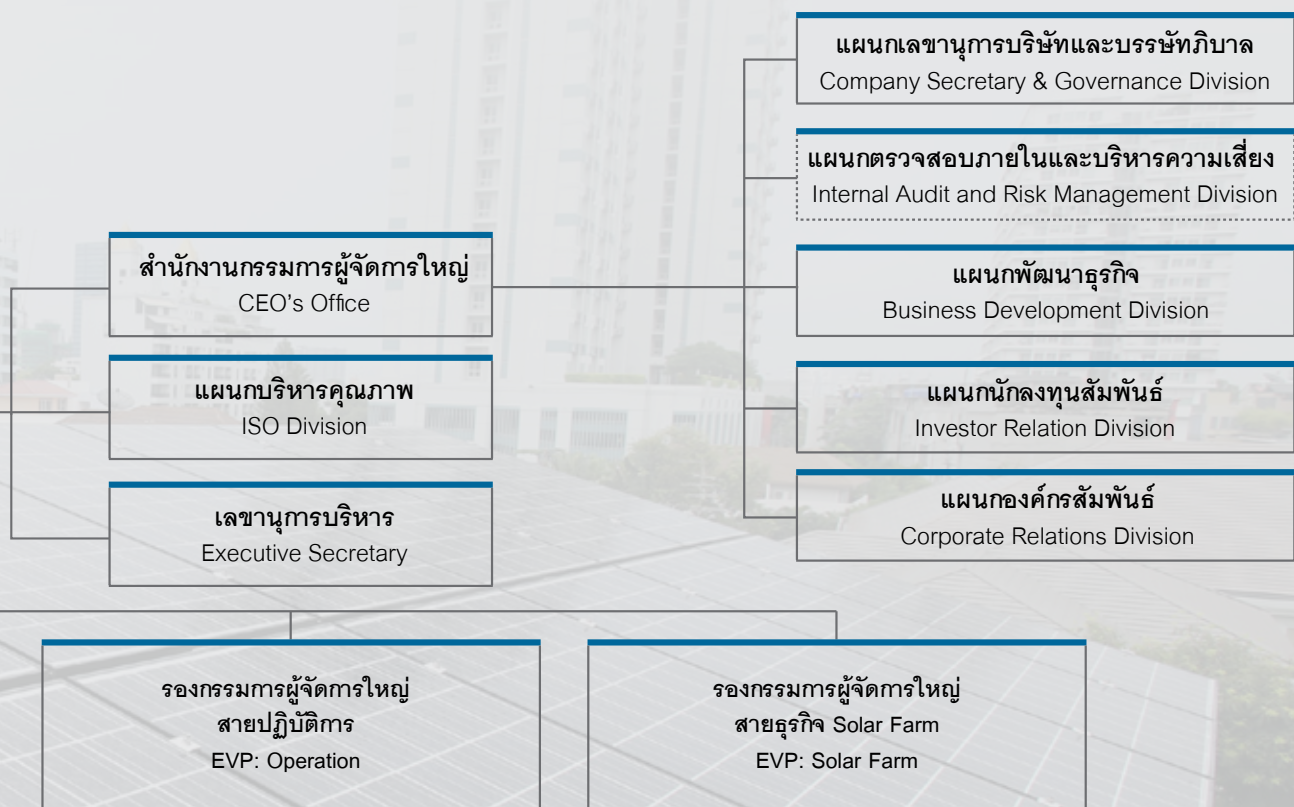
Corporate Structure Chart





Organization Chart





Board of Directors Executive Officers and Company Secretary



Dr. Wandee

Khunchornyakong Juljarern

Chairperson & Chief Executive Officer

Mr. Jirakom Padumanon

Director & Executive Vice President : Solar Roof/ Steel

Mr. Somsak Khunchornyakong

Director & Executive Vice President : Operation

POL.MAJ.GEN.Wanchai Wisuttinan

Director

Mr. Withoon Manomaikul

Director



Mr. Kiatchai Pongpanich

Chairperson of Audit Committee
& Independent Director

Special Asst. Prof.

Dr. Siripong Preuthipan

Audit Committee & Independent
Director

Mr. Ratthaphol Cheunsomchit

Director

Mr. Wanchai Lawattanatrakul

Audit Committee &
Independent Director

Miss Parichat Saipia

Company Secretary

Dr. Wandee Khunchornyakong Juljareern

- Chairperson
- Chief Executive Officer
- Member of Recruitment and Remuneration Committee

Education

- Doctor of Philosophy (Strategic Leadership Supremacy), Suan Dusit Rajabhat University
- Honorable Doctor of Science (Energy and Environmental), Sripatum University
- Honorable Doctor of Business Administration, Western University
- Master of Science (Renewable Energy), Naresuan University
- Master of Public Administration, Suan Sunandha Rajabhat University
- Bachelor of Laws, Kasem Bundit University
- Management Program Mini MBA, Class 13, Thammasat University
- Knowledge Training on Thailand Futures Exchange Securities Institute
- Marketing Management Course, Connecticut University, USA
- Renewable Energy Development and Utilization for Global, Environmental Protection by Department of Energy Development and Protection (DEDP), Thailand and New Energy Foundation (NEF), JAPAN

Training

- Director Accreditation Program (DAP), Class 26/2004, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 51/2004, Thai Institute of Directors (IOD)
- Curriculum Politics and Public Administration of Democracy, 9th Class, King Prajadhipok's Institute
- National Defence, Class 2549, National Defence Studies Institute, Royal Thai Armed Forces
- Top Executives Course, Class 12, Capital Market Academy
- Energy Literacy for a sustainable Future (TEA) Class 2, Thailand Energy Academy
- Bhumi Palung Phandin for Executive Management, Class 4, Chulalongkorn University
- Thailand Insurance Leadership Program, Class6, OIC Advance Insurance Institute, Office Insurance Commission
- Executive Leader Training, Class 293, National Scout Organization of Thailand
- Role of the Chairman Program (RCP), Class 27/2011, Thai Institute of Directors (IOD)

Other current Position

- Chairperson, Solar Power Co., Ltd.
- Chairperson, 34 subsidiaries of Solar Power Co., Ltd.
- Chairperson, Solar Power Asset Co., Ltd.
- Chairperson, 2 subsidiaries of Solar Power Asset Co., Ltd.
- Chairperson, Capital Resident Co., Ltd.
- Chairperson, Solar Power Engineering Co., Ltd
- Chairperson, Solar Power Roof Co., Ltd.
- Chairperson, Capital Workplace Co., Ltd.
- Chairperson, SPCG Leasing Co., Ltd.
- Chairperson, Steel & Solar Roof Co., Ltd
- Director, Enegate (Thailand) Co., Ltd.
- President of The National Council of Women of THAILAND under The Royal Patronage of Her Majesty The Queen, the 25th (2015 - 2018)
- Vice President of Ministry of Interior's Ladies Association

Experiences

- 1990 – 2007 Managing Director, Solartron Public Company Limited

Mr. Kiaticchai Pongpanich

- Chairperson of Audit Committee
- Director/Independent Director

Education

- M.A. in Development Education, Stanford University, California, U.S.A.
- M.A. Political Science, Chulalongkorn University
- B.A.(Hons) in Political Science, Chulalongkorn University

Training

- Director Accreditation Program (DAP), Class 15/2004, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors (IOD)

Experiences

- 1998 – 2006 Chief Editor, Khao Sod and Matichon Newspapers
- 1974 – 1990 Senior Officer, Children's Rights & Emergency Relief Organization (UNICEF)
- 1993 – 1998 CEO, Group Lease Public Company Limited

Mr. Wanchai Lawattanatrakul

- Chairperson of Recruitment and Remuneration Committee
- Member of Audit Committee
- Director/ Independent Director

Education

- Master of Engineering (Water Resources Engineering), Asian Institute of Technology (AIT)
- Bachelor of Engineer (Civil Engineering), Chulalongkorn University

Training

- Finance for Non- Finance Directors (FND), Class 1/2003, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 43/2004, Thai Institute of Directors (IOD)
- Curriculum Politics and Public Administration of Democracy, Class 6, King Prajadhipok's Institute
- National Defence, Class 2549, National Defence Studies Institute, Royal Thai Armed Forces

Other current positions

- Director of Metropolitan Waterworks Authority (Thailand)
- Director of Thai Waterwork Association

Experiences

- 2013 - 2015 Managing Director Eastern Water Resources Development and Management Public Company Limited
- 2013 - 2015 Director of Universal Utilities Public Company Limited
- 2008 - 2009 Director of Metropolitan Waterworks Authority (Thailand)

Special Asst. Prof. Dr. Siripong Preutthipan

- Member of Audit Committee
- Director/Independent Director

Education

- Doctor of Business Administration (DBA), Chulalongkorn University, GPA 3.91, The top average of the class
- MBA, The Carlson School of Management, University of Minnesota, USA
- Transportation & Logistics and Computer Information System, B.S.B.A., Ohio State University, USA. (Hons) Summa Award, Dean's List

Training

- Director Accreditation Program (DAP), Class 55/2006, Thai Institute of Director (IOD)
- Director Certification Program (DCP)), Class 76/2006, Thai Institute of Director (IOD)
- Audit Committee Program (ACP), Class 16/2007, Thai Institute of Director (IOD)
- The Prevention and Suppression of Corruption Strategy Program, Class 6
- National Defence, Class 25, National Defence Studies Institute, Royal Thai Armed Forces
- Advance Security Management Programme, Class 3 The Association National Defense College of Thailand
- Advanced Certification Course in Development Politics and Elections for Executives, Class 2, Office of the Election Commission of Thailand
- Advanced Certification Course in Public Administration and Laws for Executives, Class 3, King Prajadhipok's Institute
- Curriculum Politics and Public Administration of Democracy, 9th Class, King Prajadhipok's Institute
- The role of good governance and anti-corruption for the national development, Basel Institute on Governance, Switzerland

Other current Position

- President, Thai Railway Foundation
- President, Association of the Ship for Southeast Asian Youth of Thailand

Experiences

- Assistant Governor, State Railway of Thailand
- Independent Director and Audit Committee, M Link Asia Corporation PCL.
- Director of SRT Electrified Train Co., Ltd.
- Director, Master of Management, Mahidol University
- Director, Master of Business Administration Program, Rajamangala University of Technology Suvarnabhumi

Mr. Somsak Kunchornyakong

- Director
- Member of Recruitment and Remuneration Committee
- Executive Vice President : Operation

Education

- Master of Science (Renewable Energy Technology), Naresuan University
- Bachelor of Education, Chandrakasem Rajabhat University

Training

- Director Accreditation Program (DAP), Class 55/2004, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 66/2005, Thai Institute of Directors (IOD)
- Advance Security Management Program: ASMP8, The Association National Defense College of Thailand under The Royal of Patronage of His Majesty The King
- Training Safety Officer at Executive Level, Thai-Nichi Institute of Technology (TNI)
- Training quality management control system (ISO 9001: 2000)
- Solar Technology and Design Program 1995, Arco Solar, Singapore

- Technology and Design Solar Pumping System Program 1991, Photovoltaic System and Application Program 1995, Solarex, Australia
- Solar Technology Program 1998 Showa shell, Phuket, Thailand
- Solar Technology System Program 2004 SMA Solar Academy and KMUTT, Bangkok, Thailand
- Solar Technology for Off Grid & On Grid Program 2008
- Solar Modules and Process Control Program 2008
- Solar Modules Technology Program 2009 Siemens AG, Germany
- Solar and Application Design Program 2009
- Solar System and Quality Control Program 2010
- Solar Technology and Long Term Reliability of System Program 2011, Kyocera Corporation, Tokyo, Japan

Other current positions

- Managing Director, Solar Power Co., Ltd.
- Director, 34 subsidiaries of Solar Power Co., Ltd.
- Director, Solar Power Asset Co., Ltd.
- Director, 2 subsidiaries of Solar Power Asset Co., Ltd.
- Director, Solar Power Engineering Co., Ltd
- Director, Steel & Solar Roof Co., Ltd
- Director, Solar Power Roof Co., Ltd.
- Director, SPCG Capital Co., Ltd.*
- Director, SPCG Leasing Co., Ltd.
- Director, Capital Resident Co., Ltd.

Experiences

- 1990 - 2007 Chief Operating Officer, Solartron Public Company Limited

Mr. Jirakom Padumanon

- Director
- Executive Vice President : Solar Roof/ Steel

Education

- Bachelor of Engineering (Electrical), Chulalongkorn University

Training

- Director Accreditation Program (DAP), Class 92/2011, Thai Institute of Directors (IOD)

Other current Position

- Director, Solar Power Co., Ltd.
- Director, Solar Power Engineering Co., Ltd.
- Director, Steel & Solar Roof Co., Ltd.
- Director, SPCG Leasing Co., Ltd.
- Director, Solar Power (Sakon Nakorn 1) Co., Ltd.
- Director, Solar Power (Nakorn Phanom 1) Co., Ltd.
- Director, Solar Power (Korat 3) Co., Ltd.
- Director, Solar Power (Korat 4) Co., Ltd.
- Director, Solar Power (Korat 7) Co., Ltd.
- Director, Solar Power (Loei 2) Co., Ltd.
- Director, Solar Power (Khon Kaen 10) Co., Ltd.
- Director, Solar Power (Surin 1) Co., Ltd.
- Director, Solar Power (Surin 2) Co., Ltd.
- Project Director, JPEN Co., Ltd. (power plant subcontract)

Experiences

- 1990 – 2008 Engineering Advisor, Power Line Engineering Co., Ltd.
- 2008 - 2009 Engineering Advisor, Sanguan Wongse Industries Co., Ltd.

POL.MAJ.GEN.Wanchai Wisuttinan

- Director

Education

- M.A. in Political Science, Ramkhamhaeng University
- B.A. in Political Science, Royal Police Cadet Academy

Training

- Director Accreditation Program (DAP), Class 43/2005, Thai Institute of Directors (IOD)
- Finance for Non- Finance Directors (FN), Class 22/2005, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Class 11/2006, Thai Institute of Directors
- Improving the Quality of Financial Reporting (QFR), Class 4/2006, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 72/2006, Thai Institute of Directors (IOD)
- Long-Term Incentive: The Stock Appreciation Rights (SARs) Way 2006
- The cost to the survival of the business
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 9 (KPI 9) King Prajadhipok's Institute
- Advanced Police Certificate Course for Executives, Royal Malaysia Police College
- Academics Programme, Police Staff College, Bramshill, The UK
- The police investigation of International Police Academy (U.S.A.)

Other current Position

- Chairman of Recruitment, Yarnapund Public Company Limited
- Director and Member of Audit Committee, Yarnapund Public Company Limited
- Director, considering of committee of Film and Video, The Ministry of Culture

Experiences

- 2010 – 2013 Director of Ethics Committee, the Medical Department, The Ministry of Public Health
- Former Deputy Minister's Advisory, The Ministry of Finance
- Former Police Advisory Committee, the House of Representative
- Former Military Advisory Committee, the House of Representative
- Former Counsel of the Senate Committee on Justice and the Police Advisory Committee

Mr. Ratthaphol Cheunsomchit

- Director

Education

- Master of Business Administration (MBA) in Finance, The George Washington University, Washington D.C., U.S.A
- Bachelor of Engineering (Electronics), King Mongkut's Institute of Technology Ladkrabang

Training

- Director Certification Program (DCP), Class 168/2013, Thai Institute of Directors (IOD)
- Energy Literacy for a sustainable Future (TEA) Class 4/2014, Thailand Energy Academy

Other current position

- Director of Gulf MP Co.,Ltd.
- Director of Gulf Solar Co.,Ltd.
- Director of Gulf Solar BV Co.,Ltd.
- Director of Gulf TS1 Co.,Ltd.
- Director of Gulf TS2 Co.,Ltd.
- Director of Gulf Solar KKS Co.,Ltd.
- Director of Gulf Pattani Green Co.,Ltd.
- Director of Chana Green Company Limited
- Director of SBY Biomass Company Limited
- Director of Thepha Clean Energy Company Limited
- Director at Gulf Sport Management Co.,Ltd.

Experiences

- 1995 - 1997 Financial Advisor, Ek Thanakit Public Company Limited

Mr. Withoon Manonaiikul

- Director

Education

- Bachelor of Business Administration, Suan Sunandha Rajabhat University

Other current Position

- Director and Managing Director, MNG group (2015) Co., Ltd.
- Director, Mangpong 1989 Public Company Limited

Mr.Chanchai Banditsaowapak

- Executive Vice President : Solar Farm

Education

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

Experiences

- 2013 - 2014 Deputy Governor (Network Operation), Provincial Electricity Authority (PEA)
- 2011 - 2012 Assistant to Governor , Provincial Electricity Authority (PEA)

Mr. Chaiwat Tangsuwanphanit

- Executive Vice President : Accounting and Finance

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University

Training

- Director Accreditation Program (DAP), Class 31/2005, Thai Institute of Directors (IOD)

Experiences

Assistant CEO, SPCG Public Company Limited

Miss Parichat Saipia

- Company Secretary

Education

- Bachelor of Business Administration (International Business), Ramkhamhaeng University

Training

- Advance for Corporate Secretaries, Thai Listed Companies Association

Experiences

- 2008-2013 Secretary, Council of Engineers
- 2014-2015 Executive Secretary, SPCG Public Company Limited

- 
- Business Operation
 - Nature of Business
 - RISK FACTORS

1 Business Operation



1. Policy and Overall Business Operation

SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand (SET) under the Energy & Utilities sector. SPCG is a holding company with the main purpose to own shares of 44 companies. SPCG has registered a total of 923,990,000 shares at 1 Baht per share with the THB 923,990,000.

SPCG is the pioneer of the Solar Farm Developer in Thailand and ASEAN. In 2014, SPCG has completed distribution electricity (Commercial Operation Date: COD) to Provincial Electricity Authority (PEA) for total 36 Solar farms with the installation capacity of 260

Megawatts, located in 10 provinces throughout the Northeast of Thailand that is Nakhon Ratchasima, Sakon Nakhon, Nakhon Panom, Khonkaen, Buriram, Surin, Nongkhai, Udonthani, Loei and Central of Thailand in Lopburi province with total land area about 5,000 Rais (2,000 Acres).

SPCG is the pioneer in Solar Roof Developer for residence and commercial. SPCG expansion Solar Farm business by invest in Japan 30 Megawatt at Tottori which expended to COD on March 2018



No.	Company name and its affiliated	Initial	Authorized capital	Business Type	COD ¹
1	SPCG Public Company Limited	SPCG	923,990,000	Holding Company	-
2	Solar Power Co.,Ltd.	SPC	1,500,000,000	<ul style="list-style-type: none"> Solar Farm Developer Providing Procurement Engineering and Construction (EPC) and Operation, Maintenance and Monitoring (OM&M) services for Solar Farm under Solar Power Company Limited 	-
3	Solar Power Engineering Co.,Ltd.	SPE	10,000,000	Providing EPC and OM&M services for other customers	-

No.	Company name and its affiliated	Initial	Authorized capital	Business Type	COD ¹
4	Solar Power Asset Co.,Ltd.	SPA	240,000,000	A Joint Venture Business for Solar Farm Development	-
5	Solar Power Roof Co.,Ltd.	SPR	400,000,000	The Leader of Solar Power Roof Business	-
6	Steel and Solar Roof Co.,Ltd.	SSR	57,373,340	Manufacturing, distribution and installation services for steel roofing with structure and all fitting	-
7	ENEGATE (THAILAND) Co.,Ltd.	EGT	10,000,000	High Voltage Cubicles and Energy Management System Business	-
8	SPCG Leasing Co.,Ltd.	SPCG Leasing	1,000,000	Providing leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems to support renewable energy policy	-
9	Solar Power (Korat 1) Co.,Ltd.	KR1	320,000,000	Solar Farm Business	21 Apr 2010
10	SolarPower (Sakonnakhon 1) Co.,Ltd.	SN1	217,800,000	Solar Farm Business	9 Feb 2011
11	SolarPower (Nakhonpanom 1) Co.,Ltd.	NP1	218,100,000	Solar Farm Business	22 Apr 2011
12	SolarPower (Korat 2) Co.,Ltd.	KR2	219,900,000	Solar Farm Business	13 Sep 2011
13	SolarPower (Loei 1) Co.,Ltd.	LO1	220,500,000	Solar Farm Business	15 Sep 2011
14	SolarPower (Khonkaen 1) Co.,Ltd.	KK1	226,500,000	Solar Farm Business	15 Feb 2012
15	SolarPower (Korat 3) Co.,Ltd.	KR3	188,750,000	Solar Farm Business	9 Mar 2012
16	SolarPower (Korat 4) Co.,Ltd.	KR4	199,250,000	Solar Farm Business	14 May 2012
17	SolarPower (Korat 7) Co.,Ltd.	KR7	188,750,000	Solar Farm Business	30 May 2012
18	SolarPower (Korat 5) Co.,Ltd.	KR5	157,500,000	Solar Farm Business	15 Jan 2013
19	SolarPower (Korat 8) Co.,Ltd.	KR8	157,500,000	Solar Farm Business	15 Jan 2013
20	SolarPower (Korat 9) Co.,Ltd.	KR9	160,000,000	Solar Farm Business	16 Jan 2013
21	SolarPower (Khonkaen 3) Co.,Ltd.	KK3	157,500,000	Solar Farm Business	17 Jan 2013
22	SolarPower (Khonkaen 4) Co.,Ltd.	KK4	157,500,000	Solar Farm Business	17 Jan 2013
23	SolarPower (Khonkaen 5) Co.,Ltd.	KK5	157,500,000	Solar Farm Business	18 Jan 2013
24	SolarPower (Khonkaen 8) Co.,Ltd.	KK8	157,500,000	Solar Farm Business	18 Jan 2013
25	SolarPower (Korat 6) Co.,Ltd.	KR6	160,000,000	Solar Farm Business	26 Jun 2013

No.	Company name and its affiliated	Initial	Authorized capital	Business Type	COD ¹
26	Solar Power (Buriram 1) Co.,Ltd.	BR1	160,000,000	Solar Farm Business	26 Jun 2013
27	Solar Power (Buriram 2) Co.,Ltd.	BR2	160,000,000	Solar Farm Business	26 Jun 2013
28	SolarPower (Khonkaen 2) Co.,Ltd.	KK2	165,000,000	Solar Farm Business	29 Jul 2013
29	SolarPower (Khonkaen 7) Co.,Ltd.	KK7	162,500,000	Solar Farm Business	1 Oct 2013
30	Solar Power (Nakhonpanom 2) Co.,Ltd.	NP2	157,500,000	Solar Farm Business	27 Feb 2014
31	Solar Power (Nongkhai 1) Co.,Ltd.	NK1	157,500,000	Solar Farm Business	28 Feb 2014
32	Solar Power (Buriram 3) Co.,Ltd.	BR3	157,500,000	Solar Farm Business	6 Mar 2014
33	Solar Power (Nakhonpanom3) Co.,Ltd.	NP3	157,500,000	Solar Farm Business	10 Mar 2014
34	Solar Power (Udonthani 1) Co.,Ltd.	UD1	162,500,000	Solar Farm Business	1 Apr 2014
35	Solar Power (Loei 2) Co.,Ltd.	LO2	165,000,000	Solar Farm Business	24 Apr 2014
36	Solar Power (Sakonnakhon 2) Co.,Ltd.	SN2	157,500,000	Solar Farm Business	25 Apr 2014
37	Solar Power (Surin 3) Co.,Ltd.	SR3	157,500,000	Solar Farm Business	29 Apr 2014
38	Solar Power (Khonkaen 9) Co.,Ltd.	KK9	157,500,000	Solar Farm Business	20 May 2014
39	Solar Power (Khonkaen 10) Co.,Ltd.	KK10	165,000,000	Solar Farm Business	20 May 2014
40	Solar Power (Khonkaen 6) Co.,Ltd.	KK6	157,500,000	Solar Farm Business	30 May 2014
41	Solar Power (Surin 1) Co.,Ltd.	SR1	165,000,000	Solar Farm Business	27 Jun 2014
42	Solar Power (Surin 2) Co.,Ltd.	SR2	165,000,000	Solar Farm Business	27 Jun 2014
43	AJ Technology Co.,Ltd.	AJ	75,000,000	Solar Farm Business	25 Jun 2013
44	Tippayanarai Co.,Ltd.	TP	80,000,000	Solar Farm Business	25 Jun 2013

Remark: 1. COD (Commercial Operation Date)

1.1 Vision, Mission, Business Goals of SPCG and Subsidiaries

Vision: SPCG is the Leader in Solar Power Development with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.

Mission: SPCG is the Leading Developer in Solar Power System with the Highest Quality, Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services under the Standard Policy: “Continuing To Give Best Value, Best Design, Best Output and Best Service To All Of Customers”

Business Goals: SPCG currently operates 4 types of business: Invest Development and Maintenance of Solar Farms, EPC and OM&M services, Distribution and Installation of Power System on the Rooftop and provide leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems to support renewable energy policy with details business goals of these 4 types of business as follows:

1.1.1 Investment and Development of Solar Farms and Maintenance Business

Solar Farms are the main or core business of SPCG Group which conducts by SPCG’s subsidiaries Solar Power Company Limited (SPC), Solar Power Asset Company Limited (SPA) and Solar Power Engineering Company Limited (SPE) which comprises of expertise management teams in Solar Plant Business with strong business goals as follows:

(1) To successfully develop all 36 Solar Farm projects of its subsidiary companies or projects companies with capability to develop solar farms both domestic and international commercial business in the future.

(2) To be the Leader and provide one-stop service in Engineering, Procurement and Construction (EPC) of Solar Farms.

(3) To be the Leader of Solar Farms’ Operation, Maintenance and Monitoring (OM&M).

(4) To provide knowledge to all people in the community regarding Solar Energy and its impact on environment through the Solar Farm Education Centre which has area over 1,000 square meter in the KR1 Solar Farm. This Education Centre comprises of an Exhibition section to demonstrate fact and information about Solar Farm, a Training Centre for interested people.

(5) To find an opportunity to expand the Solar Energy business which is the company’s expertise both domestic and international as well as investment and EPC business in order to increase the business growth in the future.

1.1.2 Steel Roof and Structure Business

Steel and Solar Roof Company Limited (SSR) has the Policy to be the leader in production, distribution and installation of metal sheets roof under the same policies and standard. Meanwhile, the company has continuously developed for customer to get only high quality of goods and services in order to achieve customer highest satisfaction. The company has set the main goals to enhance the market shares in the field of roofing materials. Therefore, the company has established SSR in order to transfer and separate steel business from SPCG for the benefit of easy type business control. The company has extremely proceeded under the same expertised management team with strategies as follows:

(1) To focus on expansion in the areas related to Solar Farm to strengthen the company’s own affiliations. For example ; Panel Rack and Solar Rooftop etc. in order to support Business’s Growth as the result of Government Policy to promote the Installation of Solar Power Energy.

(2) To develop in the company's product presentation from single "Product selling" to "Concept selling" in order to satisfy customers' needs; for example, building a garage with metal framing and using ribbed metal sheet roofing for the cover etc. which is able to totally facilitate customers via "One-Stop-Service".

(3) To expand the customer base especially to the group of Japanese Customers who accept the Australian metal standards, by presenting ribbed sheets that are popular among Japanese Manufacturers.

(4) To continually upgrade production standards in accordance with the ISO 9001: 2000 standards and to increase employee working skills and productivity through training program while maintaining a safe and conducive working environment.

(5) To concentrate on government projects as the company which has been given the TISI Mark, allowing the company to not only increase its product potential to meet the standards which is accepted by broader customers but also allows for the expansion of customer base in the future.

1.1.3 Business of Supply and Installation of Solar Rooftop

SPR believes the significant demand for our energy solutions results from the following value propositions under "Win Win Win":

- **Win:** SPR's customer saves the energy costs by switching to clean solar energy for less than they currently pay for electricity from utilities.

- **Win:** SPR focuses on quality. SPR top priority is to provide value and quality service to our customers. SPR has trained the professionals team to the highest engineering standards, overall quality and customer service during the installation process and throughout the entire life of the solar energy system.

- **Win:** SPR makes it easy by performing the entire process – designing, permitting, financing, installing, maintenance and monitoring.

SPR has 2 target markets for Solar Roof Business with details as follows;

(1) Residential markets

On 18 September 2014, SPR has appointed The Home Product Center Public Company Limited or HomePro to be the only dealer of SPR Solar Roof for residences with 4 standard Sizes, which are S, M, L and XL

Recently, HomePro has provided display spaces for SPR in their 61 branches of 80 branches to all over the country with Sell & Service Points for all customers throughout 77 provinces. You may find more details information in our websites: www.sprsolarroof.co.th or HomePro Call Center: 02-831-6000

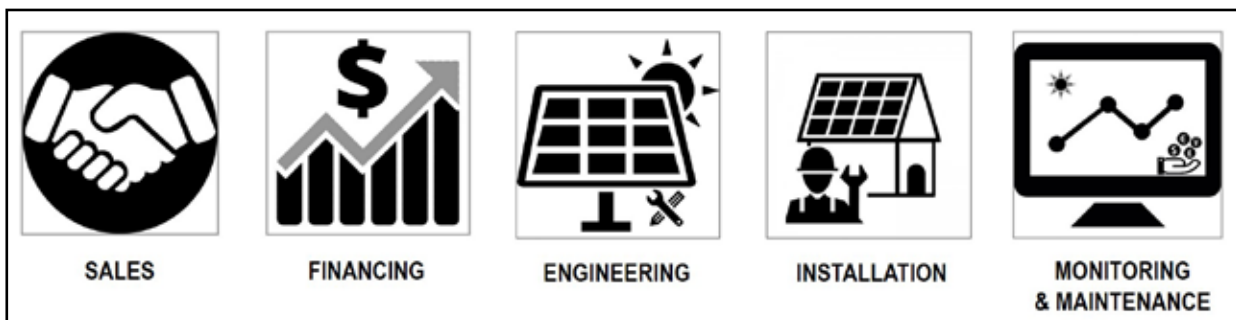
(2) Industrial Markets

SPR industrial customers represent the business sectors, including technology, retail, manufacture, agriculture, and more than a ten other businesses across Thailand. SPR industrial customer also includes homeowners within communities developed by home builders we have partnered. SPR also install solar roof for government entities, including Bank of Thailand and Stock Exchange of Thailand.

SPR has the unique strategy by work together with Kyocera Corporation, the highest quality of Solar Module brand. SPR always cares our customers to lower their energy costs in a simple and efficient process.

The key elements of our integrated customer-focused approach are illustrated below:

Sales : We market and sell our products and services through the customer that consume high electricity price in order to support customer to reduce their cost which result to increase in their profit. SPR has strong sale team to organize and engage customers from initial stage to signed contracts. SPR intends to continue growing our sales teams and implement new approaches/business model to benefit our consumers on the solar roof systems in order to lower customer acquisition costs and further expand the market opportunity.



Financing : SPR has own financial leasing company to serve our customer by supporting them to install our solar roof systems with a bit upfront cost. SPR provides many pricing options to our customers to help make renewable, distributed energy accessible and affordable, either on a hire-purchase agreement or operating lease agreement. SPR continues focus on an innovative solar financing helps reduce customer cost of investment and offers an alternatives payment to our customers.

Engineering : SPR has strong engineering team to serve customer since the survey, installation, commissioning and after sale service. Our engineer design teams perform and customize solar roof layout.

Installation : SPR provides the one stop service to our customer when SPR complete the solar roof system design to our customer, SPR obtains all necessary installation permits. We always sets up the schedule with customers at the first meeting in order schedule the whole process with and arrange for interconnection to the utility power grid.

Monitoring and Maintenance : After connecting solar roof systems to the grid. SPR has the monitoring service room at the Head office in order to proprietary monitoring provided to our customers with a real-time view of their energy generation. SPR gathering the daily report, monthly report and also annually report in order to inform customer by collecting, monitoring to display performance data from customer solar roof systems, including production levels, local weather, electricity usage and CO₂ reduction. These monitoring systems allow us to confirm the continuing proper operation of our solar energy systems, to identify maintenance issues

and to provide our customers with a better understanding of their energy usage, allowing them the opportunity to modify their usage accordingly.

1.1.4 Business of Leasing services

SPCG Leasing offers leasing services for companies and manufactures to invest in Solar development system and solar rooftop to support energy saving and renewable energy for the country.

Leasing business purchases the property required by a customer and then leases it for a given period of time such as 5-10 years. During the Leasing period, they can use the asset and the owner's right will be transfer to the lessee after ended the contract. Furthermore, each payment term can be deducted the corporate tax in the full amount.

Benefits

- Long-term investment which aligns with the company's financial plan. No limit of budget restrictions in investment and able to manage energy-efficient of building and factories.
- Smoothing working capital because no cash tied up in the equipment.
- Customer can manage the payments over a specific period. Furthermore, the interest rate is fixed at the beginning of the contract; therefore, leasing can help to protect the inflation risk.

1.2 Significant Changes & Development

1.2.1 Significant Changes and Milestones of SPCG Public Company Limited.

1 May 2013	The Company established Solar Power Roof Co., Ltd. (SPR) to expand its business in the sales and installation of Solar Electric System on the roof (Solar Rooftop)
9 May 2013	The Company's investment in the ordinary shares of Solar Power Roof Company Limited of 0.30 million shares. Value of the payment of Baht 25 per share for a total investment of Baht 7.50 million.
14 May 2013	The Board of Directors' Meeting No.2/2013 approved the acquisition of shares of Solar Power Roof Company Limited 0.30 million shares of the total share of 1 million shares traded value per share price of 100 baht worth of shares to be traded a total of 30 million baht, representing 30 percent of all shares of Solar Power Roof Company limited.
15 July 2013	<p>The Extraordinary General Meeting of Shareholders (EGM) No.1/2556 and the Warrants representing the right to purchase ordinary shares No.1/2013, Approval of amendments regarding the date of claim or right based on warrants, from the previously assigned date to exercise the right to purchase the shares of SPCG Public Company Limited no. 1 (SPCG-W1) (Warrant) of 279,999,581 units. The date of exercise, which was previously scheduled as the date of the third anniversary of the issuance of the warrants</p> <p>(March 2nd, 2015), is to be moved to the following 3 time periods.</p> <p>1st Period : 25th - 31st July 2013</p> <p>2nd Period : 26th - 30th August 2013</p> <p>3rd Period : 24th - 30th September 2013</p> <p>And in case of exercise date is the holiday of the Stock Exchange of Thailand, the date is to be moved to the last working day before the exercise date.</p> <p>When exercise 3rd Period in September 2013 showed that the warrants were exercised totally 279,991,048 Baht. The Company has received funding from the exercise of the Baht 279,991.048 to repay the loan in Solar Farm Development.</p>
26 July 2013	Company's Board of Directors' Meeting No.5/2013 on 26 July 2013 has approved to establish the newly subsidiaries. To support business growth. The Company is 100 percent owned by The Company's initial registered with the capital of Baht 1 million is SPCG Capital Limited is intended as the mechanism of the company for investment, both domestic and international.
31 October 2013	Solar Power Roof Co., Ltd. (SPR) which is a subsidiary, increased its registered capital from Baht 100,000,000 to Baht 400,000,000.
8 November 2013	Company's Board of Directors' Meeting No.8/2013 has approved the purchase of ordinary shares of Steel & Solar Roof Co., Ltd. (SSR), which increased its registered capital in the amount of 2,737,334 shares at Baht 10 worth Baht 27,373,340 in total a registered capital of Baht 57,373,340 to finance the restructuring of holding assets and support the growth of the company in the future.
8 November 2013	The Company has purchased shares of Solar Power Assets Limited (SPA) from the Thonglor Home Office Limited and other shareholders in the amount of 4.5 million shares valued at Baht 90 million which SPA is developing Solar Farm size 3.73 MW 2 projects in Lopburi with Adder 8 baht per unit for a period of 10 years and commercial power distribution from 25 June 2013 onwards.

18 November 2013	The Company bought back share of Solar Power (Korat 1) Co., Ltd. from Energy for Environment Foundation (EforE) by the Shareholders Agreement. Through Solar Power Company Limited 2,000,000 shared, with a value Baht 21,265,753.42
6 December 2013	The Minutes of Board of Directors' Meeting No.9/2013 has purchased Shares in Solar Power Roof Company Limited from Ms.Wandee Khunchornyakong with the amount 1,840,000 shares, purchase price at the par value of THB per share paid 25 percent of the total value, net of transaction is 46 million Baht after the transaction will result in the Company, SPR shares in 3,040,000 shares, representing 76 percent of the registered capital.
25 April 2014	At the Annual General Shareholder Meeting for the year 2014, the shareholder approved the issuance and offering of the Guaranteed and Amortised Debentures that in an amount of Baht 4,000 million with the interest rate 5.55% per annum and repayment in principal every 6 months and interest every 3 months. And, its maturity date is 30 June 2019. The purposes of these debentures are to refinance the existing long-term borrowings of Solar Power Company Limited, a subsidiary, and/or to use for business operation or working capital of the Company and the Group.
25 April 2014	The Meeting of Shareholders has approved the Company's Transferable Subscription Authorized Capital to allocate ordinary share to increase the capital at the quantity of 83,998,952 shares, valued Baht 1 per share in order to increase the General Mandate Share Capital. Set the ordinary share to increase share capital by Private Placement of 83,998,952 shares.
9 May 2014	Approved to sell the Ordinary Shares of Solar Power (KhonKaen 10) Co., Ltd., Solar Power (Loei 2) Co., Ltd., Solar Power (Surin 1) Co., Ltd.. Solar Power (Surin 2) Co., Ltd. which are Subsidiaries to PEA Encom International Co., Ltd. and made 4 contracts between shareholders.
5 June 2014	Approved to sell The Increasing Capital Ordinary Shares to Private Placement at the quantity of 83,998,952 shares and allocated these Increasing Capital Ordinary Shares of 83,998,952 shares to Gulf Energy Development Company Limited (GED) or GED Subsidiaries which GED has assigned with a person who are not involved and have any relationship with the Company by setting the ordinary shares' selling rate at Baht 21.93. Not lower than 90 % of the market price.
8 August 2014	The Board of Directors' Meeting No. 5/2014 approved to pay interim dividend from the Company's retained earnings of the Company's Separate Financial Statements for the accounting period ending June 30, 2014. The dividend payment at Satang 40 per share is amount 923,990,000 share, amounting to Baht 369,596,000.
7 September 2014	The Board of Directors' Meeting No.6/2014 approved the payment of tax withholding for interim dividend payment amount 10% of the total valued at Baht 36,615,950 to the Revenue Department.
25 April 2015	At the Annual General Shareholder Meeting for the year 2015, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the year 2015 at Baht 0.45 per share is amount 923,990,000 share, amounting to Baht 415,795,500 and will be paid on 15 May 2015.

27 August 2015	Established SPCG Leasing Co., Ltd. to providing leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems to support renewable energy policy for the country. Registered capital of Baht 1,000,000 and the company own the shares 100 per cent.
28 October 2015	The Extraordinary General Meeting of the Shareholders No. 1/2015, approved the issuance and offering of debentures in the amount not exceeding Baht 13,000 million for the purpose of on-lending to subsidiaries to refinance loans of such subsidiaries and/or operation and/or expansion of business and/or as working capital and/or for other purposes as deemed appropriate by the board of directors.
5 November 2015	The Board of Directors' Meeting No. 5/2015 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1- September 30, 2015. The dividend payment at Satang 44 per share is amount 923,990,000 share, amounting to Baht 406,555,600 and will be paid on 4 December 2015. Furthermore, approved additional legal reserve for the year 2015 amounting to Baht 43,550,821.70. Regarding the legal reserve fund as of 31 December 2014 was Baht 48,848,178.30. The total amount is Baht 92,399,000 that reached at 10 percent of its registered capital.
5 November 2015	The Board of Directors' Meeting No. 5/2015 approved the clearly objective of the issuance and offering of debentures of the Company as follow: "Proceeds from the issuance and offering of the debentures will be used for the purpose of on-lending to subsidiaries to refinance the full amount of loans of such subsidiaries and/or used for the related expenses of the issuance and offering of debentures"
14 December 2015	Approved the registration of SPCG Capital Co., Ltd.'s dissolution (SPCG Public Company Limited hold its shares 100%).
16 December 2015	The company has already issued and offered of the debentures in the amount of Baht 12,500 million to institutional investors and/or high net worth investors for on-lending to subsidiaries to refinance with 7 financial institutions. As a result of issuance and offering of the debentures, the company can unblock restricted cash from financial institutions in the amount of Baht 1,170 million and decrease any related expenses regarding the original loan and also redeem all of land mortgage and machines of 36 solar farms.
22 April 2016	At the Annual General Shareholder Meeting for the year 2016, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the Year 2015 accounting period October 1 – December 30, 2015 at Baht 0.81 per share is amount 923,990,000 share, amounting to Baht 748,431,900 and will be paid on 16 May 2016.
5 August 2016	The Board Directors' Meeting No.3/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – June 30, 2016 at Baht 0.40 per share is amount 923,990,000 share, amounting to Baht 369,596,000 and will be paid on 2 September 2016.
20 December 2016	The company relocation of the headquarter of the company on 19 December 2016 at 1 Capital Work Place Building, 10 Floor Soi Jamjan Klongton-nua Wattana Bangkok 10110.

1.2.2 Significant Changes and Milestones of Solar Power Company Limited (SPC)

15 January 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 5) and (Korat 8) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
16 January 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 9) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
17 January 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (KhonKaen 3) Co., Ltd. and (KhonKaen 4) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
18 January 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (KhonKaen 5) and (KhonKaen 8) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
25 June 2013	Commercial Operation Date (COD) Solar Farm, developed under the name AJ Technology Company Limited (AJ) and Thippayanarai (TP) Company Limited by means of connection transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
26 June 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 6), (Buriram 1) and (Buriram 2) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
29 July 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (KhonKaen 2) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
1 October 2013	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (KhonKaen 7) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
18 November 2013	SPC had purchased shares Solar Power (Korat 1) Co.,Ltd. from Energy for Environment Foundation (EforE) 2,000,000 shares totalling Baht 21,265,753.42 making shareholding of the Company increased to 65 % and has increased investment in the expansion project 1-9 with the amount of 13 million baht.
27 February 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nakorn Phanom2) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
28 February 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nong Kai 1) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
6 March 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Buriram 3) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
10 March 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nakorn Phanom3) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
9 May 2014	Sold Shares and signed contract between shareholders and PEA Encom International Company Limited in Solar Power (Loei 2) Co., Ltd., Solar Power (Khon Kaen 10) Co., Ltd., Solar Power (Surin 1) Co., Ltd. and Solar Power (Surin 2) Co., Ltd.

28 May 2014	Loaned Baht 3,300 million from SPCG Public Company Limited for Company's Equity Bridging loan for monetary institute at the amount of Baht 2,500 million. Distributed the Interim Dividend from Earned Surplus for the ending account of 31 March 2014 at the amount of Baht 596,172,778.70.
17 December 2014	Made a consideration to approve the Interim Dividend Baht 300,000,000.00. Made a consideration to approve the buy back shares from Energy for Environment Foundation (EforE) in accordance with Put and Call Option contract in Solar Power (Sakon Nakorn 1) Co.,Ltd. and Solar Power (Nakon Phanom 1) Co.,Ltd. for 2,178,000 shares and 2,180,000 shares accordingly at the amount of Baht 50,148,995 making shareholding of the Company increased to 61 %
16 June 2015	The Board of Directors' Meeting No. 3/2015 approved to pay interim dividend for the period January 1 - March 31, 2015 from unallocated retain earnings at Baht 2 per share amounting to Baht 150,000,000 shares in the total amount of Baht 300,000,000 and will be paid on 30 June 2015.
16 September 2015	The Board of Directors' Meeting No. 4/2015 approved to pay interim dividend for the period April 1 - June 30, 2015 from unallocated retain earnings at Baht 0.80 per share amounting to Baht 150,000,000 shares in the total amount of Baht 120,000,000 and will be paid on 30 September 2015.
16 November 2015	The Board of Directors' Meeting No. 6/2015 approved to pay interim dividend from net profit at Baht 7.30 per share amounting to Baht 150,000,000 shares in the total amount of Baht 1,095,000,000 and will be paid on 24 December 2015.
18 April 2016	At the Annual General Shareholder Meeting for the year 2016, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the Year 2015 accounting period October 1 December 30, 2015 at Baht 1.54 per share is amount 150,000,000 share, amounting to Baht 231,000,000 and will be paid on 19 April 2016.
3 June 2016	The Board Directors' Meeting No.2/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – May 31, 2016 at Baht 1.56 per share is amount 150,000,000 share, amounting to Baht 234,000,000 and will be paid on 21 June 2016.
12 July 2016	The Board Directors' Meeting No.3/2016 approved to buy back from International Finance Corporation ("IFC") by market price an amounting to Baht 169,675,616 and approved Miss Wandee Khunchornyakong is signed or authorized to act on behalf of the company with the company seal to sign all documents related to the buy back of the company.
27 September 2016	The Board Directors' Meeting No.4/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period June 1 – August 31, 2016 at Baht 1.85 per share is amount 150,000,000 share, amounting to Baht 277,500,000 and will be paid on 27 September 2016.
13 October 2016	The Extraordinary General Meeting of the Shareholders No. 1/2016, approved amendment of the company and amend the memorandum of association Article 3 for consistent with the company business operation.
20 December 2016	The Board Directors' Meeting No.6/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period September 1 – November 30, 2016 at Baht 0.75 per share is amount 150,000,000 share, amounting to Baht 112,500,000 and will be paid on 20 December 2016.

1.3 Business Structure and Overview of the Holding Subsidiaries of SPCG

NO.	Company name and its affiliated	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
1	SPCG Public Company Limited	SPCG	16-Mar-05	923,990,000	923,990,000	THB 1	1. Khunchornyakong Family Group 2. Gulf International Investment (Hongkong) Limited 3. Kyocera Corporation 4. Others	49.03 9.09 1.46 40.42
2	Solar Power Co.,Ltd.	SPC	20 Aug 1996	1,500,000,000	150,000,000	THB 10	SPCG Public Co.,Ltd.	100
3	Solar Power Engineering Co.,Ltd.	SPE	3 Aug 2011	10,000,000	1,000,000	THB 10	SPCG Public Co.,Ltd.	100
4	Solar Power Asset Co.,Ltd.	SPA	4 May 2012	240,000,000	24,000,000	THB 10	SPCG Public Co.,Ltd.	100
5	Solar Power Roof Co.,Ltd.	SPR	1 May 2013	400,000,000	4,000,000	THB 100	SPCG Public Co.,Ltd.	76
6	Steel and Solar Roof Co.,Ltd.	SSR	5 Sep 2011	57,373,340	5,737,334	THB 10	SPCG Public Co.,Ltd.	100
7	ENEGATE (Thailand) Co.,Ltd.	EGT	4 Jul 2012	10,000,000	100,000	THB 100	SPCG Public Co.,Ltd. ENEGATE Co.,Ltd Thai Aichi Denki Co.,Ltd	30 49 21
8	SPCG Leasing Co.,Ltd.	SPCG Leasing	27 Aug 2015	1,000,000	10,000	THB 100	SPCG Public Co.,Ltd.	100
9	Solar Power (Korat 1) Co.,Ltd.	KR1	19 Aug 2009	320,000,000	32,000,000	THB 10	1. Solar Power Co.,Ltd. 2. Thaifah Power Co.,Ltd.	70 30
10	Solar Power (Sakon Nakorn1) Co.,Ltd.	SN1	25 Dec 2009	217,800,000	21,780,000	THB 10	1.Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	70 30
11	Solar Power (Nakon Phanom 1) Co.,Ltd.	NP1	5 Jan 2010	218,100,000	21,810,000	THB 10	1.Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	85 15
12	Solar Power (Korat 2) Co.,Ltd.	KR2	25 Feb 2010	219,900,000	21,990,000	THB 10	1.Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	55 45
13	Solar Power (Loei 1) Co.,Ltd.	LO1	25 Dec 2009	220,500,000	22,050,000	THB 10	1.Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	56 44
14	Solar Power (Khon Khen 1) Co.,Ltd.	KK1	29 Dec 2009	226,500,000	22,650,000	THB 10	1.Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	70 30
15	Solar Power (Korat 3) Co.,Ltd.	KR3	26 Mar 2010	188,750,000	18,875,000	THB 10	1. Solar Power Co.,Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
16	Solar Power (Korat 4) Co.,Ltd.	KR4	26 Mar 2010	199,250,000	19,925,000	THB 10	1. Solar Power Co.,Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40

NO.	Company name and its affiliated	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
17	Solar Power (Korat 7) Co.,Ltd.	KR7	26 Mar 2010	188,750,000	18,875,000	THB 10	1. Solar Power Co.,Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
18	Solar Power (Korat 5) Co.,Ltd.	KR5	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
19	Solar Power (Korat 8) Co.,Ltd.	KR8	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
20	Solar Power (Korat 9) Co.,Ltd.	KR9	26 Mar 2010	160,000,000	16,000,000	THB 10	Solar Power Co.,Ltd.	100
21	Solar Power (Khon Khen 3) Co.,Ltd.	KK3	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
22	Solar Power (Khon Khen 4) Co.,Ltd.	KK4	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
23	Solar Power (Khon Khen 5) Co.,Ltd.	KK5	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
24	Solar Power (Khon Khen 8) Co.,Ltd.	KK8	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
25	Solar Power (Korat 6) Co.,Ltd.	KR6	26 Mar 2010	160,000,000	16,000,000	THB 10	Solar Power Co.,Ltd.	100
26	Solar Power (Buriram 1) Co.,Ltd.	BR1	29 Mar 2009	160,000,000	16,000,000	THB 10	Solar Power Co.,Ltd.	100
27	Solar Power (Buriram 2) Co.,Ltd.	BR2	25 Mar 2010	160,000,000	16,000,000	THB 10	Solar Power Co.,Ltd.	100
28	Solar Power (Khon Khen 2) Co.,Ltd.	KK2	26 Mar 2010	165,000,000	16,500,000	THB 10	Solar Power Co.,Ltd.	100
29	Solar Power (Khon Khen 7) Co.,Ltd.	KK7	26 Mar 2010	162,500,000	16,250,000	THB 10	Solar Power Co.,Ltd.	100
30	Solar Power (Nakon Phanom 2) Co.,Ltd.	NP2	25 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
31	Solar Power (NongKai 1) Co.,Ltd.	NK1	5 Jan 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
32	Solar Power (Buriram 3) Co.,Ltd.	BR3	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
33	Solar Power (Nakon Phanom 3) Co.,Ltd.	NP3	25 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
34	Solar Power (Udon Thani 1) Co.,Ltd.	UD1	6 Jan 2010	162,500,000	16,250,000	THB 10	Solar Power Co.,Ltd.	100
35	Solar Power (Loei 2) Co.,Ltd.	LO2	25 Mar 2010	165,000,000	16,500,000	THB 10	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
36	Solar Power (Sakon Nakorn2) Co.,Ltd.	SN2	25 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
37	Solar Power (Surin 3) Co.,Ltd.	SR3	25 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
38	Solar Power (Khon Khen 9) Co.,Ltd.	KK9	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100

NO.	Company name and its affiliated	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
39	Solar Power (Khon Khen 10) Co.,Ltd.	KK10	26 Mar 2010	165,000,000	16,500,000	THB 10	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
40	Solar Power (Khon Khen 6) Co.,Ltd.	KK6	26 Mar 2010	157,500,000	15,750,000	THB 10	Solar Power Co.,Ltd.	100
41	Solar Power (Surin 1) Co.,Ltd.	SR1	24 Dec 2009	165,000,000	16,500,000	THB 10	1. Solar Power Co.,Ltd. 2.PEA Encom International Co.,Ltd.	75 25
42	Solar Power (Surin 2) Co.,Ltd.	SR2	25 Mar 2010	165,000,000	16,500,000	THB 10	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
43	AJ Technology Co.,Ltd.	AJ	18 Feb 1987	75,000,000	750,000	THB 100	1. Solar Power Asset Co.,Ltd. 2. Dr.Art-Ong Jumsai Na Ayudhya	75 25
44	Thippayanarai Co.,Ltd.	TP	18 Mar 2005	80,000,000	800,000	THB 100	Solar Power Asset Co.,Ltd.	100

2 Nature of Business



SPCG Public Company Limited

SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand under the Energy Sector. SPCG is a holding company with the main purpose to own other companies through holding total or majority shares of 44 companies. SPCG has registered capital totaling THB 923,990,000.

SPCG has three main businesses: investment and development of 36 Solar Farm Projects in Thailand with total installed capacity of about 260 megawatts in 10 provinces throughout the Northeast of Thailand and Lopburi Province with total land area about 5000 Rais (2000 Acres), Solar Roof business and Steel Roof, Structure and all Fitting business included providing leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems.

Solar Power Company Limited

Solar Power Company Limited (SPC) is established on August 20, 1996 with registered capital of Baht 10,000,000. Then, SPC increased capital to Baht 1,500,000,000. SPC main business is to operate 34 Solar Farm projects, provide services “Engineering, Procurement and Construction” (EPC) and “Operation, Maintenance and Monitoring” (OM&M) for Solar Farms under SPCG Group.

SPC has started business on June 1, 2008 by getting 34 Solar Power Purchase Agreement (PPAs) with Provincial Electricity Authority (PEA) total installed capacity for 34 Solar Farm Projects is about 253 megawatts. SPC is considered as a “Very Small Power Producer” (VSPP) by receiving Adder at Baht 8 per unit for 10 years from Commercial Operation Date (COD) of each Solar Farm.

SPC has completed Engineering, Procurement and Construction (EPC) of all 34 Solar Farms by mid of 2014.

Solar Power Engineering Company Limited

Solar Power Engineering Company Limited (SPE) is registered on August 3, 2011 with registered capital Baht 10,000,000 doing business in Engineering, Procurement and Construction (EPC) Service as well as provides Operation, Maintenance and Monitoring (OMM) “Engineering, Procurement and Construction” (EPC) and “Operation, Maintenance and Monitoring” (OM&M) of solar farms both domestically and internationally.

Steel and Solar Roof Company Limited

Steel and Solar Roof Co.,Ltd (SSR) is established on September 5, 2011 in order to support business transferring after merger and acquisition of Steel Intertech Public Company Limited.

SSR has a registered capital of Baht 57,373,340, it provides manufacturing, distribution and installation services of steel or metal roofing sheets under the trademark of ROLLFORM which is certified by Thai industrial standard (TIS) 1128-2535 metal roofing sheets. With the company’s commitment to research and development, the products were designed to be modern, colorful and affordable included the preferred base metal thickness (BMT) depending on requirement.

ENEGATE (THAILAND) Company Limited

ENEGATE (THAILAND) Company Limited (EGT) is registered on July 4, 2012 with a registered capital of Baht 10,000,000. It is a Thai and Japanese joint venture company, between ENEGATE Co., Ltd. holding 49% shares, SPCG holding 30% shares, and Thai Aichi Denki Co., Ltd. holding 21% shares. EGT’s main products are 22kV-33kV High Voltage Switchgear Panel and Main Distribution Board (MDB) for Very Small Power Producers. EGT is also able to supply High Voltage

Switchgear Panel and MDB for other applications and provide installation and maintenance services of such products.

EGT launches Energy Management Systems (EMS) such as HEMS (Home Energy Management System) and BEMS (Building Energy Management System) in Thailand. EMS is a tool to save electric consumption in households, offices and factories and consequently reduce the cost of energy. In addition, EMS will be able to monitor the generation from solar rooftop. All in all, EMS will contribute to energy efficiency and environmental conservation in Thailand and ASEAN countries in direct and indirect manners.

Solar Power Assets Company Limited

Solar Power Asset Co., Ltd. (SPA) is established on May 4, 2012 with a registered capital of Baht 112,500,000. SPA has 2 subsidiaries, AJ Technology Co., Ltd. (AJ) and Tipayanarai Co., Ltd. (TP) which received the Power Purchase Agreement (PPAs) to sell the solar energy with the installed capacity of 3 megawatts. Both companies are located in Lopburi Province. SPA has completed both Solar Farms and COD since June 25, 2013. Then, SPA has increased registered capital to 240,000,000 Baht in order to invest in solar farm business internationally.

Solar Power Roof Company Limited

Solar Power Roof Company Limited (SPR) is established on May 1, 2013 with registered capital of Baht 400,000,000 to pioneer of Solar Roof developer in Thailand and ASEAN for residence, business building, office building, and industry factory. In addition, since September 18, 2014 SPR appointed the Home Product Center Public Company Limited (HomePro) to be the

dealer of SPR Solar Roof, not exceeded 10 Kilowatts for residence market to install and selling electricity to Metropolitan Electricity Authority (MEA) or Provincial Electricity Authority (PEA) and energy saving in households.

SPCG Leasing Company Limited

SPCG Leasing Company Limited (SPCG Leasing) is established on August 27, 2015 with registered capital of Baht 1,000,000 to provide leasing services for companies and manufactures to invest in Solar development system and solar rooftop in order to support energy saving and renewable energy for the country.

2.1 Overview of the Company business

Business structure and overview of SPCG and subsidiaries

Description of the solar farm project of SPC and the SPA are as follows.

NO.	Name of Solar Farm	Capacity under the PPA. (MW)	The Province	registered Capital	The proportion of investment SPC	Agreement dated	COD
1	Solar Power (Korat 1) Co., Ltd.	5.88	Nakhon Ratchasima	320,000,000	70%	15 May 2009	21 Apr 2010
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	5.88	Sakon Nakhon	217,800,000	70%	19 Jun 2009	9 Feb 2011
3	Solar Power (Nakorn Phanom 1) Co., Ltd.	5.88	Nakhon Phanom	218,100,000	85%	18 Jun 2009	22 Apr 2011
4	Solar Power (Korat 2) Co., Ltd.	5.88	Nakhon Ratchasima	219,900,000	56%	27 July 2009	13 Aug 2011
5	Solar Power (Loei 1) Co., Ltd.	5.88	Loei	220,500,000	56%	29 July 2009	15 Aug 2011
6	Solar Power (Khon Kean 1) Co., Ltd.	5.88	Khon Kaen	226,500,000	70%	28 July 2009	15 Feb 2012
7	Solar Power (Korat 3) Co., Ltd.	5.88	Nakhon Ratchasima	188,750,000	60%	8 Jan 2010	9 Mar 2012
8	Solar Power (Korat 4) Co., Ltd.	5.88	Nakhon Ratchasima	199,250,000	60%	8 Jan 2010	14 May 2012
9	Solar Power (Korat 7) Co., Ltd.	5.88	Nakhon Ratchasima	188,750,000	60%	8 Jan 2010	30 May 2012
10	Solar Power (Korat 5) Co., Ltd.	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 Jan 2013
11	Solar Power (Korat 8) Co., Ltd.	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 Jan 2013

NO.	Name of Solar Farm	Capacity under the PPA. (MW)	The Province	registered Capital	The proportion of investment SPC	Agreement dated	COD
12	Solar Power (Korat 9) Co., Ltd.	5.88	Nakhon Ratchasima	160,000,000	100%	8 Jan 2010	16 Jan 2013
13	Solar Power (Khon Kean 3) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	17 Jan 2013
14	Solar Power (Khon Kean 4) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	17 Jan 2013
15	Solar Power (Khon Kean 5) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	18 Jan 2013
16	Solar Power (Khon Kean 8) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	18 Jan 2013
17	Solar Power (Korat 6) Co., Ltd.	5.88	Nakhon Ratchasima	160,000,000	100%	8 Jan 2010	26 Jun 2013
18	Solar Power (Bureerum 1) Co., Ltd.	5.88	Buriram	160,000,000	100%	8 Jan 2010	26 Jun 2013
19	Solar Power (Bureerum 2) Co., Ltd.	5.88	Buriram	160,000,000	100%	8 Jan 2010	26 Jun 2013
20	Solar Power (Khon Kean 2) Co., Ltd.	5.88	Khon Kaen	165,000,000	100%	8 Jan 2010	29 July 2013
21	Solar Power (Khon Kean 7) Co., Ltd.	5.88	Khon Kaen	162,500,000	100%	8 Jan 2010	1 October 2013
22	Solar Power (Nakorn Phanom 2) Co., Ltd.	5.88	Nakhon Phanom	157,500,000	100%	8 Jan 2010	27 February 2014
23	Solar Power (Nong Kai 1) Co., Ltd.	5.88	Nong Khai	157,500,000	100%	8 Jan 2010	28 February 2014
24	Solar Power (Bureerum 3) Co., Ltd.	5.88	Buriram	157,500,000	100%	8 Jan 2010	6 March 2014
25	Solar Power (Nakorn Phanom 3) Co., Ltd.	5.88	Nakhon Phanom	157,500,000	100%	8 Jan 2010	10 March 2014
26	Solar Power (Udon Thani 1) Co., Ltd.	5.88	Udon Thani	162,500,000	100%	8 Jan 2010	1 April 2014
27	Solar Power (Loei 2) Co., Ltd.	5.88	Loei	165,000,000	75%	8 Jan 2010	24 April 2014
28	Solar Power (Sakon Nakorn 2) Co., Ltd.	5.88	Sakon Nakhon	157,500,000	100%	8 Jan 2010	25 April 2014
29	Solar Power (Surin 3) Co., Ltd.	5.88	Surin	157,500,000	100%	11 March 2010	29 April 2014
30	Solar Power (Khon Kean 9) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	11 March 2010	20 May 2014
31	Solar Power (Khon Kean 10) Co., Ltd.	5.88	Khon Kaen	165,000,000	75%	8 Jan 2010	20 May 2014
32	Solar Power (Khon Kean 6) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	30 May 2014
33	Solar Power (Surin 1) Co., Ltd.	5.88	Surin	165,000,000	75%	8 Jan 2010	27 June 2014
34	Solar Power (Surin 2) Co., Ltd.	5.88	Surin	165,000,000	75%	8 Jan 2010	27 June 2014
35	AJ Technology Company Limited (AJ)	3.00	Lopburi	75,000,000	75%	18 Aug 2011	25 June 2013
36	Tipayanarai Company Limited (TP)	3.00	Lopburi	80,000,000	100%	18 Aug 2011	25 June 2013

2.2 Revenue Structure

At the current revenue structure of the company.
Can be divided into 3 categories, viz.

2.2.1 Revenue from Solar power plant business is divided into 3 parts

1. Revenue from investment and development of Solar Farms
2. Revenue from Engineering Procurement Construction (EPC) services
3. Revenue from Operation and Maintenance, and Monitoring (OM&M) services

2.2.2 Revenue from Steel business is divided into 2 parts

1. Revenue from Sales
2. Revenue from Sales with Installation

2.2.3 Revenue from Solar power roof is divided into 2 parts

1. Revenue from Sales
2. Revenue from Sales with Installation

The Company's revenue structures for the year ended 31st December 2014, 2015 and 2016 are summarized as below;

Revenue structure
<u>(1) Solar power plant business</u>
1. Revenue from sales of electricity
2. Revenue from construction contracts
3. Revenue from services
Total revenue from solar power plant business
<u>(2) Steel business</u>
1. Revenue from sales
2. Revenue from sales with installation
Total revenue from steel business
<u>(3) Solar roof installation business</u>
1. Revenue from sales
2. Revenue from sales with installation
Total revenue from solar roof installation business **
<u>(4) Other revenues</u>
Total revenues

	Company financial statement						Consolidated financial statement					
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31-Dec-14		31-Dec-15		31-Dec-16		31-Dec-14		31-Dec-15		31-Dec-16	
	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
	-	-	-	-	-	-	3,957.30	89.7	4,529.50	89.6	4,361.50	78.7
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	3,957.30	89.7	4,529.50	89.6	4,361.50	78.7
	-	-	-	-	-	-	167.9	3.8	163	3.2	143.1	2.6
	-	-	-	-	-	-	106	2.4	93.1	1.8	68.3	1.2
	-	-	-	-	-	-	273.9	6.2	256.1	5	211.4	3.8
	-	-	-	-			1.8	0.1	12.8	0.3	12.4	0.2
	-	-	-	-			124.1	2.8	201.6	4	862.8	15.6
	-	-	-	-			125.9	2.9	214.4	4.3	875.2	15.8
	1,138.10	100	1,904.10	100	1,636.90	100	53.6	1.2	57.6	1.1	96.2	1.7
	1,138.10	100	1,904.10	100	1,636.90	100	4,410.70	100	5,057.60	100	5,544.30	100

Remark: * Percentage of the total revenues

2.3 Revenue structure of solar power plant business

The Company's revenue structures of the solar power plant business that was operated through SPC for the year ended 31st December 2014, 2015 and 2016 are summarized as below

Revenue structure		For the year ended 31-Dec-14		For the year ended 31-Dec-15		For the year ended 31-Dec-16	
		Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
Consolidated financial statement	1-Solar Power (Korat 1) Co., Ltd.	107.3	5.0	123.7	3.1	126.7	2.9
	2-Solar Power (Sakon Nakorn 1) Co., Ltd.	103.4	4.9	114.6	2.9	120.6	2.8
	3-Solar Power (Nakorn Phanom 1) Co., Ltd.	101.7	4.8	114.3	2.9	119.4	2.7
	4-Solar Power (Korat 2) Co., Ltd.	107.8	5.1	125.1	3.2	127.6	2.9
	5-Solar Power (Loei 1) Co., Ltd.	99.3	4.7	114.9	2.9	117.3	2.7
	6-Solar Power (Khon Kean 1) Co., Ltd.	102.7	4.8	116.2	2.9	121.9	2.8
	7-Solar Power (Korat 3) Co., Ltd.	107.3	5.0	122.5	3.1	126.3	2.9
	8-Solar Power (Korat 4) Co., Ltd.	103.2	4.9	119.4	3.0	122.6	2.8
	9-Solar Power (Korat 7) Co., Ltd.	104.7	4.9	120.6	3.0	125.6	2.9
	10-Solar Power (Korat 5) Co., Ltd.	125.3	5.9	133.8	3.4	127.4	2.9
	11-Solar Power (Korat 8) Co., Ltd.	124.5	5.9	133.5	3.4	127.6	2.9
	12-Solar Power (Korat 9) Co., Ltd.	119.7	5.6	132.9	3.4	124.5	2.9
	13-Solar Power (Khon Kean 3) Co., Ltd.	119.5	5.6	130.2	3.3	123.2	2.8
	14-Solar Power (Khon Kean 4) Co., Ltd.	113.0	5.3	128.5	3.2	119.7	2.7
	15-Solar Power (Khon Kean 5) Co., Ltd.	122.4	5.8	134.7	3.4	126.1	2.9
	16-Solar Power (Khon Kean 8) Co., Ltd.	122.8	5.8	135.4	3.4	128.2	2.9
	17-Solar Power (Korat 6) Co., Ltd.	63.9	3.0	134.4	3.4	127.2	2.9
	18-Solar Power (Bureerum 1) Co., Ltd.	64.5	3.0	135.8	3.4	127.4	2.9
	19-Solar Power (Bureerum 2) Co., Ltd.	63.3	3.0	134.6	3.4	126.5	2.9
	20-Solar Power (Khon Kean 2) Co., Ltd.	53.3	2.5	131.8	3.3	125.8	2.9
	21-Solar Power (Khon Kean 7) Co., Ltd.	33.7	1.6	133.2	3.4	125.2	2.9
	22-Solar Power (Nakorn Phanom 2) Co., Ltd.	-	-	104.2	2.6	119.9	2.7

Revenue structure		For the year ended 31-Dec-14		For the year ended 31-Dec-15		For the year ended 31-Dec-16	
		Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
	23-Solar Power (Nong Kai 1) Co., Ltd.	-	-	105.3	2.7	120.3	2.8
	24-Solar Power (Bureerum 3) Co., Ltd.	-	-	108.6	2.7	129.4	3.0
	25-Solar Power (Nakorn Phanom 3) Co., Ltd.	-	-	101.2	2.6	122.8	2.8
	26-Solar Power (Udon Thani 1) Co., Ltd.	-	-	94.9	2.4	123.7	2.8
	27-Solar Power (Loei 2) Co., Ltd.	-	-	84.1	2.1	118.2	2.7
	28-Solar Power (Sakon Nakorn 2) Co., Ltd.	-	-	88.6	2.2	125.5	2.9
	29-Solar Power (Surin 3) Co., Ltd.	-	-	92.5	2.3	131.0	3.0
	30-Solar Power (Khon Kean 9) Co., Ltd.	-	-	78.6	2.0	120.3	2.8
	31-Solar Power (Khon Kean 10) Co., Ltd.	-	-	77.4	2.0	122.2	2.8
	32-Solar Power (Khon Kean 6) Co., Ltd.	-	-	76.6	1.9	125.7	2.9
	33-Solar Power (Surin 1) Co., Ltd.	-	-	69.0	1.8	128.1	2.9
	34-Solar Power (Surin 2) Co., Ltd.	-	-	67.9	1.7	128.9	3.0
	35-AJ Technology Company Limited (AJ)	-	-	68.9	1.8	63.8	1.5
	36-Tipayanarai Company Limited (TP)	-	-	69.4	1.8	64.9	1.5
	Total revenue from sales of electricity	2,063.3	97.1	3,957.3	100.0	4,361.5	100.0
Company financial statement	Revenue from Engineering Procurement Construction ("EPC")	-	-	-	-	-	-
	Revenue from Operation, Maintenance and Monitoring ("OM&M")	-	-	-	-	-	-
	Total revenue from solar power plant business	3,957.3	100.0	4,529.5	100.0	4,361.5	100.0

Remarks: * Percentage of the total revenues from solar power plant business

3 RISK FACTORS



SPCG Public Company Limited is currently operated in 4 main business as follows:

- 3.1 Our Solar Farm business operates under “Solar Power Co., Ltd. (SPC)”, “Solar Power Asset Co., Ltd. (SPA)” and “Solar Power Engineering Co., Ltd. (SPE)” which are separated into three business units:
 - Investment in Solar Farm business
 - Engineering, Procurement and Construction Services (EPC) for the Solar Farm Projects.
 - Operation, Maintenance, and Monitoring Services (OM&M)
- 3.2 Solar Roof business under “Solar Power Roof Co., Ltd. (SPR)”
- 3.3 Steel Roof, Structure and all fitting business under “Steel and Solar roof Co., Ltd. (SSR)”
- 3.4 Leasing business that provides financial investment for solar roof systems and other energy saving systems to promote renewable energy in Thailand under “SPCG Leasing Co., Ltd. (SPCG Leasing)”

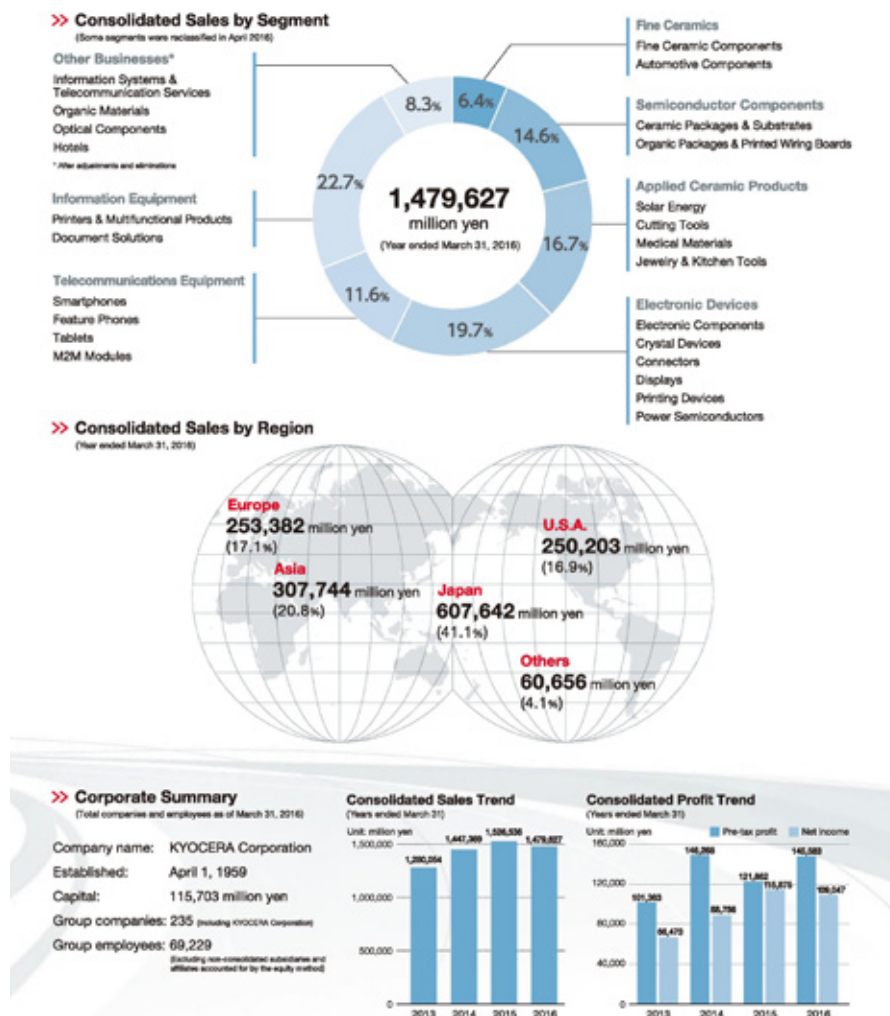
3.1 RISKS OF SOLAR FARM BUSINESS

3.1.1 Risks of Investment in Solar Farm Business

(1) Risk from Relying on a Single Manufacturer of Solar Photovoltaic (PV) Panels and Inverters.

All of our Solar Farms use solar module from Kyocera Corporation, Japan (Kyocera) except AJ Technology using solar module from REC Corporation, Singapore and all inverters used in all of our Solar Farms are from SMA Solar Technology AG, Germany (SMA).

Kyocera Corporation, Japan was established on 1 April 1959 and listed on New York Stock Exchange and Tokyo Stock Exchange. Kyocera has long term financial strength, no loss for over its 60 Years operation. As at 31 March 2016, Kyocera has paid-up capital of JPY 115,703 million. Its consolidated net sales is JPY 1,479,627 million with net income amount of JPY 109,047 million. Kyocera has 69,229 employees under 235 companies. Details as follows figures:



Resource: <http://global.kyocera.com/company/download/index.html>

SMA is listed on the Frankfurt Stock Exchange and SMA is a global technology leader in inverter manufacturing for over 30 years of experience and more than 50 Gigawatts installed base worldwide. SMA has a subsidiary which supports the operation of solar energy can cover both the production and maintenance. SMA is the leader of inverter technology for over 30 years. In 2016, SMA sales increase by 3.2% to Euro 708.8 million and total power generation of over 5,655 Megawatt (Financial Report Quarterly Statement from January to September 2016).

Highlights: SMA is a technology driven company with an attractive business model

- Direct exposure to the global solar market
- SMA is the Number 1 for solar inverters for more than two decades
- Proven technology and game changing new products
- Flexible business model and best-cost sourcing strategy
- Powerful sales and after-sale service infrastructure
- Transformation process will lead to significant cost reduction
- Strong financial position due to high equity ratio and net cash in-hand
- Unique positioning among competitors
- Stable shareholder structure with Danfoss as strategic anchor

SPCG strongly believes in financial strength, technology strength and long-term track record of both manufacturers so that SPCG can rely on their quality of products such as SMA high technology inverter model

from Germany with 20 years warranty and 25 years warranty for Kyocera Solar Modules. Moreover, Kyocera Solar Modules were installed with the grid connected in Japan for 30 years which still working under good conditions and its percentage of loss in power only 9.6% from the warranty percentage at 20%

(2) Risk from the Lower Intensity of Sunlight

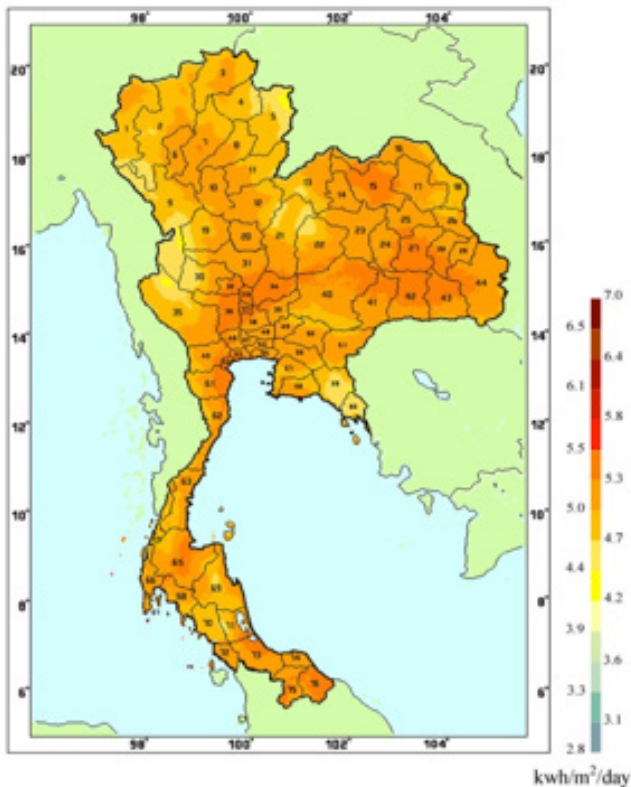
SPCG's solar farm and solar roof business are relying on sunlight as the key resources, so solar irradiance is the key to be successful. If SPCG cannot receive sufficient sunshine to our Solar Farm, it may result to the reduction of energy from forecasting which may affect the revenue.

Thailand is located near the equator; thus, there is high level of solar radiance. Moreover, SPCG has seriously researched and collected all relating statistic of solar irradiance for the past 10 years by utilizing National Aeronautics and Space Administration of America (NASA) 's database and we are confident that all of our Solar Farm's locations are in the high level of the solar radiance in Thailand.

Furthermore, SPCG has installed the intensity of solar radiation measure equipment in every Solar Farms to collect, analyze, follow in the track of the climate change result. From the SPCG Solar Farms Production, SPCG in average can generate 20% higher than the probability of electricity production which forecasted by financial institute.

(3) Risk from Natural Disasters

36 Solar Farms of SPCG are located in 10 provinces consists of 34 solar farms in Northeastern part of Thailand which consider as a high flat zone and



Resource:

Electricity Generating Authority of Thailand

http://www3.egat.co.th/re/egat_pv/sun_thailand.htm

2 Solar Farms in Lopburi which is consider a high flat zone area as well. SPCG has comprehensively well considered the location before developing all of our solar farm projects by studying the possibility of flooding and strong wind from Typhoon.

SPCG has studied statistic of flooding level in all area as well as the wind speed of Typhoon from the past 20 years. Every Solar Farms heighten the level of land field higher than level of highway and foundation of the support structure of solar module with engineering durability standard with 80 km./hr. wind pressure resistant. SPCG has the wiring systems that separate

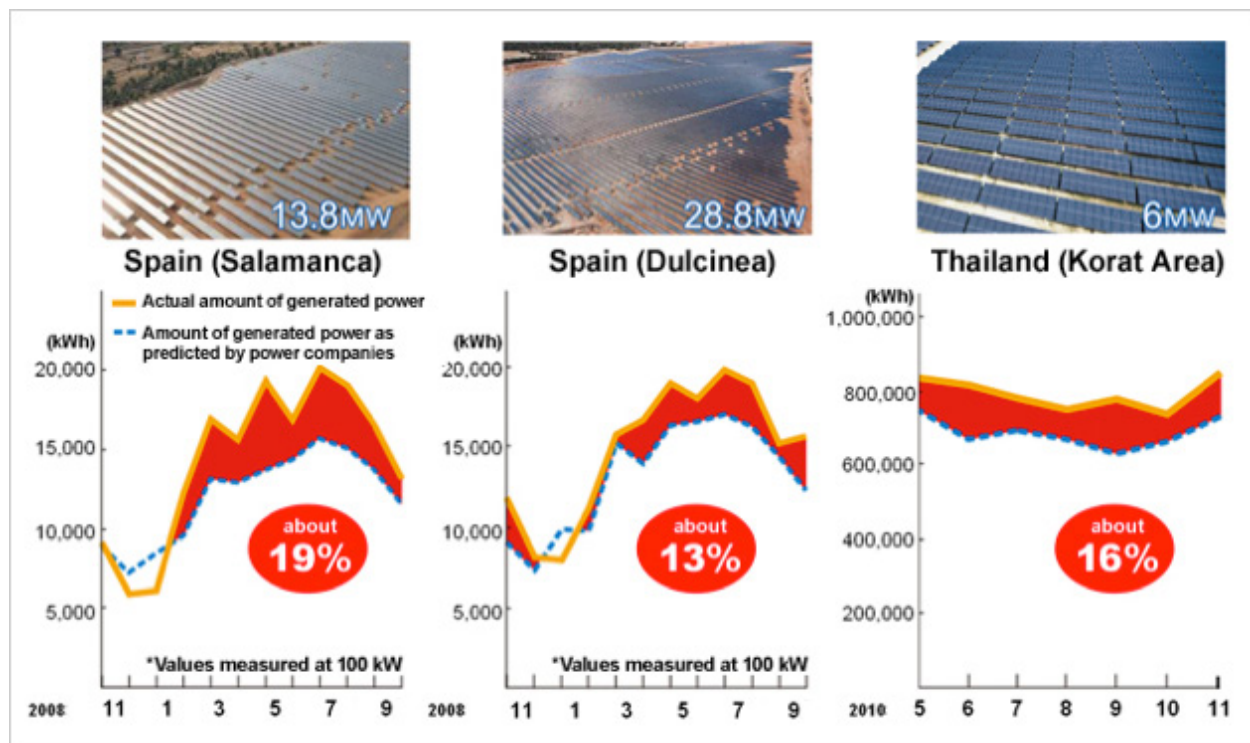
the array of solar module and wire the ground wire independently to protect thunderstorm damages.

Moreover, SPCG has purchased the all risk insurance as well as business interruption insurance to protect future damages that beyond our control.

(4) Solar Modules' Deterioration ahead of schedule.

Electricity output from Solar Farms depend on several factors, one of the factors which affected on electricity output is solar module's deterioration. If Solar Modules have deteriorated earlier than standard, it may decrease the electricity output production which result in lower revenue.

However, SPCG has used Photovoltaic Solar Modules which had deterioration guaranteed by Kyocera for 25 Years. Kyocera has guaranteed that within 12 years from the operation date, the solar module from the operation will produce electricity not less than 90 % of peak power and within 25 years of Solar Module from the operation date, the solar module will produce electricity not less than 80 % of its peak power. If it was found that the peak power were less than guaranteed, Kyocera will add more solar module in order to return to the guaranteed peak power or change solar module or refund under contract agreement between Solar Farms and Kyocera. Moreover, Kyocera has given information about Kyocera's Solar Farm Module in Japan which within period of 30 years, those Kyocera Solar Modules in Solar Farm produce electricity at 91.4 % of its peak power.



Resource: Kyocera Corporation <http://global.kyocera.com>

3.1.2 Risk from Engineering Procurement and Construction Services (EPC)

(1) Risk from Personnel Recruitment

Due to the fact that SPCG has a business plan to provide EPC service for customers outside its group operating under SPE which requires a large number of personnel. Therefore, there are a Risk that SPE is unable to recruit enough staff if the projects of solar farms are being constructed simultaneously both inside the country and/or in foreign country which may lead SPE to the lost opportunity costs.

However, the construction of solar farms is not complicated and is easy to supervise. Hence, it is not necessary to permanently employ specialists which result in the flexibility in outsourcing easily, plus SPE will assign engineers and supervisors to oversee the construction and the installation closely.

(2) Risk from uncontrollable labor quality

SPC as a complete solar farm contractor has hired local employees to construct the projects which need to use a lot of manpower. Each of SPC's project constructions will require approximately 180 workers to be manpower in the constructions. This might make the quality of solar farm construction labor change.

However, SPCG realized about this risk and prevented by appointing engineers and supervisors to oversee the projects. The engineers will give direction closely during the projects as well as the company's supervisors will evaluate the operations to ensure the quality of the constructions following the design standards of SPC. Even though, the Solar Farm Development under SPC and SPA were completed but for the future development of new Solar Farm, the company will use the same high efficiency and proficiently strategic operation.

3.1.3 Risk from Operation, Maintenance, and Monitoring Services (OM&M)

(1) Risk from Monitoring System Failure

Monitoring is the important key in the solar farm's OM&M services. In case of monitoring system failure which results in data loss or error, the company may deliver service error and cause damage to SPC and its customers.

However, SPC has leased transponder from Thailand Telecom Public Company (CAT) to use in transmitting data information from Solar Farms to SPC Head Office through Optic Fiber. Thus SPC has recorded 2 sources of monitoring data i.e. at each of solar farms' control centers and SPC office. Recording 2 sources reduces the risk of data loss in case of such error of a data system. Moreover, SPC has backup information system in daily report both in normal operation as well as in electronic files, to be risk preventive method too.

(2) Risk of the Accident during Maintenance

Due to maintenance and cleaning solar modules, SPC does not have personnel in charge of duties. But the company has outsourced local labors who are not proficient instead. Therefore, there is a possibility of occurring accident which might cause damages to solar module or even other important equipment.

Nevertheless, SPC has held the training courses and educated local labors before taking up work to clearly understand their responsibilities. Moreover, the company's engineers are stationed at the project sites for supervising. As a result, those labors perform more efficiently and can help reducing accident risks. Apart from that, the reviewed training and instructing annually. However, any accident has never occurred under our operations yet.

3.2 RISK from Solar Roof Business

3.2.1 Risk from industry competition

For solar roof business, it is very high competition market since the government promotes the renewable energy and solar power energy. Therefore, there are many competitors entering to solar roof market that import variety of brand of solar modules and inverters from both oversea and in Thailand. Whereas, the Company has the very clear positioning in the market that we use the only highest quality of equipment and high quality installation which differentiate our price from competitors.

As on February 12, 2015, the Energy Regulatory Commission has announced policy (Addition) to buy back solar energy with the capacity not more than 10 Kilowatts in the quantity of 78,632 kWp. which is Feed-in-Tariff (FiT) at 6.85 baht per unit and interested people to sell solar energy to PEA¹ or MEA² have to submit application within June 30. All applications have to COD by December 31, 2015.

The announcement has been motivated entrepreneurs to distribute and install Solar Roof to the market SPR, one of the subsidiaries of SPCG, signed a contract with Home Product Center Public Company Limited (HomePro) and appointed HomePro to be an exclusive distributor for households Solar Roof. HomePro provides demonstration of solar Roof system in 61 branches of 80 branches to all over 77 province in Thailand order to be a distribution channel that helps interested customers and to provide the best services to SPR Solar Roof's customers.

However, there are many small company entering solar roof market that may not have enough experience of solar business and installation knowledge, while SPR Solar Roof offer the highest quality of equipment and highly expertise of installation team from our staff that developing 36 solar farms. SPR Solar Roof Can offer the total solution one stop service of solar roof

Remark: (1) PEA : Provincial Electricity Authority

(2) MEA : Metropolitan Electricity Authority

from surveying, developing, designing, procuring, installing to monitoring and after-sale service. SPR Solar Roof is the exclusive partner of Kyocera in Thailand for solar roof business that has experience in this field for long time. Therefore, SPR Solar Roof has the advantage over competitors in the market.

3.2.2 Risk from new product in the market

Solar roof is electricity generating system which is a brand new in Thailand and only operated in Thailand not so long. From previous time, they were mostly Solar Farms which installed on the ground and very little of them were installed on the rooftop. Hence, we need more time to educate consumers for good understanding of this business model which worth for long term investment as well as trust in safety system which is installed on the roof.

However, solar rooftop system has been used in many countries for more than 35 years and this technology has been well developed and disseminated more respectively. Moreover, from the government policy to promote renewable energy which is a “Clean & Unlimited Energy”, there are continuously knowledge and understanding given to the people. Furthermore, SPR team is ready to educate all clients with useful & proven information on the efficiency and safety of solar rooftop in order to further expansion of this business.

3.2.3 Risk from Exchange Rate Fluctuations

SPR Solar Roof is the total solution solar roof service provider for commercial building, residential housing, and factories that imports solar module from Kyocera Corporation, Japan and inverter from SMA Technology AG, Germany in foreign currency. SPR Solar Roof closely

monitors the fluctuation of the exchange and manages the risk by means of a FX Forward Contract and the right to exchange money through a financial instrument called FX Option in order to fully hedge fluctuations in the foreign exchange rates. The company will engage in a full amount of a forward foreign exchange transaction (FX Forward) or a foreign-exchange option (FX Option) when solar panels and inverters are recorded as assets of the company.

3.3 Risk from Steel Industry

3.3.1 Risk from Relying on a Leading Manufacturer for Raw Materials

In the steel industry, Steel and Solar Roof Company Limited (SSR) uses cold rolled steel sheets plated with zinc on aluminum-color coated and non-color coated sheets-which are generally purchased from BlueScope Steel (Thailand) Limited (BlueScope Steel). If BlueScope Steel ends production or discontinues distribution for SSR, this may have the effect on SSR to look for other manufacturers whose prices and the quality of raw materials are changeable. In addition, this event could cause delays in the distribution to customers and effected on the company bad reputation as well as business profits.

However, BlueScope Steel is a major manufacturer of cold rolled steel sheet plated with zinc on aluminum that has invested to build up its factories in Thailand. In partnering with Loxley PLC and Nippon Steel and Sumitomo Metal Corporation in 2013, they established the steel factory that manufactures the top grade quality steel as the biggest in Southeast Asia with capacity of manufacturing cold rolled steel sheets plated with zinc on aluminum-color coated for 400,000 tons, non-color coated sheets 375,000 tons, and color-coated sheets 90,000 tons with its

employee of 400 staffs. Furthermore, BlueScope Steel is a subsidiary of BlueScope Steel Limited listed on the Australia Securities Exchange. SSR and BlueScope Steel have been business partners for more than 10 years. In addition, SSR has consistently been well-supported by BlueScope Steel. Hence, the company believes that the risk of the business termination or discontinuing distribution of BlueScope Steel to SSR is in low-level.

3.3.2 Risk from a Business Competitor Relating to BlueScope Steel

BlueScope Steel who is a distributor of almost main raw materials for SSR has a related company having the same shareholders and directors that is BlueScope Lysaght (Thailand) Limited (BlueScope Lysaght) established in 1988. BlueScope Lysaght has run manufacturing and distribution business of waved metal sheet that is the same as SSR and has used the identical raw materials from BlueScope Steel as well. In case BlueScope Steel distribute to BlueScope Lysaght under conditions and prices which will be an advantage over SSR. This may decrease the ability of SSR's price competition on the waved metal sheets and result in the low sales volume.

However, as BlueScope Steel is an affiliate of BlueScope Steel Limited listed on the Australian Securities Exchange. Hence, the company believes that BlueScope Steel do the related lists fairly and executes the operations normally. In addition, the executive of BlueScope Steel reassures the company that it will transact the business with its affiliate like other business partners. The company considers that the risk of BlueScope Lysaght getting an advantage over conditions and prices is low.

3.3.3 Risk from Fluctuations in the Price of Raw Materials

In the steel industry, a main raw material is steel sheets fluctuating following cold rolled steel sheets which are an upstream raw material. This may lead to the cost fluctuation or the higher cost.

Nevertheless, the cost of raw materials from BlueScope Steel has been adjusted on monthly basis, made the price fluctuations of raw materials are rather slight. Moreover, the company has ordered Just In Time manufacturing and products which a small amount of inventory is kept on hand. Furthermore, SSR will quote the prices to customers beforehand. When customers agree to purchase, the company will place an order. As a result, the risk from fluctuations in the price of raw materials is low.

3.3.4 Risk from Hiring Subcontractors to Project Installation

The Selection of Subcontractors: Generally, companies in the industry of roofing manufacturing and distribution don't have their own installation teams, but they will hire an outsources subcontractors which is a better way to control the capital as they don't have to supply wages for full-time employees. SSR selects the subcontractors from both the company's clients who install the products and the companies who particularly engage in the roofing installation through the consideration based on their yearly past performances, financial status, quantity of workforce, quality of work as well as the potential of installation. Currently, SSR has the skilled subcontractors who have ability to install in the various size projects. Those who have been working with SSR for over 5 years and over 20 of them have been passed the quality evaluation. Therefore, the company does not have to depend on a small number of subcontractors and never experiences the shortage of subcontractors or abandoning the projects.

The Installation Quality control : SSR has controlled the quality of subcontractors via the engineering staff who inspect the quality during the installation in all projects. After the installation is completed, SSR and customers will evaluate the whole work together. Moreover, the company will assess each of subcontractors on quarterly basis in order to ensure the overall quality of work, and also the subcontractors will grant a 1 year warranty from the date of completion of the work.

Controlling the Time of Installation to be Completed on Schedule: The Company has site supervisors inspect the work, there has so far been no problem that the subcontractors haven't completed the installation on schedule unless delays are caused by the company's customers themselves.

3.3.5 Risk of Competition in Substitute Products

The main product of the company which is manufactured and distributed is waved metal sheets coated with zinc-aluminum used as materials for shingling roofs and walls. There is a variety of substitute products in the market such as tiles and corrugated steel sheets coated with zinc etc. Those substitute products allow customers to have more choices to choose the substitute product. Besides, the company's products have a higher price compared with the price of tiles or corrugated steel sheets coated with zinc. If consumers are in favor of using other materials of roofs and walls instead of the company's products, this may cause a decrease in SSR future income.

Although the price of the substitute products is cheaper, the galvanized rolled steel sheets plated with aluminum are more durable, more beautiful, and lighter in weight. Moreover, the price of SSR's products isn't significantly more expensive than the substitute products. Therefore, SSR believes that the risk from competition in the substitute products is low.

3.3.6 Risk on Giving Trade Credit

In general business operation, SSR has accounts receivable from SSR's merchandise distribution with conditional agreement in payment terms that customers have to pay off within an agreement time. The debtor collection period is 50-65 days, therefore, SSR is vulnerable to the accounts receivable who is unable to pay off the amount due within the collection period or a deferred payment period.

However, SSR has a collection policy through the progress of work. A partial payment must be made as the projects start. Next, the company collects the other part after the delivery. Afterwards, the payment will be made via the work progress. Then, the final amount of payment will be made once the work is completed. SSR always collects the debt gradually and is able to manage the accounts receivable in the appropriate level which results in managing the cash flow from the operations to pay off the amount of due to the account payables on time.

3.3.7 Risk from the Operation of Factory

The SSR's business depends on the ability to operate the continual manufacturing process of the factory. There is the risk in the disruption of factory's manufacturing. This lead to hazards in manufacturing process and preservation of the raw materials which include explosion, fire, weather variance and natural disasters, machinery defects, shutting down of machines beyond the schedule, labor strike, transportation disruption, and other environmental risks. Those hazards may lead to injury or fatality, severely damaged properties or tools and cause of environmental damages, or forfeit, or debt, along with the effect on overall operations of SSR.

Nevertheless, SSR has implemented plant safety system. The equipment are stored in a suitable area. There are a small number of employees in the factory, thus the company can maintain a good relationship with its employees properly and thoroughly. In addition, the company has achieved ISO 9001:2000 certification as well.

3.3.8 Risk from the Manufacturing's Impact on Social and Communities

The company has realized and placed importance on the risk of manufacturing process which may have the effect on social and communities including the impact on the environment, safety, or the economic and social. The company tries to avoid engaging in the activities which cause problems to social and the communities around them, for instance, any manufacturing processes that create loud noise and cause a disturbance in social and surrounding areas will be outsourced by SSR. Then, the completed products will be sent back to SSR. However, SSR has never had any complaints so far from the social and communities nearby.

SSR has still kept a good relationship with the social and communities nearby through generating benefits to society such as building roofs of the temple and a motorcycle taxi shelter in the surrounding areas etc.

3.4 Risk from Leasing Business

3.4.1 Risk from the variation of interest.

Since, interest is the main revenue of leasing business to impose the fixed interest rate to customer while the source of fund of the company is in float rate that depends on the current situation of the market. Therefore, if there is high variation of interest, it may cause the mismatch fund that result in the profitability of the company. Thus, the company must manage the interest rate from the source of fund by establishing the long term planning to correspond with the amount of contracts with customers to maintain the balance between cost of fund and the income for 3–5 years plans.

3.4.2 Risk of the loss of Non-Performance-Loan.

The leasing business can expand its business according to the company's potential without limitation from any government organization comparing to private banking institutions. To highlight the importance of credit quality, the efficiency of collecting loan, the good management practice, the decency of employees are the factors of successful leasing business, which the Company focus to operate the business onto for preventing the unforeseen problems from non-performance-loan. The company also has risk management of having the guarantee person and the down payment to reduce the risk of each individual loan contracts. The Company have the upright management and reporting system to show the customer credit status and also the closely follow up system to avoid the unpaid balance that might occur. Thus, the Company operates under the rigorous internal control to prevent the corruption and non performance loan.

3.5 OTHER RISKS

3.5.1 Risk from Being Controlled in the General Meeting by Major Shareholders

A group of majority shareholders of the company, namely, The Khunchornyakong's consisted of Miss Wandee Khunchornyakong, Mrs. Prakong Khunchornyakong, Mr. Somsak Khunchornyakong, Miss Sompong Khunchornyakong, and Mrs. Kanokporn Khunchornyakong (collectively called "the Majority Shareholders") who have collective intentions to cast the majority of votes in the same direction in order to control the voting rights or to supervise the business together. In addition, they hold the mutual relationship and behaviors in accordance with the Notification of Capital Market Supervisory Board TorChor 7/2552 Re: Acting in concert as a result of the nature of a relationship or behaviors. The majority shareholders hold 49.03 percent of the company's total issued shares and they are the executives and directors who have signing authority for the company's budget. As a result, they are the authority who manages and nearly controls the crucial majority votes such as an appointment of director, or engaging in other matters requiring approval by the majority of the general meeting with the exception of laws and company's regulations requiring three-fourth of the number of shareholders attending the meeting and having the voting rights. Therefore, the other shareholders who attend the meeting and have the voting rights may

not gather the votes to counterbalance the management of the majority shareholder.

The management structure of the company is comprised of 3 sets of the board of directors and the subcommittees which are, namely, the board of directors, the audit committee, and the nomination and remuneration committee. The duties and responsibilities of each subcommittee are set clearly. Hence, the operations of the board of directors and the subcommittees are well-organized and can be verified. Plus, there is the audit committee composed of 3 independent committees who are knowledgeable. Furthermore, the company has a policy in regard to a linked list concerning the directors, the majority shareholders, or the authorized persons. This includes a person who has a conflict of interest that such person does not have the authority to approve in creating such list which reduces the risks that may occur in business.

- 
- Capital Information and List of Shareholders
 - Management Structure
 - Internal Control
 - Related Transactions

4 Capital Information and List of Shareholders



4.1 Capital Information and List of Shareholders

SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand (SET)

(1) Registered capital and Paid-Up Capital

SPCG has a registered capital of THB 923,990,000 which is 923,990,000 shares of common stock at the par value of THB 1 per share SPCG has paid-up capital of THB 923,990,000

(2) Share Transfer Restriction

The transfer of foreign shares shall not exceed 49 percent of the total paid-up share capital.

4.2 The Shareholders

List of Shareholders of SPCG

Here is a list of the first 10 shareholders¹ of the company regarding the latest book closure date on March 21, 2017 as follows:

No.	NAME OF SHAREHOLDERS	No. OF SHARES	% OF SHARES
1.	The KHUNCHORNYAKONG Consist of	452,988,687	49.03
	Ms. Wandee Khunchornyakong	395,200,050	
	Mrs.Prakhong Khunchornyakong	32,400,000	
	Mr. Somsak Khunchornyakong	13,500,000	
	Ms. Sompong Khunchornyakong	9,863,637	
	Mrs.Kanokporn Khunchornyakong	2,025,000	
2.	GULF INTERNATIONAL INVESTMENT (HONG KONG) LIMITED	83,998,952	9.09
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	23,388,900	2.53
4.	THAI NVDR COMPANY LIMITED	22,489,328	2.43
5.	Mr. Withoon Manomaikul	19,290,000	2.09
6.	KYOCERA CORPORATION	13,500,000	1.46
7.	N.C.B.TRUST LIMITED-NORGES BANK 4	11,898,394	1.29
8.	The SETHIWAN Consist of	9,822,000	1.06
	Mr. Suchart Sethiwan	5,400,000	
	Mr. Pongchai Sethiwan	2,761,500	
	Mr. Ponthepp Sethiwan	1,587,500	
	Ms. Saowanee Sethiwan	40,000	
	Ms. Warunee Sethiwan	33,000	
9.	Thanachart Prime Low Beta Fund	8,368,300	0.91
10.	STATE STREET BANK EUROPE LIMITED	7,278,921	0.79
	รวม	653,023,482	70.67

Remark¹ Ref A List of shareholders on March 21, 2017 of the book closure date by Thailand Securities Depository Company Limited ("TSD")

4.3 DIVIDEND POLICY

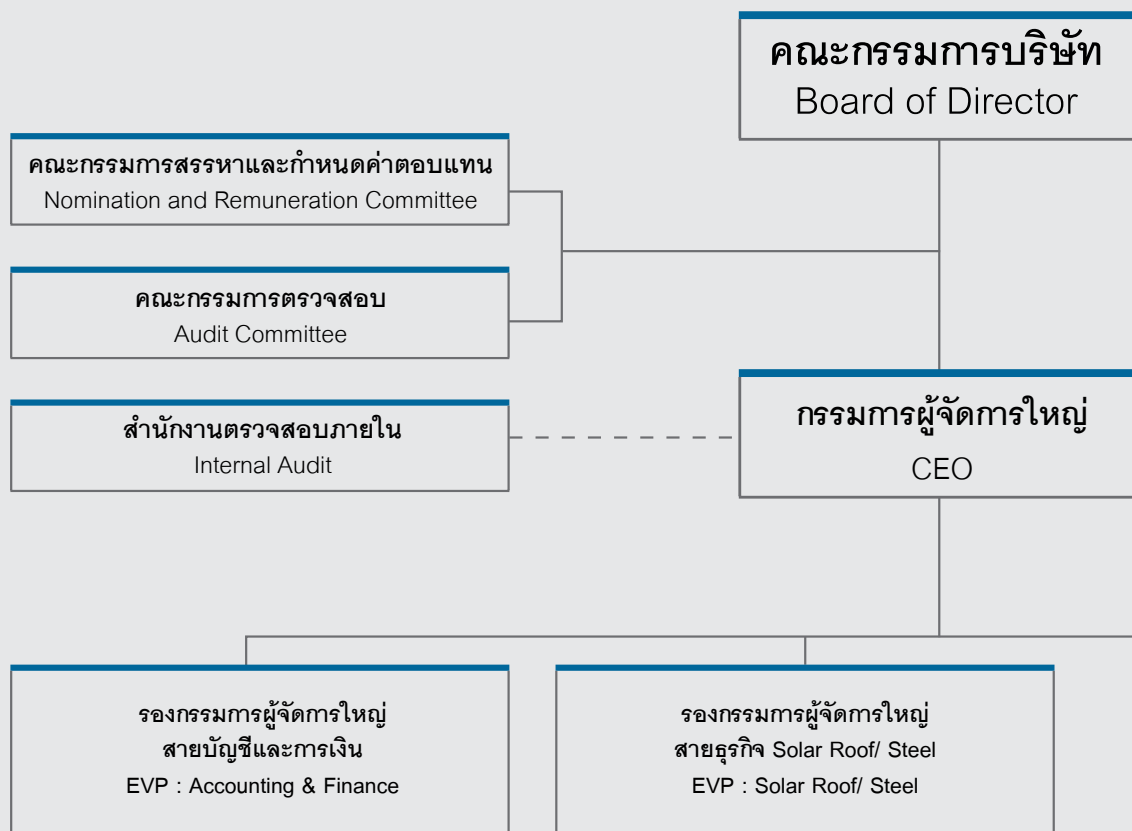
SPCG has set the dividend policy to pay dividend to shareholders not less than 40 percent of net profit of the Company's financial statements after legal reserve in compliance with the company regulations and laws, if for no other reason and such dividend payment shall have no impact on the normal operations of the business significantly concerning the board's consideration. Moreover, such operations will create the maximum benefit to the shareholders. The board resolution considering such payment must be presented for approval from the general meeting unless such payment is an interim dividend which the board of directors has the authority to approve and report this issue on the next general meeting.

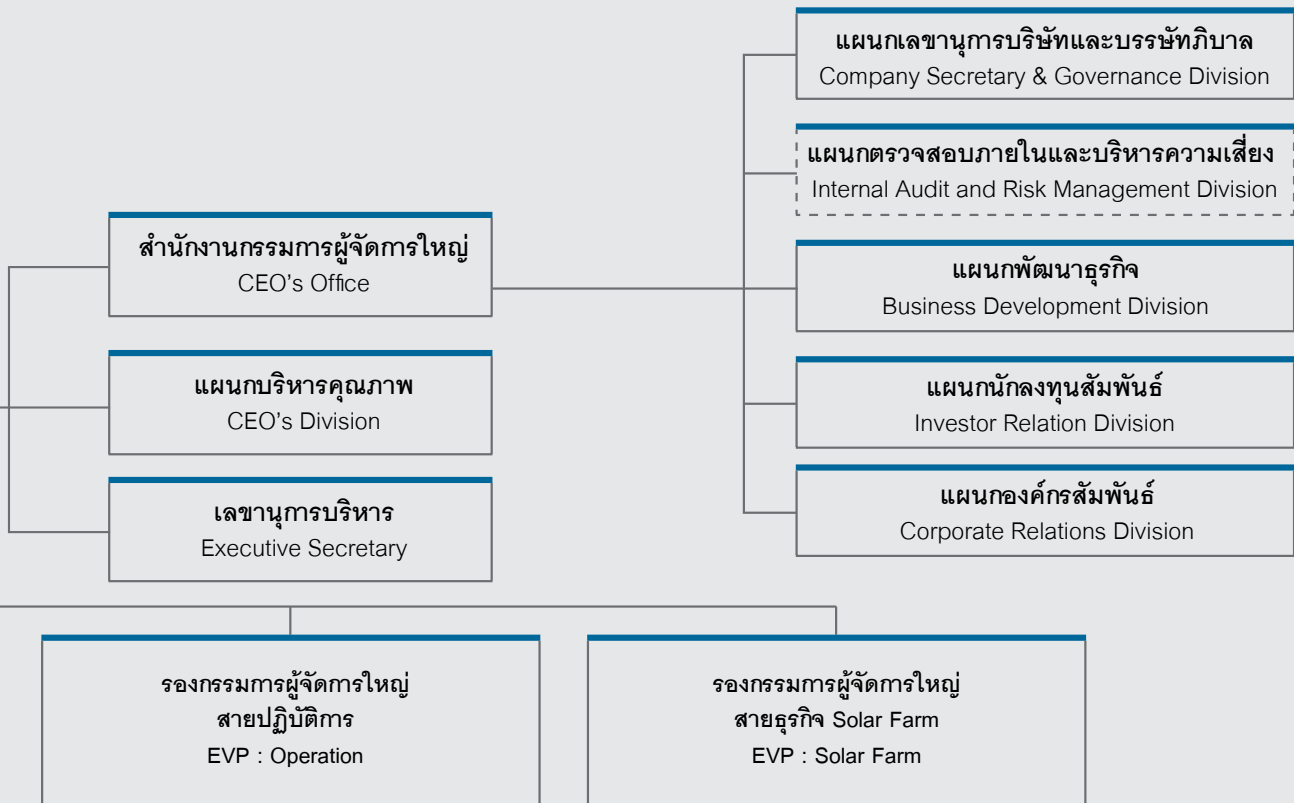
SPCG and SPCG's subsidiaries has set the dividend policy to pay dividend to shareholders regarding net profit of the Company's financial statements after legal reserve in compliance with the company regulations and laws, if for no other reasons and such dividend payment shall have no impacts on the normal operations of SPCG and its subsidiaries significantly concerning the board's consideration. In addition, such operations will create the maximum benefit to the shareholders. The board resolution of SPCG and its subsidiaries considering such payment must be presented for approval from the general meeting of SPCG and its subsidiaries as well.

5 Management Structure

5.1 Organization Chart

SPCG Public Company Limited





5.2 Management Structure

Directors structure consisted of 3 sets: Board of Directors, Audit Committee and Recruitment and Remuneration Committee. The details are as follows:

5.2.1 Board of Directors

As at December 31, 2016. The Company has the total of 9 Directors as listed below:

No.	Name	Position
1.	Dr. Wandee Khunchornyakong Juljarern	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Jirakom Padumanon	Director
4.	Mr. Withoon Manomaikul	Director
5.	Police Major General Wanchai Wisuttinan	Director
6.	Mr. Rattaphol Cheunsomchit	Director
7.	Mr. Kiatichai Pongpanich	Chairperson of the Audit Committee and Independent Director
8.	Mr. Wanchai Lawatanatrakul	Independent Director
9.	Asst. Prof. Dr. Siripong Preutthipan	Independent Director

Company's authorized directors are as follows:

Dr. Wandee Khunchornyakong Juljarern sign her name Alone and affix the Company's seal, or Mr. Somsak Khunchornyakong jointly sign with Mr. Withoon Manomaikul, a total of two persons and affix the Company's seal.

Authority and Responsibility of the Board of Director

The Board of Director has the authority and responsibility to manage the Company to be in accordance with the law, objectives and regulations of the Company as well as the shareholders' meeting resolution with integrity, cautious and to protect the Company's interest.

The scope of authorities and responsibilities of the Board of Director can be summarized as follow:

1. Arrange shareholders' meeting as annual ordinary meeting within 4 months commencing from the end of the Company's accounting period.

2. To arrange the Board of Director's meeting at least every 3 months.

3. To compile the Company's financial statements as at the end of accounting period. The financial statements should be certified by the Company's auditor and shall be proposed to the shareholders' meeting for consideration and approval.

4. The Board of Director may authorize any director(s) or other individual to take any acts on behalf of the Board of Director, under the Board's supervision or authorized the said person to have the authority and within the period as the Board deems appropriate. The Board of Director may remove, change or alter the authority or authorized person as sees appropriate. The Board of Director shall authorized the Executive Board to have the authority in performing tasks with details of authorization in accordance with the Executive Board's scope of authority and responsibility. Although, such authorization shall not permit the Executive Board to consider and approve any transactions that the Executive Board or persons may have conflicts, stakes or any other conflicts of interest made with the Company or its subsidiaries.

5. Set the Company's goals, guideline, policies, framework and budget; control and govern administration and management of the Executive Board to be in line with the assigned policies, except the following matters: the Board of Director must be approved by the shareholders' meeting before proceeding with matters as required by law to received approval from the shareholders' meeting, e.g. capital increase, capital decrease, issuance of debentures, selling or transferring entire or significant part to other person or transactions related with Company's or its subsidiaries' asset acquisition or deposition, amendment of the Memorandum of Association or regulations. Moreover, the Board of Director are responsible for governing the Company to practices in accordance with the laws regarding the Securities and Exchange of Thailand, regulations of Stock Exchange of Thailand such as proceeding with related transaction, purchasing or selling of significant assets in accordance with the Stock Exchange of Thailand regulations or other laws related to the Company's business.

6. To review management structure, appoint Executive Board, Chairman of the Executive Board and other committees as deem appropriate.

7. To continuously follow up operating performance to be in line with the framework and budget.

Furthermore, due to the fact that SPC is the subsidiary company which is the core in operating solar farm business, the Board of Director then assigned Company's directors and Executive to stand in the SPC director position to control and closely follow up operating. The Company's directors are as follow:

No.	Name	Position
1.	Dr. Wandee Khunchornyakong Juljarern	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Jirakom Padumanon	Director

5.2.2 Audit Committee

As at December 31, 2016. The Company's Audit Committee consisted of 3 independent directors:

No.	Name	Position
1.	Mr. Kiatchai Pongpanich	Chairperson of the Audit Committee & Independent Director
2.	Mr. Wanchai Lawatanatrakul	Audit Committee and Independent Director*
3.	Asst. Prof. Dr. Siripong Preuthiphan	Audit Committee and Independent Director*

Remark* Knowledgeable in accounting and/or finance

All 3 of the Company's Audit Committee are independent as defined by the terms of an independent committee:

1. Hold 1 percent of the total share with voting rights of the Company, its subsidiaries, associates or legal entity that may be in conflict.
2. Shall not be employees, staff, consultant with monthly salary or regulator of the Company, main company, subsidiaries, joint venture or legal entity that may be in conflict.
3. Are not individual with blood-related or registration under the law in terms of parents, spouse, brothers/sisters and siblings including Executive siblings' spouse, major shareholders, regulators or individual whom the Company will propose to be the Executive or regulators of the Company or its subsidiaries
4. Have no business relations with the Company, main company, subsidiaries, joint venture or legal entity that may have conflict which may lead to cloud judgement.
5. Has no other quality that may cause restriction in commenting freely on Company's operation.

Scope of Authority and Responsibilities of Audit Committee

The audit committee has the following authority and responsibilities

1. To review and ensure that the Company has correct and sufficient financial report.
2. To review and ensure that the Company has appropriate and effective internal control and internal audit and to consider the independent of internal audit sector as well as approve on the appoint, transfer, lay off the head of internal audit or other divisions that are responsible for internal audit.
3. To review and ensure that the Company practices according to Securities and Exchange of Thailand laws, regulations of Stock Exchange of Thailand and other laws related to the Company's business.
4. Consider, select and propose to appoint independent individual to stand in the Company's auditor and propose remuneration of the said person, including attend a meeting at least once a year with the auditor and without the presence of the management team.

5. Review related transactions or transaction that may have conflict of interest, to be inline with the laws and regulations of Stock Exchange of Thailand. This is to ensure that the aforementioned transactions are reasonable and is for the Company's highest interest.

6. Prepare audite committee reports by disclose in the Company's annual report. The aforementioned reports must be signed by the Chairmand of the Audit Committee and must at least consists of the following information.

6.1. Opinion regarding correctness, completeness and reliable of the Company's financial reports.

6.2. Opinion regarding adequacy of the Company's internal control.

6.3. Opinion regarding practices in accordance to the Securities and Exchange of Thailand laws, Stock Exchange of Thailand Regulations or laws that are related to the Company's business.

6.4. Opinion regarding the appropriateness of auditors.

6.5. Opinion regarding transactions that may have conflict of interest.

6.6. The frequency of the audit committee mettings and the attendance of each audit committee members.

6.7. Overall opinion or notable points that the audit committee received from performing their duties in accordance to the charter.

6.8. Other matters that shareholders and general investors should acknowledge under the scope of duties and responsibilities that were assigned by the Board of Director.

7. Act on issues that were assigned by the Board of Director upon approval of the Audit Committee

Due to the fact that the Company and its subsidiaries hired J Pen Co., Ltd. which is classify as related parties in accordance with the regulations of Securities and Exchange Commission of Thailand. Therefore, the Audit Committee perform its duties in setting policies, ways of selecting, monitor and follow up the operation between the Company and its subsidiaries with J Pen Co., Ltd. transparently and for the Company's interest as well as regularly disclose performance to the Securities and Exchange Commission and general public every quarter.

5.2.3 Recruitment and Remuneration Committee

As at December 31, 2016. The Company has 3 remuneration committee members, which are as follow:

No.	Name	Position
1.	Mr. Wanchai Lawatanatrakul	Chairperson of Recruitment and Remuneration Committee
2.	Dr. Wandee Khunchornyakong Juljarern	Recruitment and Remuneration Committee
3.	Mr. Somsak Khunchornyakong	Recruitment and Remuneration Committee

Scope of duties and responsibilities of recruitment and remuneration committee

The recruitment and remuneration committee has the following authorities:

1. Select and recruit individual that is suitable to be propose to the director with principles and transparent by which the individual that was proposed must have knowledge, competence, independence, perform director's duties with carefulness, faithfulness, able to fully dedicate their time, have appropriate age, healthy and perfect mind, able to attend directors' meeting regularly and prepare oneself beforehand. This is also to consider from other name list that shareholders suggested (if have).
2. Prepare in advance the name list of suitable individuals to be directors and/or in the case where there's vacant in the director or chief executive officer position.
3. Asking for opinions from Board of Director and/or other committees to include in the consideration of recruiting before propose to the committee or shareholders meeting depends upon case to consider and appoint.
4. Perform any other tasks that the committee assign that is related to recruitment of directors.
5. Evaluate performance of committee, subcommittee and chief executive officer according to the operating performance of each year.
6. Consider remuneration for committee and subcommittee, which also includes monthly allowance, meeting allowance, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable then propose to the shareholders meeting for approval.
7. Consider remuneration for the chief executive officer which includes wages, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable.
8. Reconsider remuneration for committee, subcommittee, chief executive officer by considering from performance and Company's operating performance as well as regulations in industry and top listed companies in Stock Exchange of Thailand and scope of responsibilities.
9. Perform any other action that is assign by the committee.

5.2.4 Company Secretary

To be in comply with The Securities and Exchange Act B.E. 2535 (amendment) the Board of directors' meeting no. 1/2015 on February 20, 2015 has the resolution to appoint Ms. Parichat Saipia as Company secretary, commencing on February 20, 2015 onwards to be responsible and conduct the following:

1. Compile and store following documents
 - 1.1. Directors; registration
 - 1.2. Board meeting notices and minutes, committee's meeting and annual minutes
 - 1.3. Shareholders' meeting notices and minutes
 - 1.4. Company's documents that are related
2. Keep the report on interest reported by Directors or the Executive
3. Perform on other tasks assigned by the Securities and Exchange Commission announcement

5.2.5 Executives

Company's Executives for the year 2016 consisted of 6 persons which are as follow:

No.	Name	Position
1.	Dr. Wandee Khunchornyakong Juljarearn	Chief Executive Officer
2.	Mr. Somsak Khunchornyakong	Executive Vice President : Operation
3.	Mr. Chaiwat Tungsuwanpanit	Executive Vice President : Accounting & Finance
4.	Mr. Chanchai Banditsaowapak	Executive Vice President : Solar Farm
5.	Ms. Suwaporn Sirikoon*	Executive Vice President : Solar Roof & Steel
6.	Mr. Jirakom Padumanon**	Executive Vice President : Solar Roof & Steel

Remark: * Ms. Suwaporn Sirikoon had due date of contract on October 21, 2016

** Mr. Jirakom Padumanon appointed on October 22, 2016

Scope of duties and responsibilities of the Chief Executive Officer

Chief Executive Officer has the following authorities and responsibilities

1. Manage Company business and daily operation and administration in accordance with the business policies, plan and strategies that the Board of Director approved.
2. Has the authority to approve in doing any transaction in Company's general business operating including compile proposal in entering into procurement contract, with the amount of not more than 50 million baht for each transaction or in accordance with the authorization regulations which the Board of Director had set periodically.
3. Assign duties and responsibilities in Company's managing and operating to the management team and company's staff in line with the organization structure that the Board of Director had approved; to conform to the Company's laws and regulations.
4. Has the authorities to authorized a substituted agent and/or assigne other individual to perform one or many tasks instead of the Chief Executive under the scope of authorities that the Chief Executive was assigned to and in accordance with the regulations and laws. In authorizing a substituted agent, must be in accordance with the Company's laws and regulations, order or resolution of the Board of Director and/or what the Company had specified.
5. Have the authority to hire, appoint, transfer, lay-off and set salary for employees that are lower than the executives position, along with appoint employer representative in the Company's provident fund committee
6. Has the authority to instruct on the regulations, announcement and records regarding employees operations to be in accordance with the company's policies and to protect the company's interest as well as maintain discipline within the organization.
7. Perform duties on matters assigned by the Board of Director.

Regardless, the scope and operations of the chief executive officer is under the regulations of the board of directors governance so as to be in line with the company's policy set forth by the board and act within the laws and regulations of the company. The chief executive officer must accept policies set forth by the board and act on them accordingly. As well as set up annual reports of all operations to the board.

5.3 Recruitment for Directors and Executives

5.3.1 Recruiting Board of Director

The Company's committee resolution of the committee meeting no. 16/ 2012 on 11 November 2012 is to increase in scope of authority and duties of remuneration committee. The authorities and duties that increases are selecting individual that will be propose as director. The qualification will be consider according to Securities and Exchange Commission rules and regulation, knowledge, skills, experiences and number of times that will attend the meeting with the Board of director as well as change the name from remuneration committee to Recrute and Remuneartion Committee.

In appointing Board of Director, must be approved by the shareholders' meeting by considering from the majority votes which is in accordance with the company's regulation. The procedure are as follow:

1. Shareholders vote for each individual board member.
2. In voting for each board member, each shareholder have one vote per share.
3. The individual with the most votes respectively become director, depending on number of available director positions or number of directors which was going to appointed at that period. In the case where there is a tie, the decision is then made by the Chairman of the Board.

At every Ordinary Shareholders' Meeting, at least one-third of the director must be replaced. If the number of directors cannot be divided evenly into one-third, then should divide into the closest number to one-third as possible. The director that sits in the position for the longest period should resign first then the director that resign on that agenda may be appointed back to sit in the position again.

5.3.2 Recruiting Audit Committee that are Independent

As no 5.2.3 The recruitment and remuneration committee is responsible for recruiting audit committee, by which all the audit committee members must be independent director. The qualifications are being indepenence in accordance to the Securities and Exchange Commission and the Company's governance principles; at least 1 audit committee must have knowledge in accounting and/or finance to audit and governance company's operations, including overseeing financial report, internal control recruiting auditors and examine conflict of interest.

5.4 Executive Remuneration

5.4.1 Monetary Remuneration

Director Remuneration

The Board of Director remunerations are in the form of meeting allowance, travel expenses and monthly director remuneration. The details of the total remuneration for each directors are as follow:

Unit:THB

Name	Monthly Allowance*	Meeting Allowance	Total
For the year 2016			
Dr. Wandee Khunchornyakong Juljarern	-	110,000	110,000
Mr. Somsak Khunchornyakong	-	75,000	75,000
Mr. Jirakom Padumanon	240,000	60,000	300,000
Mr. Withoon Manomaikul	240,000	60,000	300,000
Police Major General Wanchai Wisuttinan	240,000	60,000	300,000
Mr. Ratthaphol Cheunsomchit	240,000	45,000	285,000
Mr. Kiatichai Pongpanich	420,000	140,000	560,000
Mr. Wanchai Lawatanatrakul	360,000	160,000	520,000
Asst.Prof.Dr.Siripong Preutthipan	360,000	120,000	480,000
Total	2,100,000	830,000	2,930,000

Remark *1. Directors' Monthly Allowance only for Non Executive Director

In the Company's annual general shareholders meeting for the year 2016 on April 22, 2016. The resolution was to propose to the shareholders' meeting to approve the remuneration for each directors committee, the details are as follow:

Board of Director

Remuneration of the Directors are divided into 2 parts: Directors' Monthly llowance and Meeting Allowance
The details are as follow:

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson	THB 35,000 per month	THB 20,000 per attendance
Director	THB 20,000 per month	THB 15,000 per attendance

Audit Committee

Remuneration of the Audit Committee are divided into 2 parts: Directors' Monthly Allowance and Meeting Allowance The details are as follow:

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson of Audit Committee	THB 35,000 per month	THB 20,000 per attendance
Audit Committee	THB 30,000 per month	THB 15,000 per attendance

Recruitment and Remuneration Committee

Remuneration for the Nomination and Remuneration Committee consist of only meeting allowance, with details as follow:

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson of Nomination and Remuneration Committee	-	THB 20,000 per attendance
Nomination and Remuneration Committee Directors	-	THB 15,000 per attendance

Directors Bonus

It deems to settle directors' remuneration bonus that reflect and link to Company's operating result or net profit not over 2% of the Company's financial statements net profit details as follows:

Position	Bonus
Chairperson of Board of Directors and Chairperson of Audit Committee	The maximum limit for payment of bonus is Baht 1,200,000
Chief Executive Officer and Managing Director	The maximum limit for payment of bonus is Baht 1,000,000
Directors and Audit Committee	The maximum limit for payment of bonus is Baht 800,000

In this regard, the Nomination and Remuneration Committee has authorization to determine the guidelines and the allocation of bonuses and to propose the Board of Directors' Meeting and the Annual General Meeting of Shareholders to consider before the actual allocation.

For the year 2016, SPCG paid bonus to the Board of Directors in the aggregate amount of Baht 8,000,000 (Eight million Baht)

Executives Remuneration

In the year 2016 the Company has a total of 6 executives, however, as at 31 December 2016, the Company has 5 Executives left (Ms. Suwaporn Sirikoon had due date of contract on October 21, 2016)

Therefore, the Company's executive remuneration in 2016 and 2015 are at the total of 13.35 million baht and 16.65 million baht respectively.

5.4.2 Other Remuneration

The company had established provident funds for its personals with American International Assurance its fund manager. Ever since 2005, the Company's personals will pay 3 percent of their monthly income while the company will also pay 3% subsidy of monthly salary every month. Such benefit is also available to the company directors.

One of the policy of the Board of Directors of the Company is to establish good corporate governance by establishing such policies into 5 categories in accordance with 2006 Stock Market's good governance conduct for Listed company. The establishment of such policies are based on actual possibilities while the company also uses good corporate governance as a guideline to develop company policies for a more efficient and transparent management and operation. By doing so, the Company ensures the protection and enhance confidence to the shareholders, investors, company personals and all other related parties. Policies for good corporate governance are as follow;

5.4.3 Category 1: Shareholder Rights

The Company specified its corporate governance policy by taking into account of shareholders rights in order to build confidence and ensure that all shareholders receive fundamental rights which are; purchasing, selling and transferring of shares, receive dividends from the company, receive efficient company's information, attend shareholder meetings, the ability to freely express their opinions at the shareholder meeting and participate in the company's significant decision making. Regardless, every shareholder has voting rights according to the number of shares hold, one vote per share. The shareholder meetings operates as follow;

1. Regularly disseminate important information necessary for shareholders through the Company Website and the news system of the Stock Exchange of Thailand.

2. Arrange and send shareholder meeting notice, specifying the date time and place of the meeting as well as the meeting agenda and related materials which includes; map of meeting address, detail of each shareholder meeting's agenda, annual report, authorization form as well as information on independent directors in order to provide shareholders with the option to authorize for a representative/proxy to attend the meeting on their behalf. The shareholder meeting notice will contain details of the documents that shareholder need to bring on the day of meeting as well as the company regulations on matters related to the shareholder meeting. The Company will send the notice within the time frame under the law or announced regulations set forth.

3. Before the shareholder meeting, the Chairman of the Board will inform the amount/ proportion of shareholders attending the meeting, including those that attend themselves and those that are authorized representatives. After which the chairman will explain the procedures of voting and the counting of votes. The chairman will assign a director who will be in charge of vote counts which of whom will include; independent officers, auditors and company personal to ensure transparency as well as show vote results of every agenda in the meeting.

4. Give shareholders the opportunity to participate in the meeting by allowing shareholders to ask question or to comment on doubtful issues before the voting takes place as well as summarize each shareholder meeting resolution. The relevant directors and managing directors in charge of the topic presented in the meeting will also be present to give further information and to answer shareholders inquiries.

5. The shareholders have the privilege to enter the meeting after the meeting has started and have the rights to vote on issues that are in progress of considering and have not yet been concluded.

6. Arrange for directors to be present at every meeting so that shareholders can questions on related issues.

7. Operate with efficient manner for the growth and sustainability of the company to ensure that shareholders receive appropriate return.

5.4.4 Category 2: Equal treatment for all shareholders

The company take into consideration every shareholder, big and small by promoting equal treatment and justice by operating as follow;

1. Give shareholders the right to request for more meetings and nominate candidates to sit in the director position in the annual ordinary shareholders meeting before the shareholder meeting notice is distributed. The process and deadline of which must be reported in the Stock Market's news system.
2. Conduct the shareholder meeting according to the order that are stated in the shareholder meeting notice (without changing items) while also prohibiting the adding of items other than what is reporting in the shareholder meeting notice.
3. Present information regarding independent directors as an option for shareholders to authorize proxy/ representative and support the use of proxy forms that can determine voting direction.
4. Arrange ballot cards for each item so that shareholders can use in voting, especially for shareholder who votes against or refuse to vote. This will enable shareholders to freely vote on each item and able to check the details at the end of the meeting.
5. Give shareholders the opportunities to vote for directors individually.
6. Set guidelines to maintain Company's confidential information in the Company's business ethics as a guidelines for directors, executives and employees in the organization to follow, in order to protect the Company.
7. Set guidelines for company directors, executives and personals on conflict of interest matters. Such guidelines should be in the company's business ethics, in order to protect the company's best interest.

5.4.5 Category 3 The Roles of Stakeholders

In operating business of the Company, from shareholders, directors, executives, personals, creditors, customers, business partners, competitors as well as communities, the nation and the world social order all of which have different need and different benefit, therefore in treating each stakeholders policies that are in conform with the need must be specified.

1. The company divides stakeholders into groups, which are; major shareholders, minor shareholders and investors, institutions, creditors, customers, trading partners and subsidiaries/ joint venture, communities and societies. In each of the groups the company must establish communication channel and response adequately to the need from the Company for each group.
2. Towards its customers and partners, the company sets prices at a reasonable rate and operates its business appropriately and neutrally, but setting the company's interest as priority and not exploit its business partners unnecessarily.
3. Towards its employees and personals, the company takes into account their welfare and not take advantage in employment contract. Set appropriate remuneration suitable with the skills to encourage work incentives. Offer training, and good environment by setting up safety standards, build work discipline and receive thorough care.
4. The company has social responsibilities, supports, assist and establish community and society benefits as a whole. Framework in conserving the environment and safety, especially environmental effects caused by the Company business. The Company also has compensation plan for accident and sustainably solving plan. This is to reciprocate to the public for considering the Company as being one with the society in environment area.

5.4.6 Category 4: Disclosure of Information and Transparency

The company must disclose significant information correctly and accurately for stakeholders help with decision making process and build up investor confidence by showing integrity as well as accountability. The company therefore gives high importance in disclosure of company information and increase channel to be able to continuously give information.

1. The company's board of director is responsible for disclosure of information both in the areas of financial statement and in other areas that are significant and up to date so that shareholders and stakeholders received information evenly under the company's rules and regulations. The company has compiled and developed its website to be complete, constantly, quickly and up to date to ensures that shareholders can search for more information to enhance their consideration as well as conveniently, quickly and efficiently able to contact departments that are responsible in giving information.

2. The company's information is regularly done in a thorough, clear, accurate and transparent way by using concise and easy to understand language.

3. It specifies that directors and executives must disclose information about their and their related parties interest in the case where the interest are related to the Company.

4. Disclose roles and responsibilities of the committee and sub-committee as well as frequency of meetings and the total amount of meeting attendance of each director in the company annual report.

5. Set up a public relations department, responsible for regularly distributing information on operations and Company's performance that are beneficial to shareholders, investors, personals, related parties and the general public as well as able to efficiently eliminate misunderstandings. The company should also set up an investors relations division to coordinate between investors, institutions, creditors, business partners, securities analysts and shareholders in providing information on operations and the company's investment through a convenient, fast and accessible channels.

6. The board of directors should disclose the company's financial statement and accounting auditing report as well as the executive boards annual report to be propose to the annual shareholders meeting for approval.

7. In the annual report, the board of directors must provide a brief summary and easy to understand of the company status and company trend. As well as report on the responsibilities of themselves on conducting the financial report, which must be presented together with the audit committee's report, and management report that is necessary for various analysis.

8. Committee and executive, under the definition of the company's relevant laws must provide changes toward company securities in accordance with the securities and exchange commission regulations.

5.4.7 Category 5: Directors Responsibilities

1. Committee Structure

The Company's Board of Directors consist of knowledgeable individuals who are the key players in setting company policies. Together with executive officers, who are responsible for the planning and execution of the Company's long and short term operations as well as financial policies, risk management and the overall image of

the Company. Additionally they play a crucial role on the governance and evaluating the Company's operating performance as well as to freely evaluate the executive officers performance to be inline with the plan that was set freely. Currently there are 9 members of board of director, 6 of which are executive directors and the other 3 are independent directors that are not executive and with no relations to major shareholders and is not a director or executives of the major shareholder or not the executive or representatives of shareholders or major shareholders.

2. Sub-Committees

The Board of Directors appoints various sub-committees in order to build shareholders confidence that the Company operates and screen with carefulness such as audit committee, remuneration committee and executive director to perform on specific issues and propose to the board of director for consideration or to acknowledge.

2.1 The Audit Committee consists of three members of the independent directors of the Company. The at all times, consist of at least one out of three or at least 3 independent directors. The qualities of the independent director must follow the law regulated under the Securities and Exchange Commission which are as follow;

(1) Holding shares not exceeding 1 percent of the total number of shares with all voting rights of the Company, main company, its subsidiaries, affiliations or entities that may be in conflict.

(2) Is not an employee, staff, consultant that receive monthly salary or Company authority of the main company, its subsidiaries, affiliations or entities that may be in conflict.

(3) Not an immediate family or is recognized under law as such. Those include; parents, partners, siblings, children as well as those who have immediate relations with executives, major shareholders, authoritative figures or potential individual that will be nominated as executive or authoritative figure in the Company or its subsidiaries.

(4) Have no relations with the Company's business, Main company, its subsidiaries, affiliations or parties that may have conflicts which may lead to clouded judgments.

(5) Does not hold any other quality that restrict from giving opinion freely regarding company operations.

All in all, the Audit Committee is responsible for reviewing the financial statements are correct and disclose information sufficiently by coordinating with external auditors and relevant executives as well as review the Company's internal control, internal audit and Risk-Management to be concise, appropriate and effective. BK IC & AC is the Company's, the Company's internal auditor who reports directly to the audit committee.

2.2 Recruitment and remuneration committee Recruitment and remuneration committee comprised of 3 board of directors, who are in charge of evaluating performance of committees, sub-committee, managing directors based on operating performance of each year. This also include consideration on remuneration of committees, sub-committee and chief executive officer under the principles or method and structure that are fair and reasonable.

2.3 The President will present to the Board of Directors propositions to appoint certain directors of the Company to act in the sub-committee as well. While the board of directors will take into consideration the duties of sub-committee, laws and contracts as well as experience and qualification of each directors. The appointment of each sub-committee member must be approved by the Board of director.

3. Scope of duties and responsibilities of the Board of Directors.

The Board of Directors are responsible for managing the company to be in line with the company's law, objectives and regulation, along with the shareholder meeting resolutions that are approved under the law, integrity and carefully protecting Company's interest. The significant scope of duties and responsibilities of directors are as follow:

3.1 Governance the company in accordance with the laws of Securities and The Stock Exchange of Thailand, the regulations of the Stock Exchange of Thailand For example; Interrelated-Party Transactions and Trading of Assets under the regulations of the Stock Exchange of Thailand and laws that are related with the Company's business

3.2 Set goals, strategy, policies, framework and company budget. Oversee and manage operations of executive directors to be in conform with the policies assigned, unless in issues that must be approved by the shareholders. Such issues include the increasing and decreasing of capital, the issuing of debenture, selling and transferring of business as a whole or partly to other parties or buying or transferring of other company business into the Company as well as the amendment of Memorandum of Association or Regulations etc.

3.3 Evaluate the management structure, appoint executives director and, chief executive officers and other directors committee as appropriate.

3.4 Consistently Follow operations and ensure that operations are in line with set goals and budgets.

3.5 Set up annual shareholder meetings within 4 months of the last date of company's accounting period

3.6 Set up company balance sheet and earnings statement at the end of each accounting period of which must be approved by the auditor to be presented to the shareholders for consideration and approval.

3.7 The board must not own or participate in the same type of business and is the company's competitors or enters into partnership in ordinary partnership or general partnership, holds responsibilities in the limited partnership, holding director position in the private company or other companies that are in the same business and is the company's competitors; whether for personal gain or others benefit except the director had informed to shareholders before the appoint of director resolution.

3.8 The board must immediately report any direct or indirect of interest in the contracts that the Company established, or make changes in their Company's or affiliated companies' share holdings and ownerships.

4. Board of Directors Meeting

Regularly attending the board of directors meeting of the Company is considered the board of director main duty. In order to note, and jointly decide on business operations. The meeting should be held at least once every 3 months and must be clearly planned and set in advance. Special meetings can also take place in addition to the general meetings to decide on possible pressing issues at hand.

The meeting schedule and meeting agenda at the board of directors meeting are jointly set by the board of director and executive. While giving the opportunity for members to request issues to be discussed and reviewed in the meeting. Before each meetings, meeting agendas must be distributed to each member to be informed and ready at the meeting.

During the evaluation process the chairman of the board of director will offer each director to freely express their opinions. During the voting process, each members has one vote while the director who is directly related to that issue will not get a voting rights. The voting is determined by majority votes. In an event of a tie, the

chairman of the board will have a decision vote.

The executive officers are present in the board of directors meeting to give useful information and directly acknowledge policies and mandates in order to efficiently bring into practices.

At the end of each meeting, the company secretary is responsible for compiling meeting minutes and summaries for approval by the board of directors at the next meeting after which the chairman of the board will sign for approval. The board member can also give opinions, request for modification and add minutes for a more detailed and accurate report.

In 2016, the board of director and sub-committees that the board of director had appointed held meetings that are appropriate with nature of business and tasks that were assigned.

No.	Name	Board of Directors (Total 4)	Audit Committee (Total 4)	Recruitment and Remuneration Committee (Total 2)
1.	Dr. Wandee Khunchornyakong Juljarearn	4/4		2/2
2.	Mr. Somsak Khunchornyakong	3/4		2/2
3.	Mr. Jirakom Padumanon	4/4		
4.	Mr. Withoon Manomaikul	4/4		
5.	Police Major General Wanchai Wisuttinan	4/4		
6.	Mr. Ratthaphol Cheunsomchit	3/4		
7.	Mr. Kiaticchai Pongpanich	4/4	4/4	
8.	Mr. Wanchai Lawatanatrakul	4/4	4/4	2/2
9.	Asst. Prof. Dr. Siripong Preuththipan	4/4	4/4	

5. Remuneration

The company's paid appropriate remuneration to the board of directors and executives, at which the remunerations were proposed to the shareholder meeting for approval. The rate of remuneration had been considered and compared with the directors' remuneration in the same group of industry. As for the executives remuneration rate, the board of directors set the rate for each executive by considering from duties, responsibility and performance as well as the Company's operating performance.

In addition to general remuneration the company also give annual bonuses for directors under the shareholders approval and paid to executives according to their performances and operating performance of each business. Such remuneration standards conducted by the company is in conform with each personals performance and reflects the true operating performance.

6. Development of Directors and Executive

The board of directors promotes and facilitates on the training and giving knowledge to individual or parties who are related in Company's corporate governance such as directors, audit committee and executives, etc. this is to continuously improve performance such as participating in the training programs of Thai Institute of Directors, attend meeting, seminar and train to exchange opinions, knowledge and experience that are beneficial in development for directors and executives.

Once every new director is appointed, the company will provide him/her with relevant and crucial information on the duties and responsibilities new director. Including introductions to the Company's nature of business and its operations to the new directors.

7. Committee Self-Assessment

The board of directors will conduct Self-Assessment on a yearly basis. By beginning to develop committee and executives evaluation system to become more International Standard. This is to reflect and connect between performance and Company's operating performance

8. Board of Directors Selection Criteria

The board of directors or director, one or the other may nominate individual to be elect for board of director. The board of director will nominate the mentioned individual to shareholder meeting to consider and appoint, the remuneration committee will check and review the nominees qualification before presenting to shareholders then shareholders will recruit to be in conform with the obligation that the Company or main shareholders have with the nominees as well as take into consideration on the existing contracts between the Company and shareholders.

In some case, might need to select director that is related to shareholders which has interest with significant imply in the Company, due to the fact that it is the commitment according to the agreement that the said shareholder must have a representative in the board of directors. However, apart from the mentioned case individual that was nominated as board of director will be elect by considering from the following qualification:

In some instances, a board member must be selected according to his/her relevance towards the company, having efficient risks because of existing contracts which states that such shareholders must be represented in the board of directors. In addition, the selection criteria for the board of directors are as follow;

- Experience
- Education
- Integrity
- Overview understanding the of this type of industry

9. The number of other companies that the board of directors are allowed to participate in

The company's board of directors may also be a board member in other companies. However, by holding in other companies, must not diminish the board members ability to work at his/her fullest potential. Moreover, the Company also has policies in purveying directors and executives to act as a director and executives in its subsidiaries and joint venture to closely follow up the operation.

5.5 Governance in using Internal Information

The Company has policies and means in inspecting directors and executives in utilizing Company's internal information, which had not yet been disclosed to the public, for their personal gain in purchasing and selling securities. Such policies are as follows:

1. The Company categorize stakeholders into groups, i.e. minor shareholders, major shareholders and investors, institution, account payable, customers, associates and subsidiaries/ joint venture and community and society; for the purpose that in each aforementioned group the Company must arrange communication channel and meet the Company's requirement sufficiently.

2. Prohibiting Company's directors, executives and employees to disclose Company's significant internal information or use for personal gain.

3. Company's directors, executives and employees should avoid using internal information for personal gain in buying or selling Company's shares or release internal information to others for their benefits in buying or selling Company's shares.

4. Company's directors, executives and employees should avoid and stop buying and selling Company's securities at least 1 month before the releasing of the Company's financial statements and other significant information to the public and should wait at least 24 – 48 hours after the disclosure of information to the public before buying or selling Company's shares.

5. The Company provides knowledge and understanding to directors and executives regarding tasks on reporting company assets relevant punishments in accordance with the Public Limited Company's Act B.E.2535 (with additional amendments) and the Securities and Exchange Act B.E.2535 (with additional amendments).

6. The duties on reporting on stakes by the directors and executives and prohibitions on using significant internal information for the buying and selling of shares. As well as punishments according to the Public Limited Company Act. The executives and Company's staff must sign their name in the contract to keep information as confidential, to prevent executives and staff that can access significant information from using such information as personal gain and may cause damage to the Company.

5.6 Personnel

5.6.1 Personnel

Changes of employees (Including directors and executives But excluding independent directors) of the Company and its subsidiaries. Received compensation from the company. The details are as follows.

Number of employees at	SPCG	SPC	SSR	SPR	SPC & SPA and its Subsidiaries (36 Companies)	Total
December 31,2014	56	16	86	16	0	174
December 31,2015	57	15	86	22	0	180
December 31,2016	44	18	82	20	0	164

Source: PND. 51st of each company.

* No employees of the subsidiaries of the 36th SPC and SPA to hire a management company because instead.

As of December 31, 2016 employees of the Company and subsidiaries received compensation from the company. A total number of 164 persons The details are as follows.

The main work	SPCG	SPC	SSR	SPR	SPC & SPA and its Subsidiaries (36 Companies)	Total
Executive	3	3	2	2	0	10
HR	3	0	5	0	0	8
Account	20	0	7	0	0	27
Office Staff	18	4	29	4	0	55
Production & Maintenance	0	4	2	0	0	6
Sale & Marketing	0	0	10	6	0	16
Engineering	0	4	24	4	0	32
IT	0	2	1	4	0	7
Quality	0	1	2	0	0	3
Total	44	18	82	20	0	164

Source: Registration employees.

* No employees of the subsidiaries of the 36th SPC and SPA to hire a management company because instead.

5.6.2 Employees compensation

The Company has paid total compensation of employees in terms of salary, commission, bonus, allowances, overtime premiums for social insurance contributions, capital amongst the substitutes. Fund and other benefits. During the year ended December 31, 2016 total of 81.16 million baht.

5.6.3 Policies in the training and development of employees

The Company recognizes that development is very important to develop the capacity to compete with other companies by the Company to focus on managing the resources available creation and development personnel to have the skills , knowledge , ability and attitude. As well as encouraging progress in the work with quality. The company has developed the way to recruit and retain employees , as follows .

Company employees are selected through a recruitment agency. By considering Branch graduated Study experience, The Company has a policy to your supervisor regularly evaluates new employees during the probationary period. To ensure that company. Procedures for effective staff to become part of the success of the company. The Company has a policy to encourage employees to promote learning tasks such as accounting and finance personnel to train on the new accounting standard. The employees within both the trainers and trainers from outside hire.

The Company has a policy of maintaining personnel. By providing opportunities employees have shown their ability to get promoted as appropriate to the addition, the Company also has a policy to pay based on the ability of workers and employees have been paid by the company. employees thought should be given as well.

6 Internal Control



6.1 Internal Control Policies

SPCG Public Company Limited (SPCG) has been operating its business adhering to the corporate governance principle and business ethics as well as fairness in excellence enhancement, checks and balances systems and sufficient control to gain the best benefit to all of related parties.

SPCG has hired BK IA&IC Co., Ltd. (BK IA&IC) as SPCG's internal control from BK IA&IC will conduct the Internal Audit Plan to support the Audit Committee to review, monitor and assess the sufficiency of the internal control system, operation efficiency and effectiveness control on the company's assets and property. The Audit Committee will review the internal control plan purpose by BK IA&IC. That the current internal control system is sufficient and cover important section of the company as follow:

- 1) Organization and Environment
- 2) Risk Management
- 3) Supervising the management's operation
- 4) Information Technology and Data Communications
- 5) Monitoring System

After the evaluation of internal control system the Board of Director has opinion that the Company has sufficient internal control system. By which all of the 5 sections of internal control are appropriate, sufficient in preventing the Executive from wrongful use or without authorized. The Board of Director also has opinion that the Company has internal control system that is independence in tracking and evaluating. Moreover, the Company also has significant document organizing system that allows the directors, auditors and person in authority to be able to review in an appropriate period.

In 2016 BK IA&IC proposed plan to examine performance which are as follows:

No.	Subject	SPCG	SPV	SPR	SSR
1.	Compliance with The Stock Exchange of Thailand	✓			
2.	Asset Control of Solar Farm Project		✓		
3.	Purchasing Control and Inventory Control			✓	✓
4.	Selling Control, and Revenue and Cost Recognition, and Remittance Control			✓	✓

6.2 Roles of Audit Committee with Internal Control

The Audit Committee of SPCG Public Company Limited comprised of 3 independent directors, namely, Mr.Kiatchai Pongpanich as the Chairman of the Audit Committee, Mr.Wanchai Lawatanatakul and Asst. Prof. Dr. Siripong Preutthipan as member of the audit committee. Both committee have professional skilled with experienced in accounting, finance, organization management and development of solar farm project.

The Audit Committee act in accordance with the roles and responsibilities that were assigned by the Board of Director. There are 4 Audit Committee Meetings altogether in 2016. The detail of the meeting attendance that each audit committee attends are as follows:

No.	Name	Position	No. of Time
1	Mr. Kiatchai Pongpanich	Independence Director and Chairman of the audit committee	4
2	Asst. Prof. Dr.Siripong Preutthipan	Independence Director and Audit Committee Member	4
3	Mr. Wanchai Lawatanatrakul	Independence Director and Audit Committee Member	4

The Audit Committee had joined in the meeting with the Chief Executive, Internal Auditors and Auditors, which the significant results of the reviewed of audit committee are as follows:

Reviewed Financial Report The Audit Committee and the Auditors had reviewed quarterly financial statements and annual financial statements for the year

2016. It was found that the Company and its subsidiaries financial report are correct, appropriate and in accordance with the generally accepted accounting standard. Accounting data and financial statements are accurate and reliable, disclosed financial report sufficiently, completely and in time with the Securities and Exchange Commission and the Stock Exchange of Thailand's rule and regulations.

Reviewed Related Transactions The Audit Committee had reviewed and disclosed Company and its subsidiaries' related transactions which may cause conflict of interest between parties of interest and the Company. The results showed that related transactions are in accordance with the general business agreement, has operated in accordance with the Stock Exchange of Thailand principles and procedures that the Audit Committee suggested. The Company practices in accordance with good corporate governance policies and importantly considered shareholders' benefit.

Reviewed Internal Control System The Audit Committee had reviewed the sufficiency of the Company and its Subsidiaries internal control system for the year 2016 by considering from internal audits and auditors' reports. The Audit Committee had opinion that internal control system are sufficient and appropriate, operating of management team were conform to the policies and to approve all the works.

Reviewed to Ensure that the Company Practices in Accordance with the Law and Good Corporate Governance The Audit Committee had reviewed to ensure that the Company always practices in accordance with the Securities and Exchange Commission, Thailand (SEC) announcement and laws that are related to business operation. This is to gain highest efficiency and effectiveness, including treating parties of interest on the Company's business fairly, transparency and can be examine in accordance to the good corporate governance principles as to build confidence to investors and parties of interest.

Internal Audit Governance The Audit Committee had reviewed and considered the independence of

internal auditors, work scope, annual audit plan, examine results of audit report and to follow up the results of the audit report amendment on the significant issues.

Reviewed and Selected Auditors and Determine Remuneration The Audit Committee had reviewed and selected auditors for the year 2016, by considering from knowledge in business, experienced, and represent international standard including suitable for remuneration. The audit committee had come to conclusion to propose to the Board of Director for approval from the Annual General Shareholders' Meeting for the year 2016 to appoint KPMG Phoomchui Audit Ltd (KPMG) as the Company's auditor for the year 2016, name as follow:

1. Mr. Vairoj Jindamaneepitak,
Certified Public Accountant No. 3565
2. Mr. Sakda Kaothanthong,
Certified Public Accountant No. 4628
3. Mr. Natthaphong Tantichattanon,
Certified Public Accountant No. 8829

6.3 SPCG Public Company Limited and Subsidiary Companies

Overview, the results of internal control for the year 2016 shows that internal control is appropriate and sufficient. Most of the issues that were found are the results of error which have no significant impact and had notify the individual who are responsible to correct the error or has suggests appropriate guidelines. Most of the inspected issued has been solved or on solving process.

7 Related Transactions



7.1 Related Transactions of SPCG and its Subsidiaries

SPCG and its subsidiaries have an important transactions with related company and related person whereas the company has disclosed the related transactions of SPCG and its subsidiaries regarding to consolidated financial statement ending on December 31, 2016 and 2015 for comparison as follows;

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
1. JPEN Co.,Ltd (JPEN) is the solar power plant construction contractor company	1. Mr.Jirakom Padumanon <ul style="list-style-type: none"> Taking a position of the board of directors and holds 0.2% One of the company major shareholder Holding 10.0% of JPEN Co., Ltd. shares 2. Mrs.Piyarat Suksombat <ul style="list-style-type: none"> Sister of Mr.Jirakom Patumanon Holding 70% of JPEN Co., Ltd. shares However in accordance to section 258 of the securities and exchange act B.E 2535, Ms.Wandee Khunchomyakong and related person are not shareholder, executive, authorized person, stakeholder or beneficial in JPEN Co., Ltd. or gain any benefit that occur from related transactions of the company or subsidiaries of JPEN Co., Ltd.	1. Cost of OM&M This transaction is cost recognition of solar power plant system from hiring JPEN Co., Ltd. 2. Trade receivables This transaction is charged from installation charged by SPR 3. Other receivables This transaction is advertisement that charged by SPCG and damages from installation charged by SPR	168,000	168,360	1. This transaction is an ordinary cause of business transaction and in accordance with the condition of designer and construction contract between JPEN Co., Ltd. and SPC 2. This transaction is a normal business transaction and in accordance to the condition of services contract, operation work maintenance, and evaluation between JPEN Co., Ltd. and SPC 3. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd., SPCG and SPR
			1,343	-	
			-	34	

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
		4. Creditor of OM&M This transaction is outstanding payment of OMM contract regarding to the solar power plant of SPC and SPE	28,980	28,980	4. This transaction is a normal business transaction and in accordance to the condition of design and construction contract between JPEN Co., Ltd., and SPC and SPE
		5. Creditor of Solar Roof Installation This transaction is outstanding payment of installation regarding to the Solar Roof Installation contract of SPR	115,087	11,911	5. This transaction is a normal business transaction and in accordance to the condition of Solar Roof Installation contract JPEN Co., Ltd. and SPR
		6. Revenue from selling equipment This transactions is revenue from selling equipment of solar power plant development project to JPEN Co., Ltd.	1,271	1,152	6. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd., SPC and SPR

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
		7. Costs of Solar Rooftop Installation This transaction is acquired of Solar Rooftop installation system from hiring JPEN Co., Ltd.	117,426	24,975	7. This transaction is a normal business transaction and in accordance to the condition of Solar Roof Installation contract JPEN Co., Ltd. and SPR
		8. Other income This transactions is income from selling asset of SPC to JPEN Co., Ltd.	-	461	8. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPC

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
2. Woracha Holding Co., Ltd. Is a company of property and asset management	1. Ms. Wande Khunchornyakong <ul style="list-style-type: none"> • is a director and holds 42.77% shares • is one of the major shareholders • holds 2.00% shares in Woracha Holding Co., Ltd. 2. Mr. Somsak Khunchornyakong <ul style="list-style-type: none"> • is a director and holds 1.46% shares • holds 2.00% shares in Woracha Holding Co., Ltd. 3. Ms. Prakong Khunchornyakong <ul style="list-style-type: none"> • holds 3.51% shares • is a director and holds 1.00% shares in Woracha Holding Co., Ltd. 	1. Costs of Warehouse leasing This transaction is acquired of warehouse leasing contract between SPC, SPR, SPE and SPV with Woracha Holding Co., Ltd.	7,015	3,937	1. This transaction is a normal business transaction and in accordance to the condition of leasing asset contract between Woracha Holding Co., Ltd. with SPC, CPR, SPE and SPV

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
2. Woracha Holding Co., Ltd. Is a company of property and asset management	4. Ms. Sompong Khunchornyakong <ul style="list-style-type: none"> holds 1.07% shares is a director and holds 90% shares in Woracha Holding Co., Ltd. 				
	5. Ms. Kanokporn Khunchornyakong <ul style="list-style-type: none"> holds 0.22% shares is a director and holds 5% shares in Woracha Holding Co., Ltd. 				

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
3. ENEGATE (Thailand) Co., Ltd.	1. Ms.Wandee Khunchomyakong • is a director and holds 0.001% shares • is one of the major shareholders • is a director of ENEGATE (Thailand) Co., Ltd. 2. is a joint venture that SPCG holds 30% shares	1. Other receivables This transaction is advertisement charged by SPCG and partly as a receivable on its SPR charged	161	161	1. This transaction is a normal business transaction and in accordance to the condition of Trading between ENEGATE (Thailand) Co., Ltd., SPCG and SPR
		2. Trade Payables This transaction is inventories goods by SPR purchase from ENEGATE (Thailand) Co., Ltd.	4,096	-	2. This transaction is a normal business transaction and in accordance to the condition of Trading between ENEGATE (Thailand) Co., Ltd., SPCG and SPR
		3. Revenue from sale of goods This transactions is revenue from sale of goods from SPR to ENEGATE (Thailand) Co., Ltd.	-	894	3. This transaction is a normal business transaction and in accordance to the condition of Trading between ENEGATE (Thailand) Co., Ltd., and SPR
		4. Purchasing This transactions is purchasing from SPR by ENEGATE (Thailand) Co., Ltd.	5,706	2,315	

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
4. Ms.Wandee Khunchornyakong	<ul style="list-style-type: none"> • is a director and holds 42.77% shares in company • is one of the major shareholders 	1. Revenue from sale and installation This transactions is revenue from sale and installation of Solar Roof from SPR to Ms.Wandee Khunchornyakong	-	791	1. This transactions is an ordinary business transactions and in accordance with the conditions of sale and installation of Solar Roof between Ms.Wandee Khunchornyakong and SPR
		2. Revenue from sale of goods This transactions is revenue from sale of goods from SPC to Ms.Wandee Khunchornyakong	-	60	2. This transaction is a normal business transaction and in accordance to the condition of Trading between Ms.Wandee Khunchornyakong and SPC

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2016 Ended December 31, 2016	Year 2015 Ended December 31, 2015	
5.Capital Work Place Co.,Ltd.	<ul style="list-style-type: none"> • is a director and holds 42.77% shares in company • is one of the major shareholders • is a director and holds 2% of Capital Work Place Co.,Ltd 	1. Costs of Office Leasing This transaction is revenue from office leasing from SPCG, APC and SPR to Capital Work Place Co.,Ltd	1,298	-	1. This transaction is a normal business and in accordance to the condition of leasing between Capital Work Place Co.,Ltd and SPCG, SPC, SPR

On February 24, 2017, The board of director has considered the related transaction of the company at the end of fiscal year on December 31, 2016. The board of director said that related transaction of the company in the fiscal year ended December 31, 2016 was the information for running the business as usual and according to general trade conditions as a person of ordinary prudence would have done to the general party under the same circumstances with trade negotiation power without influence. In the event of the other party being as individual that might be arm's length basis and there is no transferring of benefit between company and a person who might be arm's length basis

7.2 Related Transactions Approval Policies or Procedure

The board of directors have considered and approved the related transaction in accordance with scope, authority. If there is a related transaction occurs in the future, this shall be proposed to the board of directors for consideration and approval for the highest profit to the business and also to protect investors including stakeholders of the company. Whereas the said related transaction shall be conducted in accordance with the law of securities and exchange, regulations, orders or requirements of the stock exchange of Thailand, these make individual who might has arm's length basis on benefit or interest on related transaction have no right to participant in this approval.

The company has hired JPEN Co., Ltd. to be a sub-contractor to construct the solar power plant project. JPEN Co., Ltd. is connected to the major shareholders of the company, however the company has given precedence to procurement system based on the highest profit for the shareholders and specific the procurement policies or terms and condition of procurement contract to the related division as in Policies and sub-contractor selection procedures.

7.3 Policies or the related transactions trend in the future

The company has prescribed the policies of the related transaction in the future that the related transaction need to be in line with the general business nature of the company without company profit transferring to the shareholders, the committee or the related person to the company. The company audit committee will consider reasonability of the transactions based on pricing conditions and transactions terms whether it is in accordance with the general business nature of the company and to compare pricing with the third party without involving of stakeholders in such related transactions consideration. However at the end of the consideration, the audit committee will approve the related transaction and propose to the board of directors for another approval.

However, the board of directors will comply with the law of securities and exchange, regulations, notification or requirements of the stock exchange of Thailand including abiding by the information disclosure regulations of the related transactions and acquisition or disposition the company assets or subsidiaries, also in accordance with the accounting standards mentioned by The Institute of Certified Accountants and Auditors of Thailand. Therefore the company will disclose the related transaction in the notes to audited financial statement that is verified by the company auditor.

- 
- Financial Position and Operating Performance
 - Management Discussion and Analysis: MD&A

8 Financial Position and Operating Performance



8.1 Key Financial Information

8.1.1 Name of auditors for the consolidated and company financial statements

The consolidated and company's financial statements for the year ended December 31, 2014

Mrs. Unakorn Phruthithada
Certified Public Accountant No. 3257
PricewaterhouseCoopers ABAS Ltd.

The consolidated and company's financial statements for the year ended December 31, 2015

Mrs. Unakorn Phruthithada
Certified Public Accountant No. 3257
PricewaterhouseCoopers ABAS Ltd.

The consolidated and company's financial statements for the year ended December 31, 2016

Mr. Vairoj Jindamaneepitak,
Certified Public Accountant No. 3565

Mr. Sakda Kaothanthong,
Certified Public Accountant No. 4628

Mr. Natthaphong Tantichattanont,
Certified Public Accountant No. 8829
KPMG Phoomchai Audit Ltd.

8.1.2 Summary of the auditor reports for the past 3 years

Auditor's opinion on the consolidated and company's financial statements for the year ended December 31, 2014 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Auditor's opinion on the consolidated and company's financial statements for the year ended December 31, 2015 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Auditor's opinion on the consolidated and company's financial statements for the year ended December 31, 2016 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2016, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

8.1.3 Summary Table of the company and its subsidiaries financial statements

Consolidated and Company Statements of Financial Position

List	Audited for the year ended						Audited for the year ended					
	31-Dec-14		31-Dec-15		31-Dec-16		31-Dec-14		31-Dec-15		31-Dec-16	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
Current assets												
Cash and cash equivalents	90.6	0.4	76.1	0.3	455.0	1.9	58.4	0.6	21.3	0.1	31.4	0.2
Current investments	2,743.7	10.7	3,633.5	14.7	2,904.8	12.0	2,694.4	29.1	3,456.0	15.8	2,643.6	13.8
Restricted cash - current	241.7	0.9	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	1,021.5	4.0	941.0	3.8	972.0	4.0	6.7	0.1	33.8	0.1	13.0	0.1
Short-term loans to related parties	-	-	-	-	-	-	3,250.0	35.1	-	-	7.0	-
Current portion of long-term loans to related parties	-	-	-	-	-	-	-	-	2,028.4	9.3	2,107.5	11.0
Inventories, net	428.3	1.7	215.9	0.9	581.0	2.4	-	-	-	-	-	-
Other current assets	240.8	0.9	120.0	0.5	106.8	0.4	7.7	0.1	14.6	0.1	5.3	-
Total current assets	4,766.6	18.6	4,986.5	20.2	5,019.6	20.7	6,017.2	65.0	5,554.1	25.4	4,807.8	25.1
Non-current assets												
Restricted cash - non current	1,204.8	4.7	-	-	-	-	340	3.7	-	-	-	-
Investments in a joint venture	4.4	-	3.3	-	2.7	-	3.0	-	3.0	-	3.0	-
Investments in subsidiaries	-	-	-	-	-	-	2,850.9	30.8	2,979.2	13.6	2,979.2	15.5
Long-term investments used as collateral	-	-	468.7	1.9	468.7	1.9	-	-	340.0	1.6	340.0	1.8
Long-term loans to related parties	-	-	-	-	-	-	-	-	12,951.8	59.2	11,005.4	57.4
Investment properties	14.4	0.1	14.3	0.1	14.1	0.1	2.4	-	2.3	-	2.2	-
Property, plant and equipment	18,779.1	73.4	18,314.5	74.0	17,743.7	73.2	44.5	0.5	37.3	0.2	39.1	0.2
Other intangible assets	93.0	0.3	105.0	0.4	107.6	0.4	0.5	-	0.4	-	0.8	-
Deferred tax assets	76.5	0.3	156.7	0.6	159.9	0.7	-	-	-	-	-	-
Other non-current assets	632.2	2.6	686.7	2.8	716.0	3.0	0.3	-	0.3	-	1.6	-
Total non-current assets	20,804.4	81.4	19,749.2	79.8	19,212.7	79.3	3,241.6	35.0	16,314.3	74.6	14,371.3	74.9
Total assets	25,571.0	100.0	24,735.7	100.0	24,232.3	100.0	9,258.8	100.0	21,868.4	100.0	19,179.1	100.0

List	Audited for the year ended						Audited for the year ended					
	31-Dec-14		31-Dec-15		31-Dec-16		31-Dec-14		31-Dec-15		31-Dec-16	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<u>Current liabilities</u>												
Bank overdrafts and short-term borrowings from financial institutions	27	-	6.0	-	-	-	-	-	-	-	-	-
Trade and other payables	266.3	1.0	245.5	1.0	1,032.2	4.3	15.2	0.2	50.7	0.3	32.0	0.2
Current portion of long-term borrowings from financial institutions	1,737.3	6.8	-	-	-	-	-	-	-	-	-	-
Current portion of debentures	728.5	2.8	2,467.6	10.0	2,704.2	11.2	728.5	7.9	2,467.6	11.3	2,704.2	14.1
Current portion of liabilities under finance lease agreements	4.1	-	1.9	-	1.4	-	1.9	-	0.8	-	0.9	-
Income tax payable	1.9	-	-	-	0.7	-	-	-	-	-	-	-
Other current liabilities	76.2	0.6	121.6	0.5	90.1	0.4	4.7	-	47.1	0.2	8.8	0.1
Total current liabilities	2,817.0	11.2	2,842.6	11.5	3,828.6	15.9	750.3	8.1	2,566.2	11.8	2,745.9	14.4
<u>Non-current liabilities</u>												
Long-term borrowings from financial institutions	12,230.3	47.8	-	-	-	-	-	-	-	-	-	-
Debentures	3,303.8	12.9	13,318.3	53.9	10,614.7	43.8	3,303.8	35.7	13,318.3	60.9	10,614.7	55.3
Liabilities under finance lease agreements, net	7.5	-	2.5	-	0.6	-	5.4	0.1	1.4	-	0.6	-
Employee benefit obligations	6.3	-	9.0	-	10.0	-	3.6	-	5.7	-	6.4	-
Deferred tax liabilities	7.9	-	18.7	0.1	12.5	-	8.7	0.1	18.6	0.1	12.4	0.1
Ordinary shares of subsidiaries with conditions to buy/sell back	97.8	0.4	74.2	0.3	-	-	-	-	-	-	-	-
Total non-current liabilities	15,653.6	61.1	13,422.7	54.3	10,637.8	43.8	3,321.5	35.9	13,344.0	61.0	10,634.1	55.4
Total liabilities	18,470.6	72.3	16,265.3	65.8	14,466.4	59.7	4,071.8	44.0	15,910.2	72.8	13,380.0	69.8

List	Audited for the year ended						Audited for the year ended					
	31-Dec-14		31-Dec-15		31-Dec-16		31-Dec-14		31-Dec-15		31-Dec-16	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
Shareholders' equity												
Authorised share capital												
Ordinary shares, 923,990,000 shares **	924.0	3.6	924.0	3.7	924.0	3.8	924.0	10.0	924.0	4.2	924.0	4.8
Ordinary shares, 840,000,000 shares **	-	-	-	-	-	-	-	-	-	-	-	-
Issued and paid-up share capital	924.0	3.6	924.0	3.7	924.0	3.8	924.0	10.0	924.0	4.2	924.0	4.8
Ordinary shares, 923,990,000 shares **												
Premium on share capital	2,920.9	11.4	2,920.9	11.8	2,920.9	12.1	3,747.8	40.5	3,747.8	17.1	3,747.8	19.5
Premium on share capital from business combination	89.0	0.3	89.0	0.4	89.0	0.4	-	-	-	-	-	-
Retained earnings – Appropriated - Legal reserve	43.4	0.2	87.0	0.4	87.0	0.4	48.8	0.5	92.4	0.4	92.4	0.5
Retained earnings – Unappropriated	1,790.2	7.0	3,111.4	12.6	4,247.6	17.5	448.1	4.8	1,156.0	5.3	1,009.2	5.3
Other components of equity	18.5	0.1	38.4	0.1	26.1	-	18.3	0.2	38.0	0.2	25.7	0.1
Equity attributable to owners of the parent	5,786.0	22.6	7,170.7	29.0	8,294.6	34.2	5,187.0	56.0	5,958.2	27.2	5,799.1	30.2
Non-controlling interests	1,314.4	5.1	1,299.7	5.2	1,471.3	6.1	-	-	-	-	-	-
Total shareholders' equity	7,100.4	27.7	8,470.4	34.2	9,765.9	40.3	5,187.0	56.0	5,958.2	27.2	5,799.1	30.2
Total liabilities and shareholders' equity	25,571.0	100.0	24,735.7	100.0	24,232.3	100.0	9,258.8	100.0	21,868.4	100.0	19,179.1	100.0

Remarks:

*Percentage of the total assets

**At par value and Paid-up of Baht 1 each

The Consolidated and Company's Statements of Comprehensive Income

List	Audited for the year ended						Audited for the year ended					
	31-Dec-14		31-Dec-15		31-Dec-16		31-Dec-14		31-Dec-15		31-Dec-16	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
Revenues												
Revenue from sales and rendering of services	4,357.1	98.8	5,000.0	98.9	5,448.1	98.3	-	-	-	-	-	-
Other income	53.6	1.2	57.6	1.1	96.2	1.7	1,138.1	100.0	1,904.1	100.0	1,636.9	100.0
Total Revenues	4,410.7	100.0	5,057.6	100.0	5,544.3	100.0	1,138.1	100.0	1,904.1	100.0	1,636.9	100.0
Expenses												
Costs of the sales and rendering of services	1,167.3	26.5	1,359.4	26.9	1,919.7	34.6	-	-	-	-	-	-
Selling expenses	27.5	0.6	20.0	0.4	14.0	0.3	8.7	0.8	-	-	-	-
Administrative expenses	356.0	8.1	386.2	7.6	237.8	4.3	116.5	10.2	87.7	4.6	92.0	5.6
Share of (profit) loss of associates and joint ventures	0.7	-	1.0	-	0.6	-	-	-	-	-	-	-
Total Expenses	1,551.5	35.2	1,766.6	34.9	2,172.1	39.2	125.2	11.0	87.7	4.6	92.0	5.6
Profit (Loss) before finance costs and income tax	2,859.2	64.8	3,291.0	65.1	3,372.2	60.8	1,012.9	89.0	1,816.4	95.4	1,544.9	94.4
Finance costs	978.9	22.2	897.8	17.8	745.2	13.4	136.9	12.0	236.0	12.4	568.1	34.7
Profit (Loss) before income tax	1,880.3	42.6	2,393.2	47.3	2,627.0	47.4	876.0	77.0	1,580.4	83.0	976.8	59.7
Income tax expense (income)	9.7	0.2	71.8	1.4	(9.5)	(0.2)	(4.8)	(0.4)	(5.3)	(0.3)	(5.5)	(0.3)
Profit (Loss) for the year	1,890.0	42.8	2,465.0	48.7	2,617.5	47.2	871.2	76.6	1,575.1	82.7	971.3	59.4
Other comprehensive income (expense) for the year, net of tax	18.5	0.4	16.8	0.3	(12.3)	(0.2)	18.3	1.6	18.4	1.0	(12.3)	(0.8)
Total comprehensive income (expense) for the year	1,908.5	43.2	2,481.8	49.0	2,605.2	47.0	889.5	78.2	1,593.5	83.7	959.0	58.6
Attributable net profit (loss) to:												
Owners of the parent	1,674.1	-	2,206.9	-	2,302.0	-	889.5	-	1,593.5	-	959.0	-
Non-controlling interests	234.4	-	274.9	-	303.2	-	-	-	-	-	-	-
Total comprehensive income (expense) for the year	1,908.5	-	2,481.8	-	2,605.2	-	889.5	-	1,593.5	-	959.0	-
Basic earnings (loss) per share (Baht per share)	1.89	-	2.37	-	2.50	-	0.99	-	1.70	-	1.05	-
Weighted average number of ordinary shares (Million shares)	877.7	-	924.0	-	924.0	-	877.7	-	924.0	-	924.0	-

Remarks: * Percentage of the total revenues

Consolidated and Company's Statements of Cash Flows

List (Unit: Baht Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-14	31-Dec-15	31-Dec-16
	(Consolidated)			(Company)		
Cash flow from operating activities						
Profit (loss) before income tax	1,890.0	2,465.0	2,617.5	871.2	1,575.1	971.3
Adjustments for:						
Depreciation & Amortisation	571.1	643.2	644.2	5.5	5.1	5.3
Gain from disposal of short-term investments	(8.2)	(26.4)	(71.4)	(5.4)	(24.0)	(63.5)
Dividend income	-	-	-	(917.7)	(1,575.4)	(898.9)
Interest income	(15.6)	(25.0)	(13.2)	(115.4)	(201.0)	(565.8)
Allowance (reversal) for doubtful accounts	0.3	-	0.2	(0.2)	-	-
Allowance (reversal) for obsolete inventories	2.3	(0.2)	-	-	-	-
(Gain) loss from disposals of asset	21.4	25.5	10.3	-	0.3	-
Finance costs - interest expense	978.9	897.8	745.2	136.9	236.0	568.1
(Reversal) Impairment loss on investment in subsidiary	-	-	-	-	0.3	0.3
Loss from disposals subsidiary	-	-	-	-	-	(0.3)
Unrealised (gain) loss from foreign exchange rates	(0.9)	0.3	13.9	-	-	-
Employee benefit obligations	1.7	0.9	1.0	0.5	0.5	0.7
Share of (profit) loss of associates and joint ventures	0.7	1.1	0.6	-	-	-
Tax Income Benefit	(9.7)	(71.8)	9.5	4.8	5.3	5.5
	3,432.0	3,910.4	3,957.8	(19.8)	22.0	22.7
Changes in Asset and Operating liabilities						
Trade and other receivables	(399.2)	77.8	(31.9)	15.4	(5.5)	7.9
Inventories	236.8	212.5	(365.0)	-	-	-
Other current assets	180.5	134.5	37.4	(2.3)	(1.9)	4.7
Other non-current assets	(60.0)	(52.8)	(31.1)	-	-	(1.3)
Trade and other payables	(917.1)	(22.6)	773.2	(2.3)	34.5	(19.0)
Other current liabilities	27.9	45.5	(31.4)	4.0	42.3	(38.4)
Employee benefit obligations	-	(2.2)	-	-	-	-
	2,500.9	4,303.3	4,309.0	(5)	91.6	(23.4)
Cash generated from (used in) operation						
Withholding tax income refund	-	-	5.0	-	-	5.0
Income tax paid	(41.2)	(19.2)	(42.6)	(2.0)	(5.0)	(9.1)
Net cash generated from (used in) operating activities	2,459.7	4,284.1	4,271.4	(7.0)	86.6	(27.5)

List (Unit: Baht Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-14	31-Dec-15	31-Dec-16
	(Consolidated)			(Company)		
<u>Cash flows from investing activities</u>						
Restricted cash	(589.1)	1,446.4	-	(340.0)	340.0	-
Interest Income	13.7	23.7	13.2	114.8	180.9	578.2
Dividends received	-	-	-	917.7	1,575.4	898.8
Payments of long-term investment used as collateral	-	(340)	-	-	(340)	-
Payments of general investment	-	(128.7)	-	-	-	-
Proceeds from disposal of short-term investments	2,308.2	4,831.0	8,455.5	1,211.0	1,437	4,153.0
Payments of short-term investments	(5,020.5)	(5,669.6)	(7,670.7)	(3,877.1)	(2,150.0)	(3,292.5)
Purchase of property, plant and equipment	(1,358.0)	(202.1)	(79.7)	(1.8)	(0.5)	(6.6)
Purchase of intangible assets	(6.5)	(17.6)	(10.9)	(0.2)	-	(0.5)
Purchase of investment property	(12.0)	-	-	-	-	-
Proceed from disposals of property, plant and equipment	1.2	5.6	3.5	-	2.5	0.1
Other intangible assets	-	-	0.5	-	-	-
Proceeds from short-term loans to related parties	-	-	-	630.0	138.0	165.0
Proceeds from long-term loans to related parties	-	-	-	-	422.5	2,037.3
Payments on short-term loans to related parties	-	-	-	(3,880.0)	(8.0)	(172.0)
Payments on long-term loans to related parties	-	-	-	-	(12,282.6)	(170.0)
Net cash used in investing activities	(4,663.0)	(51.2)	711.4	(5,225.6)	(10,684.9)	4,190.8
<u>Cash flow from financing activities</u>						
Proceeds from issuance of ordinary shares	1,842.1	-	-	1,842.1	-	-
Proceeds from short-term borrowings from financial institutions	-	15.0	-	-	-	-
Proceeds from long-term borrowings from financial institutions	1,654.9	-	-	-	-	-
Repayments on short-term borrowings from financial institutions	-	(9.0)	(6.0)	-	-	-
Proceeds from ordinary shares of subsidiaries with conditions to buy/sell back	2.3	-	-	-	-	-
Proceeds from addition of investments in subsidiaries	278.6	3.0	-	-	-	-
Financial Cost	(890.3)	(896.8)	(716.7)	(75.4)	(268.9)	(554.4)
Repayments on long-term borrowings from financial institutions	(4,365.2)	(14,019.6)	-	-	-	-
Proceeds from debentures, net	3,970.8	12,464.9	-	3,970.8	12,464.9	-
Proceeds from debentures, net	-	(680.0)	(2,480.0)	-	(680.0)	(2,480.0)
Repayments on ordinary shares of subsidiaries with conditions to buy/sell back	(43.6)	-	-	-	-	-
Payment on liabilities under finance lease agreements	(5.1)	(7.2)	(2.5)	(1.7)	(5.0)	(0.8)
Payment for dividend	(441.8)	(1,115.0)	(1,229.0)	(369.5)	(822.3)	(1,118.0)
Cash for investment in subsidiary	-	-	(169.7)	(228.0)	(127.5)	-
Net cash from (used in) financing activities	2,002.7	(4,224.7)	(4,603.9)	5,138.3	10,561.2	(4,153.2)
Net increase (decrease) in cash and cash equivalents	(200.6)	(11.8)	378.9	(94.3)	(37.1)	10.1
Cash and cash equivalents at the beginning of the year	288.5	87.9	76.1	152.7	58.4	21.3
Cash and cash equivalents at the end of the year	87.9	76.1	455.0	58.4	21.3	31.4

Key Financial Ratio of the Consolidated and Company's Financial statements

Financial Ratio	Unit	For the year ended			For the year ended		
		31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-14	31-Dec-15	31-Dec-16
		(Consolidated)			(Company)		
<u>Liquidity Ratio</u>							
Liquidity ratio	Times	1.7	1.8	1.3	8.0	2.2	1.8
Quick ratio	Times	1.4	1.6	1.1	3.7	1.4	1.0
Liquidity cash flow ratio	Times	0.5	1.2	1.1	0.1	-	-
Accounts receivable turnover	Times	5.7	5.4	5.7	-	-	-
Average collection period	Day	63.7	67.2	64.0	-	-	-
Inventory turnover	Times	2.1	4.2	4.8	-	-	-
Average holding period	Day	171.3	86.5	75.7	-	-	-
<u>Profitability Ratio</u>							
Gross profit margin	%	73.2	72.8	64.8	-	-	-
EBITDA margin	%	77.7	77.7	60.8	89.5	95.7	94.4
Net profit margin	%	37.5	73.3	43.3	76.6	82.7	59.3
Return on equity	%	39.3	33.8	33.8	21.7	28.3	16.5
<u>Efficiency Ratio</u>							
Return on assets (average)	%	11.9	13.1	13.1	16.7	11.7	7.5
Return on fixed assets (average)	%	18.1	21.1	21.1	2,085.6	4,162.8	3,775.3
Asset turnover ratio	Times	0.2	0.2	0.2	0.2	0.1	0.1
<u>Financial Ratio</u>							
Debt to equity ratio	Times	2.6	1.9	1.7	0.8	2.7	2.3
Interest bearing debt to equity ratio	Times	2.5	1.9	1.4	0.8	2.7	2.3
Interest coverage ratio	%	2.8	4.8	6.0	1.5	1.0	1.0
Obligation leverage ratio	เท่า	0.2	0.3	1.4	1.5	-	-
Dividend payout ratio	%	19.6	33.4	47.0	42.2	52.2	115.1

9 Management Discussion and Analysis: MD&A



9.1 Analysis of Operation Results According to Consolidated Financial Statements

	2016		2015		Change	
	Amount (Million Baht)	% Income	Amount (Million Baht)	% Income	Amount (Million Baht)	% Income
Revenue from sale of goods and rendering of services	5,448.1	1.0	5,000.1	1.0	448.0	0.1
Cost of sale of goods and rendering of services	(1,919.7)	-35.0%	(1,359.4)	-27.0%	560.3	41.0%
Gross Profit	3,528.40	65.0%	3,640.7	73.0%	(112.3)	-3.0%
Other Income	96.20	2.0%	57.6	1.0%	38.6	67.0%
Selling and Service expense	(251.8)	-5.0%	(406.2)	-8.0%	(154.4)	-38.0%
Share of profit (loss) of investment in joint venture	(0.6)	0.0%	(1.0)	0.0%	0.4	40.0%
Profit (loss) before financing cost and income tax expense	3,372.2	62.0%	3,291.1	66.0%	81.1	2.0%
Financing Cost	(745.2)	-14.0%	(897.8)	-18.0%	(152.6)	-17.0%
Profit (loss) before income tax expense	2,627.0	48.0%	2,393.3	48.0%	233.7	10.0%
Income tax (expense) benefit	(9.5)	0.0%	71.7	1.0%	(81.2)	-113.0%
Total profit	2,617.5	48.0%	2,465.0	49.0%	152.5	6.0%
Other comprehensive income	(12.3)	0.0%	16.8	0.0%	(29.1)	-173.0%
Total profit income	2,605.2	45.0%	2,481.8	50.0%	123.4	5.0%

Total Profit attributable

Owners of the Company	2,314.2		2,190.2			
Non-controlling interests	303.3		274.8			
	2,617.5		2,465.0			

Total comprehensive income attributable to:

Owners of the Company	2,302.0		2,206.9			
Non-controlling interests	303.2		274.9			
	2,605.2		2,481.8			

Basic earnings per share

Premium on ordinary shares weight average (Million baht)	924.0		924.0			
Basic earnings per share (Baht)	2.50		2.37			

The operating results according to the consolidated financial statements of the Company and its subsidiaries on 31 December 2016 presented the net profit of Baht 2,617.5 million (Earning per share Baht 2.50) which increasing by Baht 152.5 million or 6%, compared to the net profit of Baht 2,465.0 million (Earning per share Baht 2.37 of the year 2015.)

The significant reasons were as follows:

9.1.1 Revenue from Sales and Services

Revenue from sales and services of the year 2016 was Baht 5,448.1 million which increasing by Baht 448.0 million or 9% from Baht 5,000.1 million in the year 2015.

- In 2016 Solar Power Roof Co., (SPR) solar roof developer in Thailand and ASEAN for residence, business building, office building, and industry factory. They have revenue from sales and services was Baht 861.8 million which increase by Baht 660.3 million or 328% from Baht 201.5 million in the year 2015.

- Revenue from sales and services of the year 2016 was Baht 4,361.5 million which decreasing by Baht 168.0 million or 4% from Baht 4,529.5 million in the year 2015. Because the power that operated and sells was Units 390.9 million which decreasing by Units 5.2 million or 1% from Units 396.1 million in the year 2015. Selling price in 2016 is 11.2 Baht per unit which decreasing by Baht 0.2 per unit from 11.4 Baht per unit in the year 2015.

- In 2016 Steel and Solar Roof Co., Ltd (SSR) manufacturing, distribution and installation services of steel or metal roofing sheets They have revenue from sales was Baht 211.4 million which decreasing by Baht 44.7 million or 17% from Baht 256.1 million in the year 2015.

9.1.2 Cost of Sales and Services and Gross Profit

Cost of sales and services of the year 2016 and 2015 were Baht 1,919.7 million and Baht 1,359.4 million respectively. Gross profit margin of the year 2016 and 2015 were still not change at 65% and 73%. By the way revenue from sale of goods and rendering of services which increase in the same direction from sale of goods and rendering of service solar roof.

9.1.3 Selling and Administrative Expenses

Selling and administrative expenses of the year 2016 was Baht 251.8 million which decreasing by Baht 154.4 million or 38% from Baht 406.2 million in the year 2015. The main reasons were as follows:

- In the 4th quarter of the year 2015, the Company issued and offered of the debentures in the amount of Baht 12,500 million for on-lending to subsidiaries to refinance with financial institutions. As a result of refinance loan, the subsidiaries had to pay for prepayment fee in the amount of Baht 132.5 million. That make save Security Agent Fee by Baht 13.8 million per year.

- In 2016 Audit Fee was decreasing by Baht 8.7 million

- In 2016 Advertising expense was decreasing by Baht 9.4 million

9.1.4 Finance Costs

Finance costs of the year 2016 was Baht 745.2 million which decreasing by Baht 152.6 million or 17% from Baht 897.8 million in the year 2015. The main reasons were the Company paid on remaining debentures in the amount of Baht 2,480.0 million, resulting in decreasing of interest.

9.2 Analysis of financial position according to consolidated financial statement

9.2.1 Analysis of Assets

As at 31 December 2016, the total assets were Baht 24,232.3 million, decreasing by Baht 503.4 million or 2% from Baht 24,735.7 million as at 31 December 2015. The details were as follows:

	December 31, 2016	December 31, 2015	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	17,743.7	18,314.5	(570.8)	-3%
Other assets	6,488.6	6,421.2	67.4	-5%
Total assets	24,232.3	24,735.7	(503.4)	-2%

- As at 31 December 2016, property, plant and equipment were Baht 17,743.7 million, decreasing by Baht 570.8 million or 3% from Baht 18,314.5 million as at 31 December 2015. The main reasons were its depreciation was Baht 636.3 million and the purchase of equipment in the amount of Baht 79.5 million.

- As at 31 December 2016, other assets were Baht 6,488.6 million, increasing by Baht 67.4 million or 1% from Baht 6,421.2 million as at 31 December

2015. The main reason was the increasing of inventories.

9.2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 December 2016, the total liabilities and shareholders' equity were Baht 24,232.3 million, decreasing by Baht 503.4 million or 2% from Baht 24,735.7 million as at 31 December 2015. The details were as follows:

	December 31, 2016	December 31, 2015	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	13,320.9	15,796.3	(2,475.4)	-16%
Other liabilities	1,145.5	469.0	676.5	144%
Shareholders' equity	9,765.9	8,470.4	1,295.5	15%
Total liabilities and shareholders' equity	24,232.3	24,735.7	(503.4)	-2%

- As at 31 December 2016, interest bearing debt was Baht 13,320.9 million, decreasing by Baht 2,475.4 million or 16% from Baht 15,796.3 million as at 31 December 2015. The main reasons were it repayment on long-term borrowing in the amount of

Baht 2,480.0 million during the year 2016.

- As at 31 December 2016, Other debt was Baht 676.5 million or 14% which increasing from Baht 469 million as at 31 December 2015. The main reasons were it increasing of solar roof account payable.

• As at 31 December 2016, shareholders' equity was Baht 9,765.9 million, increasing by Baht 1,295.5 million or 15% from Baht 8,470.4 million as at 31 December 2015. The main reasons were as follows:

- The net profit of the year 2016 in the amount of Baht 2,617.5 million.

- The dividend payment during the year 2016 in the amount of Baht 1,229.0 million.

- Change the proportion of investment in subsidiaries by Baht 80.7 million

9.2.3 The appropriate of capital structure

As at 31 December 2016, Debt to Equity ratio was at 1.48 times whereas 1.92 times last year. Thus, the ratio of Debt/Equity has been reduced due to decreasing the company's operating profits. In 2016

9.3 Analysis of consolidated cash flow according financial statements

	2016	2015	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated (used in) from operating activities	4,271.3	4,284.1	(12.8)
Net cash generated (used in) from investing activities	711.4	(51.4)	762.8
Net cash generated (used in) from financing activities	(4,603.9)	(4,244.6)	(359.3)
Net increase (decrease) in cash and cash equivalents	(378.8)	(11.9)	390.7
cash and cash equivalents at the beginning of the period	76.1	87.9	(11.8)
cash and cash equivalents at the end of the period	454.9	76.0	738.9

On 31 December 2016, cash and cash equivalents were Baht 454.9 million, increasing by Baht 378.9 million from Baht 76.0 million as at 31 December 2015. The details were summarized below:

1) Net Cash from operating activities is amount to Baht 4,271.3 Million as follow;

• Profit from operating activities amounting to Baht 4,308.9 Million

• Increasing cash from operating assets is amount to Baht 372.1 Million mainly from inventory at Baht 212.5 Million and reduced other current assets in an amount of Baht 134.5 Million.

• The company paid the interest and corporate tax during the year in the amount of Baht 37.6 Million.

2) Net Cash from investing activities in the amount of Baht 711.4 Million as follows:

• Cash for Investment current in the amount of Baht 8,455.5 Million

• Cash for buying current investment in the amount of Baht 7,670.7 million

• Cash for buying property, plant, equipment and non-current asset in the amount of Baht 90.6 million

3) Net cash from financing activities in the amount of Baht 4,603.9 Million as follows;

• Repayment on long-term borrowing in the amount of Baht 2,480 million.

• Payment for financial cost in the amount of Baht 716.7 Million

• Dividend payment amounting to Baht 1,229.0 million

9.4 Risk Factor and Effect that affect to Future Performance and Financial Statements

The Company has invested in 36 solar farms projects with the investment of baht 22,000 million, most of fund came from loans from financial institutions. The proportion of such investment, more than 50 percent investment in equipment to be imported from abroad. Therefore, The Company had a variety of financial risks, including Risk management in financial resources for investment. The risk of Currency Exchange Risks arising from changes in fair value of interest rate, Risks arising from changes in interest rates. And price risk) And liquidity risk So Overall risk management plans of the Group focus on the volatility of financial markets and seeks to minimize the impact of damaging to the financial performance. The Group uses derivative financial instruments to prevent the risk will occur. As well as planning to use financial tools to balance the financial structure of the company to reduce and control the risks to an acceptable level. Risk management operations by the Company adhere to the policies approved by the Board of Directors. The financial management of the Company will assess the issue and prevent financial risks by working closely together with the various tasks by assigned the relevant management to closely monitor.

Management determines the overall principles for risk management and related policies to cover specific risks. Such as foreign exchange rate risk. Interest rate risk Credit risk and derivative financial instruments and investing excess liquidity in the management of risk.

9.4.1 Risk from Exchange Rate

Subsidiaries of SPCG Group has generated revenue by selling electricity from Solar Farms, which purchased solar panels and investors from Japan and Germany in US Dollar and Euro, respectively. There is a risk from Exchange rate in buying their products, so the company has constantly studied the exchange rates and managed the risk by means of a current

Forward Contract for the period not less than 6 months related to the term of purchased contract.

9.4.2 Risk from Relying on a Single Manufacturer of Solar Photovoltaic (PV) Panels and Inverters.

Due to Solar Farm project, each of SPC and SPA's projects is ordered solar PV panels from Kyocera Asia Pacific Pte., Ltd. (Kyocera) and inverters from SMA Solar Technology AG (SMA) only (except AJ Technology which is an affiliate of SPA has used solar panels of REC, Singapore.) SPC engaged in long-term procurement contract with the manufacturers and distributors of these two companies. In the event that Kyocera and SMA discontinue their operations, this will effect on the construction of each remaining Solar Farm project.

However, Kyocera Asia Pacific Pte., Ltd. is a subsidiary of Kyocera Corporation, Japan whose stocks are listed on the New York Stock Exchange and the Tokyo Stock Exchange with managing the multi-business corporation which is diversified the business. Moreover, Kyocera Corporation has been operating for over 60 years generating strong financial status which had a paid-up capital of JYP 115,703 million. As at March 31, 2016, the total sales volume of JYP 1,479,627 million, net operating profit of JYP 109,047 Million with 69,229 employees.

9.4.3 Risk from Industry Competition

Solar roof business is becoming one of high competitive business in the market due to supporting from the government policy which lead to various entrepreneurs entering into the market. However, SPCG group provides high quality of services and professional team to support client from design to installation of Solar Farm services as well as provide equipment and others that different from the competitors.

**SPCG Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report

Independent auditor's report

To the Shareholders of SPCG Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SPCG Public Company Limited and its subsidiaries (the “Group”) and of SPCG Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, 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 2016 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 under the Royal Patronage of His Majesty the King 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.

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 (f), 9 to the financial statements.

Inventories are measured at the lower of cost and net realizable value. Due to some inventories have slow movement and long outstanding which may cause the net realizable value to be lower than cost, therefore, this is focus area in my audit.

My audit procedures included understanding the policies and procedures that the Management applied for net realizable value calculation. I verified the appropriateness of the net realizable value calculation and checked the selling price of inventories with the relevant sales documents. I considered the adequacy of the disclosure of inventories.

Related party transactions

Refer to Notes 1, 4, 11 and 12 to the financial statements.

The Group has numerous transactions with related parties. As such, there is a risk in recognition and appropriateness of the related party transactions. In addition, necessary related party disclosures of information to understand the nature and effect of the various related party relationships and transactions may be inadequate. Therefore, this is focus area in my audit.

My audit procedures included understanding and assessment of the Group's controls to identify, recognise and disclose related party transactions. I compared the information and transactions provided by the management with internal/external sources and inspected relevant agreements and other information to assess the appropriateness of the transactions recognition and the adequacy of the disclosure of related party transaction.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 17 February 2016.

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.

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.

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:

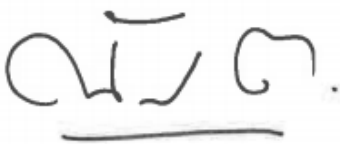
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.

- 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.



(Natthaphong Tantichattanont)
Certified Public Accountant
Registration No. 8829

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2017

SPCG Public Company Limited and its Subsidiaries**Statement of financial position**

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>
Assets					
Current assets					
Cash and cash equivalents	5	454,974	76,079	31,405	21,266
Current investments	6	2,904,750	3,633,474	2,643,586	3,455,985
Trade accounts receivable	4, 7	855,819	895,768	-	-
Other receivables	8	116,185	45,203	12,972	33,865
Short-term loan to related party	4	-	-	7,000	-
Current portion of long-term loans to related parties	4	-	-	2,107,470	2,028,420
Inventories	9	580,996	215,930	-	-
Other current assets	10	106,833	120,041	5,363	14,608
Total current assets		5,019,557	4,986,495	4,807,796	5,554,144
Non-current assets					
Investments in joint venture	11	2,718	3,329	3,000	3,000
Investments in subsidiaries	12	-	-	2,979,173	2,979,173
Other long-term investments	6	468,678	468,678	340,000	340,000
Long-term loans to related parties	4	-	-	11,005,356	12,951,750
Investment properties		14,146	14,277	2,159	2,290
Property, plant and equipment	14	17,743,670	18,314,469	39,096	37,355
Intangible assets	15	107,562	104,953	799	422
Deferred tax assets	16	159,945	156,763	-	-
Other non-current assets	17	716,000	686,696	1,638	313
Total non-current assets		19,212,719	19,749,165	14,371,221	16,314,303
Total assets		24,232,276	24,735,660	19,179,017	21,868,447

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

SPCG Public Company Limited and its Subsidiaries**Statement of financial position**

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	18	-	6,000	-	-
Trade accounts payable	4, 19	816,307	84,429	-	46
Other payables	20	215,861	161,104	32,032	50,625
Current portion of debentures	18	2,704,226	2,467,607	2,704,226	2,467,607
Current portion of finance lease liabilities	18	1,352	1,914	883	826
Income tax payable		664	4	-	-
Other current liabilities		90,190	121,578	8,687	47,129
Total current liabilities		3,828,600	2,842,636	2,745,828	2,566,233
Non-current liabilities					
Debentures	18	10,614,749	13,318,264	10,614,749	13,318,264
Finance lease liabilities	18	566	2,500	566	1,448
Employee benefit obligations		9,971	8,965	6,397	5,676
Deferred tax liabilities	16	12,500	18,717	12,388	18,607
Ordinary shares of subsidiaries with conditions to buy/sell back	12	-	74,221	-	-
Total non-current liabilities		10,637,786	13,422,667	10,634,100	13,343,995
Total liabilities		14,466,386	16,265,303	13,379,928	15,910,228
Equity					
Share capital	21				
Authorised share capital		923,990	923,990	923,990	923,990
Issued and paid-up share capital		923,990	923,990	923,990	923,990
Additional paid in capital:					
Premium on ordinary shares	22	2,920,923	2,920,923	3,747,793	3,747,793
Premium on share from business combination		89,000	89,000	-	-
Retained earnings					
Appropriated					
Legal reserve	22	86,984	86,984	92,399	92,399
Unappropriated		4,247,596	3,111,354	1,009,223	1,156,052
Other components of equity	22	26,127	38,361	25,684	37,985
Equity attributable to owners of the Company		8,294,620	7,170,612	5,799,089	5,958,219
Non-controlling interests	13	1,471,270	1,299,745	-	-
Total equity		9,765,890	8,470,357	5,799,089	5,958,219
Total liabilities and equity		24,232,276	24,735,660	19,179,017	21,868,447

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

SPCG Public Company Limited and its Subsidiaries**Statement of comprehensive income**

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2016	2015	2016	2015
		<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>
Revenue from sale of goods and rendering of services	24, 30	5,448,096	5,000,057	-	-
Cost of sale of goods and rendering of services	27	(1,919,718)	(1,359,384)	-	-
Gross profit		3,528,378	3,640,673	-	-
Other income	4, 25	96,206	57,580	1,636,852	1,904,135
Selling expenses	27	(14,023)	(20,008)	-	-
Administrative expenses	27	(237,812)	(386,152)	(92,011)	(87,786)
Share of loss of investement in joint venture	11	(611)	(1,068)	-	-
Finance costs	28	(745,217)	(897,779)	(568,124)	(235,997)
Total expenses		(997,663)	(1,305,007)	(660,135)	(323,783)
Profit before income tax expense		2,626,921	2,393,246	976,717	1,580,352
Income tax (expense) benefit	29	(9,454)	71,775	(5,521)	(5,292)
Profit for the year		2,617,467	2,465,021	971,196	1,575,060
Other comprehensive income					
<i>Items that will never not be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses		-	(3,918)	-	(1,555)
Income tax on other comprehensive income		-	784	-	311
		-	(3,134)	-	(1,244)
<i>Item that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value of available-for-sale investments		(15,364)	24,864	(15,376)	24,584
Income tax on other comprehensive income		3,077	(4,973)	3,075	(4,917)
		(12,287)	19,891	(12,301)	19,667
Other comprehensive income for the year,					
net of income tax		(12,287)	16,757	(12,301)	18,423
Total comprehensive income for the year		2,605,180	2,481,778	958,895	1,593,483
Profit attributable to:					
Owners of the Company		2,314,209	2,190,165	971,196	1,575,060
Non-controlling interests		303,258	274,856	-	-
Profit for the year		2,617,467	2,465,021	971,196	1,575,060
Total comprehensive income attributable to:					
Owners of the Company		2,301,975	2,206,880	958,895	1,593,483
Non-controlling interests		303,205	274,898	-	-
Total comprehensive income for the year		2,605,180	2,481,778	958,895	1,593,483
Basic earnings per share (Baht)	31	2.50	2.37	1.05	1.70

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

SPCG Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements									
	Retained earnings			Other components of equity					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on shares from business combination	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)
Year ended 31 December 2015	923,990	2,920,923	89,000	43,433	1,790,227	18,506	5,786,079	1,314,409	7,100,488
Balance at 1 January 2015									
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends	-	-	-	-	(822,347)	-	(822,347)	(292,611)	(1,114,958)
<i>Total distributions to owners of the Company</i>	-	-	-	-	(822,347)	-	(822,347)	(292,611)	(1,114,958)
<i>Changes in ownership interests in subsidiaries</i>									
Additional paid-up share capital of subsidiaries	-	-	-	-	-	-	-	3,049	3,049
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	3,049	3,049
Total transactions with owners, recorded directly in equity	-	-	-	-	(822,347)	-	(822,347)	(289,562)	(1,111,909)
Comprehensive income for the year									
Profit	-	-	-	-	2,190,165	-	2,190,165	274,856	2,465,021
Other comprehensive income	-	-	-	-	(3,140)	19,855	16,715	42	16,757
Total comprehensive income for the year	-	-	-	-	2,187,025	19,855	2,206,880	274,898	2,481,778
Transfer to legal reserve	-	-	-	43,551	(43,551)	-	-	-	-
Balance at 31 December 2015	923,990	2,920,923	89,000	86,984	3,111,354	38,361	7,170,612	1,299,745	8,470,357

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

SPCG Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements									
	Note	Retained earnings			Other components of equity			Total equity		
		Issued and paid-up share capital	Premium on ordinary shares	Premium on shares from business combination	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments		Equity attributable to owners of the Company	
Year ended 31 December 2016										
Balance at 1 January 2016		923,990	2,920,923	89,000	86,984	3,111,354	38,361	7,170,612	1,299,745	8,470,357
Transactions with owners, recorded directly in equity										
Distributions to owners of the Company										
Dividends	32	-	-	-	-	(1,118,025)	-	(1,118,025)	(110,960)	(1,228,985)
Total distributions to owners of the Company		-	-	-	-	(1,118,025)	-	(1,118,025)	(110,960)	(1,228,985)
Changes in ownership interests in subsidiaries										
Change in investment holding in subsidiaries		-	-	-	-	(59,942)	-	(59,942)	(20,720)	(80,662)
Total changes in ownership interests in subsidiaries		-	-	-	-	(59,942)	-	(59,942)	(20,720)	(80,662)
Total transactions with owners, recorded directly in equity		-	-	-	-	(1,177,967)	-	(1,177,967)	(131,680)	(1,309,647)
Comprehensive income for the year										
Profit		-	-	-	-	2,314,209	-	2,314,209	303,258	2,617,467
Other comprehensive income		-	-	-	-	-	(12,234)	(12,234)	(53)	(12,287)
Total comprehensive income for the year		-	-	-	-	2,314,209	(12,234)	2,301,975	303,205	2,605,180
Balance at 31 December 2016		923,990	2,920,923	89,000	86,984	4,247,596	26,127	8,294,620	1,471,270	9,765,890

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

SPCG Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements						
	Retained earnings			Other components of equity			Total equity
	Issued and paid-up share capital (In thousand Baht)	Premium on ordinary shares (In thousand Baht)	Legal reserve (In thousand Baht)	Unappropriated (In thousand Baht)	Fair value change in available-for-sales investment (In thousand Baht)		
<i>Note</i>							
Year ended 31 December 2015							
Balance at 1 January 2015	923,990	3,747,793	48,848	448,134	18,318		5,187,083
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	(822,347)	-		(822,347)
<i>Total distributions to owners of the Company</i>	-	-	-	(822,347)	-		(822,347)
Comprehensive income for the year							
Profit	-	-	-	1,575,060	-		1,575,060
Other comprehensive income	-	-	-	(1,244)	19,667		18,423
Total comprehensive income for the year	-	-	-	1,573,816	19,667		1,593,483
Transfer to legal reserve	-	-	43,551	(43,551)	-		-
Balance at 31 December 2015	923,990	3,747,793	92,399	1,156,052	37,985		5,958,219

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

SPCG Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements					
	Retained earnings			Other components of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Fair value change in available-for-sales investment	Total equity	
<i>Note</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	
Year ended 31 December 2016						
Balance at 1 January 2016	923,990	3,747,793	92,399	1,156,052	37,985	5,958,219
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	-	-	-	(1,118,025)	-	(1,118,025)
<i>Total distributions to owners of the Company</i>	-	-	-	(1,118,025)	-	(1,118,025)
Comprehensive income for the year						
Profit	-	-	-	971,196	-	971,196
Other comprehensive income	-	-	-	-	(12,301)	(12,301)
Total comprehensive income for the year	-	-	-	971,196	(12,301)	958,895
Balance at 31 December 2016	923,990	3,747,793	92,399	1,009,223	25,684	5,799,089

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

SPCG Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)	(In thousand Baht)
Cash flows from operating activities				
Profit for the year	2,617,467	2,465,021	971,196	1,575,060
<i>Adjustments for</i>				
Depreciation and amortisation	644,166	643,192	5,336	5,140
Gain from sale of other investments	(71,433)	(26,361)	(63,477)	(24,029)
Dividends income	-	-	(898,920)	(1,575,412)
Interest income	(13,189)	(25,031)	(565,797)	(200,962)
(Reversal of) allowance for doubtful accounts	229	31	(5)	(41)
Reversal of allowance for decline in value of inventories	(48)	(198)	-	-
(Gain) loss from disposal of assets	10,281	25,499	(16)	252
Finance costs	745,217	897,779	568,124	235,997
(Reversal of) loss from impairment of investment is subsidiary	-	-	(250)	250
Loss from disposal of investment in subsidiary	-	-	250	-
Unrealised loss on foreign exchange	13,886	265	-	-
Provision for employee benefit	1,006	919	721	497
Share of loss of investment in joint venture	611	1,068	-	-
Income tax expense (benefit)	9,454	(71,775)	5,521	5,292
	3,957,647	3,910,409	22,683	22,044
Changes in operating assets and liabilities				
Trade accounts receivable	39,720	(2,390)	5	-
Other receivables	(71,600)	80,228	7,905	(5,478)
Inventories	(364,953)	212,527	-	-
Other current assets	37,397	134,514	4,671	(1,883)
Other non-current assets	(31,054)	(52,751)	(1,326)	-
Trade accounts payable	689,007	38,444	-	-
Other payables	84,152	(61,064)	(19,021)	34,490
Other current liabilities	(31,388)	45,544	(38,442)	42,320
Employee benefit obligations	-	(2,173)	-	-
Cash from (used in) operating activities	4,308,928	4,303,288	(23,525)	91,493
Withholding tax refund	5,018	-	5,018	-
Income tax paid	(42,636)	(19,173)	(9,109)	(5,002)
Net cash from (used in) operating activities	4,271,310	4,284,115	(27,616)	86,491

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

SPCG Public Company Limited and its Subsidiaries**Statement of cash flows**

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>	<i>(In thousand Baht)</i>
<i>Cash flows from investing activities</i>				
Restricted cash	-	1,446,401	-	340,000
Interest received	13,189	23,712	578,167	180,944
Dividends received	-	-	898,920	1,575,412
Purchase of long-term investments used as collateral	-	(340,000)	-	(340,000)
Payment for other long-term investments	-	(128,678)	-	-
Sale of current investments	8,455,494	4,831,049	4,153,000	1,437,000
Purchase of current investments	(7,670,702)	(5,669,638)	(3,292,500)	(2,150,000)
Purchase of property, plant and equipment	(79,664)	(202,165)	(6,553)	(462)
Purchase of intangible assets	(10,899)	(17,585)	(526)	(16)
Sale of property, plant and equipment	3,471	5,513	140	2,490
Sale of intangible assets	549	-	15	-
Proceeds of short-term loans to related parties	-	-	165,000	138,000
Proceeds of long-term loans to related parties	-	-	2,037,345	422,500
Payment for short-term loans to related parties	-	-	(172,000)	(8,000)
Payment for long-term loans to related parties	-	-	(170,000)	(12,282,670)
Net cash from (used in) investing activities	711,438	(51,391)	4,191,008	(10,684,802)
<i>Cash flows from financing activities</i>				
Proceeds from short-term loan from financial institutions	-	15,000	-	-
Repayments of short-term loans from financial institutions	(6,000)	(9,000)	-	-
Proceeds from increase in investment in subsidiaries				
from non-controlling interest	-	3,049	-	-
Finance cost paid	(716,696)	(896,812)	(554,402)	(268,949)
Repayments of long-term loans from financial institutions	-	(14,019,563)	-	-
Proceeds from debenture	-	12,464,942	-	12,464,942
Repayment of debenture	(2,480,000)	(680,000)	(2,480,000)	(680,000)
Repayment of finance lease liabilities	(2,496)	(7,236)	(826)	(4,986)
Dividends paid	(1,228,985)	(1,114,958)	(1,118,025)	(822,347)
Cash outflow for change in investment holding in subsidiaries	(169,676)	-	-	(127,500)
Net cash from (used in) financing activities	(4,603,853)	(4,244,578)	(4,153,253)	10,561,160
Net increase (decrease) in cash and cash equivalents	378,895	(11,854)	10,139	(37,151)
Cash and cash equivalents at 1 January	76,079	87,933	21,266	58,417
Cash and cash equivalents at 31 December	454,974	76,079	31,405	21,266
<i>Non-cash transactions</i>				
Payables for purchases of property, plant and equipment	1,585	2,000	407	25
Payables for investment in subsidiaries	-	-	-	1,000
Reclassify from short-term loans to related parties				
to long-term loans to related parties	-	-	-	3,120,000

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

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2016

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For the year ended 31 December 2016

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2017.

1 General information

SPCG Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows

Head office : 1 Capital Work Place Building, 10th floor, Soi Jamjan, Klongton Nua, Wattana, Bangkok

Branch office 1st : 8/88 Moo 12 Sachathewa, Bangplee, Samutprakarn

Branch office 2nd : 8 Moo 15 Bangplee , Bangplee Yai, Samutprakarn

The Company was listed on the Stock Exchange of Thailand in March 2005, namely Steel Intertech Public Company Limited. Subsequently, the Company has changed its registered name to SPCG Public Company Limited on 17 June 2011.

The Company’s major shareholder during the financial period was the Kunchornyakong family (48.81% shareholding).

The principal activity of the Company is holding company. The principal activities of the Group are summarised as follows:

- Engineering, procurement and construction for solar farms;
- Production and distribution of electricity from solar energy;
- Trading and installation service of solar roof and
- Manufacture, trading and installation service of roof sheets.

Details of the Company’s subsidiaries as at 31 December 2016 and 2015 were as follows:

Name of the entity <i>Direct subsidiaries</i>	Type of business	Country of incorporation	Ownership interest direct/ indirect (%) 31 December	
			2016	2015
Solar Power Company Limited	Engineering, Procurement and Construction for solar farms	Thailand	99.99	99.99
Steel and Solar Roof Company Limited	Manufacturing, trading and installation services for roof sheets	Thailand	99.99	99.99
Solar Power Engineering Company Limited	Engineering, Procurement and Construction for solar farms	Thailand	99.99	99.99
Solar Power Roof Company Limited	Trading and installation services for solar roofing	Thailand	76.00	76.00
SPCG Capital Company Limited (dissolution)	Holding company	Thailand	-	99.99

SPCG Public Company Limited and its Subsidiaries

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Name of the entity <i>Direct subsidiaries</i>	Type of business	Country of incorporation	Ownership interest direct/ indirect (%) 31 December	
			2016	2015
Solar Power Asset Company Limited	Holding company	Thailand	99.99	99.99
SPCG Leasing Company Limited	Leasing company	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
Solar Power (Korat 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	84.99	82.54
Solar Power (Korat 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56.00	56.00
Solar Power (Korat 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70.00	70.00
Solar Power (Khonkaen 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2016

Name of the entity <i>Direct subsidiaries</i>	Type of business	Country of incorporation	Ownership interest direct/ indirect (%) 31 December	
			2016	2015
Solar Power (Khonkaen 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 10) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	74.99
Solar Power (Surin 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	74.99
Solar Power (Surin 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	74.99
Solar Power (Surin 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Bureerum 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Bureerum 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Bureerum 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nakornphanom 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	69.99	68.80
Solar Power (Nakornphanom 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nakornphanom 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Sakonnakorn 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	69.99	68.81
Solar Power (Sakonnakorn 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Loei 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	56.00	56.00

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

Name of the entity <i>Direct subsidiaries</i>	Type of business	Country of incorporation	Ownership interest direct/ indirect (%) 31 December	
			2016	2015
Solar Power (Loei 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	74.99
Solar Power (Nongkhai 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Udonthani 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75.00	75.00
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

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 (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 36.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as described in accounting policy.

(c) 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.

(d) 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 accounting policies and the

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3(l)	Impairment test: key assumptions underlying recoverable amounts;
Note 3(o)	Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).*
- *Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

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

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

Further information about the assumptions made in measuring fair values is included in note 33: Financial instruments.

3 Significant accounting policies

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

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

(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 joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

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 acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

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

Non-controlling interests

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

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture.

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees 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) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognized in profit or loss.

(c) Derivative financial instruments

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates. Transaction fee and discounts are amortised to profit and loss on a straight-line basis over the length of the agreements.

Hedge of interest rates

The Group is party to derivative financial instruments, comprise "cross currency interest rate swap" which is not recognised on the inception date of the contract.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

(e) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) *Construction contracts work in progress*

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 3(q)) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group's contract activities based on normal operating capacity.

Construction contracts work in progress is presented under current assets in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as other current liabilities under current liabilities in the statement of financial position.

(h) *Investments*

Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in joint venture in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

(i) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated 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 investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment property	20 years
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No depreciation is provided on land.

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

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

Depreciation

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

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

Land improvement	25 years
Buildings and buildings improvement	5-25 years
Solar modules	30 years
Inverters	20 years
Equipment and machinery	5-10 years
Office equipment	5 years
Vehicles	5 years

No depreciation is provided on land or assets under construction.

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

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For the year ended 31 December 2016

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Energy Industry License

Energy Industry license acquired in a business combination are recognised at fair value at the acquisition date. Energy Industry License have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over their estimated useful lives of 25 years.

Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisations

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

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

Computer software	5-10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits*Defined contribution plans*

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

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Defined benefit plans

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

The calculation of defined benefit obligations is performed every 3 years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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

Short-term employee benefits

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

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity for entities within Thailand is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

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For the year ended 31 December 2016

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

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

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on

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the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) *Income tax*

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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*

The Group/Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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For the year ended 31 December 2016

(v) Segment reporting

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

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, and joint venture are described in note 1, 11 and 12. Related parties with key managements and other related parties were as follows;

Name of entities	Country of incorporation	Nature of relationships
JPEN Co., Ltd.	Thailand	Common shareholders and some directors
Woracha Holding Co., Ltd.	Thailand	Common shareholders and some directors
Capital work place Co., Ltd.	Thailand	Common shareholders and some directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

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

Transactions	Pricing policies
Services fee	Contractually agreed prices
Interest income	Contractually agreed rate with reference to market rate
Dividends income	Upon declaration
Other income	Contractually agreed prices
Service expense for operation and maintenance	Contractually agreed prices
Building rental expense	Contractually agreed prices
Warehouse rental expense	Contractually agreed prices
Contractual installation service of solar roof	Contractually agreed prices

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Subsidiaries				
Interest income	-	-	505,107	188,760
Dividends income	-	-	898,920	1,575,412
Other income	-	-	107,546	103,320
Other expense	-	-	2,305	2,515

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other related party				
Sales of goods	1,271	2,106	-	-
Service income	-	791	-	-
Purchases of goods	5,706	2,315	-	-
Other income	-	461	10	-
Service expense for operation and maintenance	168,000	168,360	-	-
Building rental expense	1,298	-	664	-
Warehouse rental expense	7,015	3,937	-	-
Contractual installation service of solar roof	117,426	35,651	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	36,821	42,777	24,545	25,968
Post-employment benefits	664	708	439	391
Total	37,485	43,485	24,984	26,359

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

	Consolidated financial statements		Separate financial statements			
	2016	2015	2016	2015		
	(in thousand Baht)					
Trade accounts receivable - related parties						
Other related party	1,343	34	-	-		
Other receivables - related parties						
Subsidiaries	-	-	6,174	23,412		
Joint venture	161	1,423	161	161		
Total	161	1,423	6,335	23,573		
Loans to related parties	Interest Rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	(%)		(in thousand Baht)			
Short-term loan						
Subsidiary	4.00	-	-	-	7,000	-
Total short-term loan			-	-	7,000	-
Long-term loans						
Subsidiaries	THBFIX3M	THBFIX3M				
	+1.65	+1.65	-	-	10,530,501	12,282,670
	3.50	-	-	-	161,075	-
	5.65	5.65	-	-	2,421,250	2,697,500
Total					13,112,826	14,980,170
Less current portion due within one year			-	-	(2,107,470)	(2,028,420)
Total long-term loans			-	-	11,005,356	12,951,750
Total loans to related parties			-	-	13,119,826	14,980,170

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For the year ended 31 December 2016

Long-term loans to related parties has repayment period every 6 months and 3 months with the last due date for repayments between 2018 to 2023. The loans bear interest at the rate of 5.65% per annum and THBFIX3M + 1.65% per annum, loans are unsecured.

On 29 July 2016, the Company entered into a long-term loan agreement to related party totaling of Baht 170 million which has repayment period every 6 months with the last due date for repayments in 2022. The loans bear interest at the rate of 3.50% per annum, loans are unsecured.

Movements during the years ended 31 December of loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term loan				
Subsidiaries				
At 1 January	-	-	-	3,250,000
Increase	-	-	172,000	8,000
Decrease	-	-	(165,000)	(138,000)
Transfer to long-term loans	-	-	-	(3,120,000)
At 31 December	-	-	7,000	-
Long-term loans				
Subsidiaries				
At 1 January	-	-	14,980,170	-
Transfer from short-term loans	-	-	-	3,120,000
Increase	-	-	170,000	12,282,670
Decrease	-	-	(2,037,344)	(422,500)
At 30 December	-	-	13,112,826	14,980,170
Investments in subsidiaries (Note 12)	-	-	2,979,173	2,979,173
Investments in joint venture (Note 11)	2,718	3,329	3,000	3,000
Trade accounts payable - related party				
Other related party	119,183	40,891	-	-
Other accounts payable - related party				
Subsidiaries	-	-	972	1,761
Other related party	28,980	28,981	-	-
Total	28,980	28,981	972	1,761

Significant agreements with related parties

Operation, maintenance and monitoring agreement

On 1 January 2012, the subsidiaries entered into operation, maintenance and monitoring agreements with a related party whereby agreed to service operation control, maintenance and monitoring each solar farm projects. In consideration thereof, the subsidiaries agreed to pay service fee at the rate as specified in the agreements that effect since 1 January 2012 to 31 December 2014, and is renewed for a period of 5 years thereafter since 1 January 2015 to 31 December 2019.

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For the year ended 31 December 2016

Building rental agreement

The Company and various subsidiaries has entered into building rental agreement with a related party. The agreement term is for a period of 3 year effective from 1 November 2016 to 31 October 2019. The rental fee and condition are as stipulated in the agreement.

Warehouse rental agreement

Various subsidiaries has entered into warehouse rental agreement with a related party. The agreement term is for a period of 3 year effective from 1 January 2016 to 31 December 2018. The rental fee and condition are as stipulated in the agreement.

Service agreement

The Company entered into service agreement with various subsidiaries for general management service. The Company agreed to provide human resources to manage operation process in accordance with subsidiaries' condition. Service fees and conditions are as stipulated in the agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Cash on hand	211	211	20	20
Cash at financial institutions	454,763	75,868	31,385	21,246
Total	454,974	76,079	31,405	21,266

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Current investment</i>				
Equity securities available for sale	2,904,750	3,633,474	2,643,586	3,455,985
<i>Other long-term investments</i>				
Other non-marketable equity security	128,678	128,678	-	-
Other debt securities held to maturity	340,000	340,000	340,000	340,000
	468,678	468,678	340,000	340,000
Total	3,373,428	4,102,152	2,983,586	3,795,985

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Movement during the year ended 31 December of marketable equity securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale securities				
At 1 January	3,633,474	2,743,660	3,455,985	2,694,372
Purchases during the year	7,670,702	5,669,638	3,292,500	2,150,000
Sales during the year	(8,384,062)	(4,804,688)	(4,089,523)	(1,412,971)
Valuation adjustment	(15,364)	24,864	(15,376)	24,584
At 31 December	2,904,750	3,633,474	2,643,586	3,455,985

Long-term investments in debt securities held to maturity are investments in debentures of another company and bear interest at the fixed rate at 3.75% per annum and have a maturity date on 1 April 2018. The investments are used as collateral for the Company's debentures (Note 18).

Other long-term investments in non-marketable equity security is investment in ordinary share capital of an entity in Japan.

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	3,244,750	3,973,474	2,983,586	3,795,985
Japanese Yen (JPY)	128,678	128,678	-	-
Total	3,373,428	4,102,152	2,983,586	3,795,985

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties	1,343	34	-	-
Other parties	858,610	899,639	1,403	1,408
Total	859,953	899,673	1,403	1,408
Less allowance for doubtful accounts	(4,134)	(3,905)	(1,403)	(1,408)
Net	855,819	895,768	-	-
(Reversal of) provision for doubtful debts for the year	229	31	(5)	(41)

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	1,343	34	-	-
Less allowance for doubtful accounts	-	-	-	-
Total	1,343	34	-	-
Other parties				
Within credit terms	842,837	867,351	-	-
Overdue:				
Less than 3 months	10,216	21,403	-	-
3-6 months	682	1,316	-	-
6-12 months	1,194	6,457	-	-
Over 12 months	3,681	3,112	1,403	1,408
	858,610	899,639	1,403	1,408
Less allowance for doubtful accounts	(4,134)	(3,905)	(1,403)	(1,408)
Total	854,476	895,734	-	-
Net	855,819	895,768	-	-

The normal credit term granted by the Group ranges from 30 days to 90 days.

Trade accounts receivable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

8 Other receivable

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties				
Other parties				
Prepaid expenses	9,369	10,750	1,531	2,409
Accrued interest income	4,185	4,803	4,185	4,803
Receivable from insurance claim	484	5,684	-	-
Retention receivable	92,310	5,850	-	863
Accrued service income	2,610	4,138	-	-
Others	7,066	12,555	921	2,217
	116,024	43,780	6,637	10,292
Total	116,185	45,203	12,972	33,865

Note
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Notes to financial statements

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Finished goods	404,128	148,692	-	-
Work in progress	177	760	-	-
Raw materials	41,333	43,365	-	-
Goods in transit	138,865	26,668	-	-
Total	584,503	219,485	-	-
Less allowance for decline in value of inventories	(3,507)	(3,555)	-	-
Net	580,996	215,930	-	-
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	813,848	315,664	-	-
- Reversal of write-down	(48)	(198)	-	-
Net	813,800	315,466	-	-

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Receivable from revenue department	28,496	70,937	-	2,546
Refundable corporate income tax	51,672	27,419	5,018	9,592
Others	26,665	21,685	345	2,470
Total	106,833	120,041	5,363	14,608

11 Investment in joint venture

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
At 1 January	3,329	4,397	3,000	3,000
Share of net loss	(611)	(1,068)	-	-
At 31 December	2,718	3,329	3,000	3,000

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Investment in joint venture as at 31 December 2016 and 2015 and dividend income for the year ended were as follows:

Consolidated financial statements												
Ownership interest	Paid-up capital		Cost Method		Equity Method		Impairment		Equity Method - Net		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(%)	(in thousand Baht)											
30.00	10,000	10,000	3,000	3,000	2,718	3,329	-	-	2,718	3,329	-	-
Total			3,000	3,000	2,718	3,329	-	-	2,718	3,329	-	-
Enegate (Thailand) Co., Ltd.												
Separate financial statements												
Ownership interest	Paid-up capital		Cost Method		Impairment		At cost - net		Dividend income			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
(%)	(in thousand Baht)											
30.00	10,000	10,000	3,000	3,000	-	-	3,000	3,000	-	-	-	-
Total			3,000	3,000	-	-	3,000	3,000	-	-	-	-
Enegate (Thailand) Co., Ltd.												

None of the Group's joint venture is publicly listed and consequently does not have published price quotations.

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

The following is summarized financial information for the Group's interest in immaterial joint venture based on the amounts reported in the Group's consolidated financial statements:

	Immaterial joint venture	
	2016	2015
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial joint venture	2,718	3,329
Group's share of:		
- Profit from continuing operations	611	1,068
- Other comprehensive income	-	-
- Total comprehensive income	611	1,068

12 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	2,979,173	2,850,923
Increase	-	128,500
(Provision for) reversal of allowance for impairment	250	(250)
Decrease	(250)	-
At 31 December	2,979,173	2,979,173

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Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended, were as follows;

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in thousand Baht)											
Direct Subsidiaries												
Solar Power Company Limited	99.99	99.99	1,500,000	1,500,000	2,301,000	2,301,000	-	-	2,301,000	2,301,000	855,000	1,515,000
Steel and Solar Roof Company Limited	99.99	99.99	57,374	57,374	57,373	57,373	-	-	57,373	57,373	-	-
Solar Power Engineering Company Limited	99.99	99.99	3,500	3,500	3,500	3,500	-	-	3,500	3,500	-	-
SPCG Capital Company Limited (dissolution)	-	99.99	-	250	-	250	-	(250)	-	-	-	-
Solar Power Roof Company Limited	76.00	76.00	400,000	400,000	304,000	304,000	-	-	304,000	304,000	-	-
Solar Power Asset Company Limited	99.99	99.99	240,000	240,000	312,300	312,300	-	-	312,300	312,300	43,920	60,412
SPCG Leasing Company Limited	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
			<u>2,979,173</u>	<u>2,979,423</u>	<u>2,979,173</u>	<u>2,979,173</u>	<u>-</u>	<u>(250)</u>	<u>2,979,173</u>	<u>2,979,173</u>	<u>898,920</u>	<u>1,575,412</u>

All subsidiaries were incorporated in Thailand.

At the extraordinary meeting of shareholders of SPCG Capital Company Limited, a subsidiary, held on 4 December 2015, the shareholders approved the dissolution of SPCG Capital Company Limited. SPCG Capital Company Limited registered its dissolution with the Ministry of Commerce on 14 December 2015. The dissolution process was completed on 27 April 2016.

SPCG Public Company Limited and its Subsidiaries

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For the year ended 31 December 2016

Ordinary shares of subsidiaries with conditions to buy/sell back

During 2010, Solar Power Company Limited, a subsidiary sold investment in ordinary shares of 3 indirect subsidiaries with the put option agreements with International Finance Corporation. International Finance Corporation has rights to sell indirect subsidiaries' shares in the exercise period, during the year 8 to 11 since the co-investment is completed. The sell or repurchase price is as agreed under the agreement. A subsidiary will pay a management fee of 2% per annum of the investment value with International Finance Corporation from the date that the indirect subsidiary received the investment until the date that subsidiaries initially generates revenue from main business operation.

During 2016, Solar Power Company Limited entered into termination of put option agreements and entered into Share Sale & Purchase Agreement with International Finance Corporation to purchase ordinary shares of the 3 indirect subsidiaries as follows: Solar Power (Korat1) Company Limited for 2.45% for a consideration totaling Baht 88.05 million, Solar Power (Nakorn Phanom1) Company Limited for 1.19% for a consideration totaling Baht 40.74 million and Solar Power (Sakon Nakorn 1) Company Limited for 1.18% for a consideration totaling Baht 40.88 million. The Group recognised a decrease in non-controlling interests of Baht 20.72 million.

13 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016			
	Solar power group company	Other individually immaterial subsidiaries	Intra-group eliminations	Total
	<i>(in thousand Baht)</i>			
Current assets	979,020			
Non-current assets	18,137,583			
Current liabilities	2,303,646			
Non-current liabilities	10,765,547			
Net assets	6,047,410			
Carrying amount of non-controlling interest	1,352,142	20,012	99,116	1,471,270
Revenue	4,256,636			
Profit	2,461,604			
Other comprehensive income	53			
Total comprehensive income	2,461,657			
Profit allocated to non-controlling interest	286,269	9,673	7,316	303,258
Other comprehensive income allocated to non-controlling interest	19	(4)	(68)	(53)
Cash flows from operating activities	(731,028)			
Cash flows from investing activities	1,169,858			
Cash flows from financing activities	(440,971)			
Net decrease in cash and cash equivalents	(2,141)			

SPCG Public Company Limited and its Subsidiaries**Notes to financial statements****For the year ended 31 December 2016**

	31 December 2015			
	Solar power group company	Other individually immaterial subsidiaries	Intra-group eliminations	Total
	<i>(in thousand Baht)</i>			
Current assets	1,077,709			
Non-current assets	18,654,396			
Current liabilities	2,369,589			
Non-current liabilities	12,739,542			
Net assets	4,622,974			
Carrying amount of non-controlling interest	1,188,337	19,537	91,871	1,299,745
Revenue	4,411,805			
Profit	2,416,366			
Other comprehensive income	(1,259)			
Total comprehensive income	2,415,107			
Profit allocated to non-controlling interest	263,758	9,558	1,540	274,856
Other comprehensive income allocated to non-controlling interest	4	4	34	42
Cash flows from operating activities	(1,350,160)			
Cash flows from investing activities	2,214,044			
Cash flows from financing activities	(868,414)			
Net decrease in cash and cash equivalents	(4,530)			

14 Property, plant and equipment

Consolidated financial statements								
	Land	Land improvement	Buildings and building improvements	Solar modules, inverters, equipment and machinery (in thousand Baht)	Office equipment	Vehicles	Asset under construction	Total
Cost								
At 1 January 2015	1,971,737	282,316	874,599	16,664,154	20,831	34,794	2,402	19,850,833
Additions	-	-	4,552	196,543	414	262	2,032	203,803
Transfers	-	(3)	4,810	(376)	-	-	(4,431)	-
Disposals	-	-	-	(29,504)	(7)	(14,062)	-	(43,573)
At 31 December 2015 and 1 January 2016	1,971,737	282,313	883,961	16,830,817	21,238	20,994	3	20,011,063
Additions	665	-	5,363	59,440	8,849	3,101	2,049	79,467
Transfers	-	-	1,320	(2,457)	3,154	-	(2,049)	(32)
Disposals	-	-	(3,257)	(13,767)	(5,436)	(4,725)	(3)	(27,188)
At 31 December 2016	1,972,402	282,313	887,387	16,874,033	27,805	19,370	-	20,063,310
Depreciation								
At 1 January 2015	-	15,767	70,349	955,561	12,302	17,760	-	1,071,739
Depreciation charge for the year	-	11,315	38,342	579,984	3,124	4,651	-	637,416
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	-	(2,123)	(7)	(10,431)	-	(12,561)
At 31 December 2015 and 1 January 2016	-	27,082	108,691	1,533,422	15,419	11,980	-	1,696,594
Depreciation charge for the year	-	11,345	38,256	578,019	5,078	3,576	-	636,274
Transfers	-	-	-	(7)	-	-	-	(7)
Disposals	-	-	(3,165)	(2,170)	(4,477)	(3,409)	-	(13,221)
At 31 December 2016	-	38,427	143,782	2,109,264	16,020	12,147	-	2,319,640

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Consolidated financial statements

	Land	Land improvement	Buildings and building improvements	Solar modules, inverters, equipment and machinery (in thousand Baht)	Office equipment	Vehicles	Asset under construction	Total
<i>Net book value</i>								
At 1 January 2015								
Owned assets	1,971,737	266,549	804,250	15,708,593	8,529	2,504	2,402	18,764,564
Assets under finance leases	-	-	-	-	-	14,530	-	14,530
	1,971,737	266,549	804,250	15,708,593	8,529	17,034	2,402	18,779,094
At 31 December 2015 and 1 January 2016								
Owned assets	1,971,737	255,231	775,270	15,297,395	5,819	2,944	3	18,308,399
Assets under finance leases	-	-	-	-	-	6,070	-	6,070
	1,971,737	255,231	775,270	15,297,395	5,819	9,014	3	18,314,469
At 31 December 2016								
Owned assets	1,972,402	243,886	743,605	14,764,769	11,785	4,430	-	17,740,877
Assets under finance leases	-	-	-	-	-	2,793	-	2,793
	1,972,402	243,886	743,605	14,764,769	11,785	7,223	-	17,743,670

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Separate financial statements

	Land	Buildings and building improvements	Equipment and machinery	Office equipment (in thousand Baht)	Vehicles	Construction In process	Total
Cost							
At 1 January 2015	17,412	24,382	51	5,586	13,499	-	60,930
Additions	-	-	-	187	300	-	487
Disposals	-	-	-	-	(3,800)	-	(3,800)
At 31 December 2015 and 1 January 2016	17,412	24,382	51	5,773	9,999	-	57,617
Additions	-	396	-	2,800	1,690	2,049	6,935
Transfers	-	1,294	7	748	-	(2,049)	-
Disposals	-	-	-	(1,289)	-	-	(1,289)
At 31 December 2016	17,412	26,072	58	8,032	11,689	-	63,263
Depreciation							
At 1 January 2015	-	10,172	27	2,470	3,766	-	16,435
Depreciation charge for the year	-	1,667	10	1,138	2,070	-	4,885
Disposals	-	-	-	-	(1,058)	-	(1,058)
At 31 December 2015 and 1 January 2016	-	11,839	37	3,608	4,778	-	20,262
Depreciation charge for the year	-	1,639	14	1,182	2,235	-	5,070
Disposals	-	-	-	(1,165)	-	-	(1,165)
At 31 December 2016	-	13,478	51	3,625	7,013	-	24,167

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Separate financial statements

	Land	Buildings and building improvements	Equipment and machinery	Office equipment (in thousand Baht)	Vehicles	Construction in process	Total
<i>Net book value</i>							
At 1 January 2015							
Owned assets	17,412	14,210	24	3,116	547	-	35,309
Assets under finance leases	-	-	-	-	9,186	-	9,186
	17,412	14,210	24	3,116	9,733	-	44,495
At 31 December 2015 and 1 January 2016							
Owned assets	17,412	12,543	14	2,165	2,300	-	34,434
Assets under finance leases	-	-	-	-	2,921	-	2,921
	17,412	12,543	14	2,165	5,221	-	37,355
At 31 December 2016							
Owned assets	17,412	12,594	7	4,407	2,777	-	37,197
Assets under finance leases	-	-	-	-	1,899	-	1,899
	17,412	12,594	7	4,407	4,676	-	39,096

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 6.67 million (2015: Baht 1.57 million).

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

15 Intangible assets

	Consolidated financial statements			
	License for Energy Industry	Goodwill <i>(in thousand Baht)</i>	Computer software	Total
<i>Cost</i>				
At 1 January 2015	57,895	11,286	30,740	99,921
Acquisitions	-	-	17,585	17,585
At 31 December 2015 and 1 January 2016	57,895	11,286	48,325	117,506
Acquisitions	-	-	10,945	10,945
Disposal	-	-	(839)	(839)
Transfer	-	-	32	32
At 31 December 2016	57,895	11,286	58,463	127,644
<i>Amortisation</i>				
At 1 January 2015	2,316	-	4,592	6,908
Amortisation for the year	2,316	-	3,329	5,645
At 31 December 2015 and 1 January 2016	4,632	-	7,921	12,553
Amortisation for the year	2,315	-	5,524	7,839
Disposal	-	-	(317)	(317)
Transfer	-	-	7	7
At 31 December 2016	6,947	-	13,135	20,082
<i>Net book value</i>				
At 1 January 2015	55,579	11,286	26,148	93,013
At 31 December 2015 and 1 January 2016	53,263	11,286	40,404	104,953
At 31 December 2016	50,948	11,286	45,328	107,562

SPCG Public Company Limited and its Subsidiaries**Notes to financial statements****For the year ended 31 December 2016**

	Separate financial statements
	Computer software
	(in thousand Baht)
Cost	
At 1 January 2015	707
Acquisitions	16
At 31 December 2015 and 1 January 2016	723
Acquisitions	526
Disposal	(16)
At 31 December 2016	1,233
Amortisation	
At 1 January 2015	177
Amortisation for the year	124
At 31 December 2015 and 1 January 2016	301
Amortisation for the year	135
Disposal	(2)
At 31 December 2016	434
Net book value	
At 1 January 2015	530
At 31 December 2015 and 1 January 2016	422
At 31 December 2016	799

16 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	161,221	157,900	(13,776)	(19,854)
Set off of tax	(1,276)	(1,137)	1,276	1,137
Net deferred tax assets (liabilities)	159,945	156,763	(12,500)	(18,717)

	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	1,279	1,136	(13,667)	(19,743)
Set off of tax	(1,279)	(1,136)	1,279	1,136
Net deferred tax assets (liabilities)	-	-	(12,388)	(18,607)

SPCG Public Company Limited and its Subsidiaries**Notes to financial statements****For the year ended 31 December 2016**

Consolidated financial statements (Charged) / Credited to:			
At 1 January 2016	Profit or loss (note 29)	Other comprehensive income	At 31 December 2016
<i>(in thousand Baht)</i>			
Deferred tax assets			
Differences over depreciation of property, plant and equipment	540	(183)	357
Employee benefit obligations	1,793	201	1,994
Inter-segment income from construction of solar farm	155,567	3,303	158,870
Total	157,900	3,321	161,221
Deferred tax liabilities			
Marketable securities	9,607	(3,077)	6,530
Long-term borrowings using effective interest rate method	-	-	-
Debentures using effective interest rate method	10,247	(3,001)	7,246
Total	19,854	(3,077)	13,776
Net	138,046	6,322	147,445

Consolidated financial statements (Charged) / Credited to:			
At 1 January 2015	Profit or loss (note 29)	Other comprehensive income	At 31 December 2015
<i>(in thousand Baht)</i>			
Deferred tax assets			
Differences over depreciation of property, plant and equipment	775	(235)	540
Long-term borrowings using effective interest rate method	21	(21)	-
Employee benefit obligations	1,260	(251)	1,793
Inter-segment income from construction of solar farm	85,271	70,296	155,567
Total	87,327	69,789	157,900
Deferred tax liabilities			
Marketable securities	4,634	4,973	9,607
Long-term borrowings using effective interest rate method	9,322	(9,322)	-
Debentures using effective interest rate method	4,855	5,392	10,247
Total	18,811	4,973	19,854
Net	68,516	(4,189)	138,046

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

	Separate financial statements (Charged) / Credited to:			
	At 1 January 2016	Profit or loss (note 29)	Other comprehensive income	At 31 December 2016
	(in thousand Baht)			
Deferred tax assets				
Employee benefit obligations	1,136	143	-	1,279
Total	1,136	143	-	1,279
Deferred tax liabilities				
Long-term borrowings using effective interest rate method	9,496	-	(3,075)	6,421
Debentures using effective interest rate method	10,247	(3,001)	-	7,246
Total	19,743	(3,001)	(3,075)	13,667
Net	(18,607)	3,144	3,075	(12,388)

	Separate financial statements (Charged) / Credited to:			
	At 1 January 2015	Profit or loss (note 29)	Other comprehensive income	At 31 December 2015
	(in thousand Baht)			
Deferred tax assets				
Employee benefit obligations	725	100	311	1,136
Total	725	100	311	1,136
Deferred tax liabilities				
Marketable securities	4,579	-	4,917	9,496
Debentures using effective interest rate method	4,855	5,392	-	10,247
Total	9,434	5,392	4,917	19,743
Net	(8,709)	(5,292)	(4,606)	(18,607)

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Tax losses	598,178	660,769	-	51,729

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The tax losses expire during 2016 to 2019. The deductible temporary differences do not expire under current tax legislation. 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 can utilise the benefits therefrom.

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Deferred warranty fee of inventors	711,184	683,210	-	-
Others	4,816	3,486	1,638	313
Total	716,000	686,696	1,638	313

18 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions				
- Unsecured	-	6,000	-	-
Current portion of debentures				
- Secured	909,409	673,677	909,409	673,677
- Unsecured	1,794,817	1,793,930	1,794,817	1,793,930
	2,704,226	2,467,607	2,704,226	2,467,607
Current portion of finance lease liabilities	1,352	1,914	883	826
Total current	2,705,578	2,475,521	2,705,109	2,468,433
Non-current				
Debentures				
- Secured	1,721,295	2,630,302	1,721,295	2,630,302
- Unsecured	8,893,454	10,687,962	8,893,454	10,687,962
	10,614,749	13,318,264	10,614,749	13,318,264
Finance lease liabilities	566	2,500	566	1,448
Total non-current	10,615,315	13,320,764	10,615,315	13,319,712
Total	13,320,893	15,796,285	13,320,424	15,788,145

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Debentures

Detail of debentures as at 31 December 2016 and 2015 were as follows;

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Debentures	13,340,000	15,820,000	13,340,000	15,820,000
Add Accrued interest expense	15,206	17,101	15,206	17,101
Less Unamortized deferred expenses on debentures	(36,231)	(51,230)	(36,231)	(51,230)
	13,318,975	15,785,871	13,318,975	15,785,871
Less Current portion due within one year	(2,704,226)	(2,467,607)	(2,704,226)	(2,467,607)
Total	10,614,749	13,318,264	10,614,749	13,318,264

On 30 May 2014, the Company issued the Guaranteed and amortised debentures in an amount of Baht 4,000 million with the interest of 5.55% per annum and repayment in principal every 6 months and interest every 3 months. Its maturity date is 30 June 2019.

On 16 December 2015, the Company issued the name-registered, unsubordinated and unsecured debentures, the repayment date is the same with maturity date with no debentureholders' representative to institutional investors and high net worth investors in an amount of Baht 12,500 million with 8 series which interest is payable on semi - annual basis. The maturity dates from December 2016 to 2023.

Details debentures as at 31 December 2016 were as follow:

Amount <i>(in million Baht)</i>	Interest rates <i>(%) p.a.</i>	Term <i>(years)</i>	Maturity dates
4,000	5.50	5 years 1 month	30 June 2019
1,800	2.27	1 years	16 December 2016
1,800	2.47	2 years	16 December 2017
1,800	2.66	3 years	16 December 2018
1,800	2.97	4 years	16 December 2019
1,700	3.37	5 years	16 December 2020
1,700	3.62	6 years	16 December 2021
1,250	3.80	7 years	16 December 2022
650	3.94	8 years	16 December 2023

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Movements during the year ended 31 December 2016 and 2015 of debentures which included current portion were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>			
At 1 January	15,785,871	4,032,292	15,785,871	4,032,292
Issued of debentures	-	12,464,942	-	12,464,942
Repayment of debentures	(2,480,000)	(680,000)	(2,480,000)	(680,000)
Interest paid	(554,890)	(268,443)	(554,890)	(268,443)
Adjusted debentures per effective interest rate method	567,994	237,080	567,994	237,080
At 31 December	13,318,975	15,785,871	13,318,975	15,785,871

Secured debenture as at 31 December were secured on the following assets:

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Other long-term investment	6	340,000	340,000	340,000	340,000

As at 31 December 2016, the Group and the Company had unutilised credit facilities totalling Baht 400 million and 100 million, respectively (2015: Baht 134 million and Baht 100 million, respectively).

Interest-bearing liabilities of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

19 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	119,183	40,891	-	-
Other parties		697,124	43,538	-	46
Total		816,307	84,429	-	46

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	179,062	37,845	-	46
United States Dollars (USD)	267,664	12,774	-	-
Euro (EUR)	-	3,258	-	-
Japanese Yen (JPY)	369,581	30,552	-	-
Total	816,307	84,429	-	46

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20 Other payable

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	28,980	28,981	972	2,627
Other parties					
Accrued expense		87,467	104,132	12,552	30,864
Unearned revenues		36,175	1,653	-	-
Liabilities from forward contracts		38,890	-	-	-
Others		24,349	26,338	18,508	17,134
Total		215,861	161,104	32,032	50,625

The currency denomination of other payables as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	215,861	161,104	32,032	45,684
Euro (EUR)	-	-	-	4,941
Total	215,861	161,104	32,032	50,625

21 Share capital

	Par value per share (in Baht)	2016		2015	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	923,990	923,990	923,990	923,990
At 31 December					
- ordinary shares	1	923,990	923,990	923,990	923,990
Issued and paid-up					
At 1 January					
- ordinary shares	1	923,990	923,990	923,990	923,990
At 31 December					
- ordinary shares	1	923,990	923,990	923,990	923,990

22 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

23 Operating segments

The Group has reportable segments, as described below, which are the Group strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group reportable segments.

- Segment 1 Manufacture, trading, and installation service of roof sheets.
- Segment 2 Production and distribution of electricity from solar energy.
- Segment 3 Others (including trading and installation service of solar roof and others).

Information regarding the results of each reportable segment is included below. 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.

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Information about reportable segments.

	Manufacture, trading, and installation service of roof sheets		Production and distribution of electricity from solar energy		Others <i>(in thousand Baht)</i>		Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from operations	216,701	260,042	4,383,062	4,555,492	944,539	242,103	-	-	5,544,302	5,057,637
Revenue from inter-segment	-	-	357,021	400,892	1,081,191	1,896,456	(1,438,212)	(2,297,285)	-	-
Total revenue	216,701	260,042	4,740,083	4,956,321	2,025,730	2,138,559	(1,438,212)	(2,297,285)	5,544,302	5,057,637
Operating profit	3,413	5,931	3,226,276	3,236,340	462,042	1,447,427	(332,171)	(1,422,636)	3,359,560	3,267,062
Interest income	19	14	275	20,219	565,829	200,993	(552,934)	(196,195)	13,189	25,031
Finance costs	(513)	(443)	(729,218)	(857,504)	(568,420)	(236,027)	552,934	196,195	(745,217)	(897,779)
Finance costs, net	(494)	(429)	(728,943)	(837,285)	(2,591)	(35,034)	-	-	(732,028)	(872,748)
Share of loss of investment in joint venture	-	-	-	-	(611)	(1,068)	-	-	(611)	(1,068)
Profit (loss) before income tax expense	2,919	5,502	2,497,333	2,399,055	458,840	1,411,325	(332,171)	(1,422,636)	2,626,921	2,393,246
Income tax benefit (expense)	(669)	(989)	42	73,621	(8,827)	(857)	-	-	(9,454)	71,775
Profit for the year	2,250	4,513	2,497,375	2,472,676	450,013	1,410,468	(332,171)	(1,422,636)	2,617,467	2,465,021

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	Manufacture, trading, and installation service of roof sheets		Production and distribution of electricity from solar energy		Others (in thousand Baht)		Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Reportable segment assets as at 31 December										
Segment fixed assets	39,430	40,510	18,710,361	19,307,018	47,639	41,183	(1,053,760)	(1,074,242)	17,743,670	18,314,469
Investment in joint venture	-	-	-	-	2,718	3,329	-	-	2,718	3,329
Segment current investment	-	-	91,912	121,444	2,812,838	3,512,030	-	-	2,904,750	3,633,474
Segment other long term investments	-	-	-	-	468,678	468,678	-	-	468,678	468,678
Unallocated assets									3,112,460	2,315,710
Total assets									24,232,276	24,735,660
Reportable segment liabilities as at										
Segment borrowings	7,000	6,000	13,112,826	14,980,171	-	-	(13,119,826)	(14,980,171)	-	6,000
Debentures	-	-	-	-	13,318,975	15,785,871	-	-	13,318,975	15,785,871
Unallocated liabilities									1,147,411	473,432
Total liabilities									14,466,386	16,265,303

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Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

The majority of the Group's revenue approximately Baht 4,362 million (2015: Baht 4,529 million) were from sales to the Provincial Electricity Authority.

24 Revenue from sale of goods and rendering of services

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Revenue from sale of electricity	1,235,007	1,361,978	-	-
Revenue from subsidy of adders	3,126,500	3,167,487	-	-
Revenue from sales and installation service of roof	931,145	295,215	-	-
Revenue from sales of goods	155,444	175,377	-	-
Total	5,448,096	5,000,057	-	-

25 Other income

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Dividends Income	-	-	898,920	1,575,412
Interest Income	13,189	25,031	565,797	200,962
Gain on sale of other investments	71,433	26,361	63,477	24,029
Management service income	-	-	105,021	100,913
Rental income	-	-	2,526	2,407
Others	11,584	6,188	1,111	412
Total	96,206	57,580	1,636,852	1,904,135

26 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Salaries and wages	58,728	57,354	31,564	29,058
Overtime and bonus	10,064	11,592	5,545	6,606
Contribution to defined contribution plans	1,156	995	656	281
Employee benefit obligations	1,006	919	721	497
Others	18,873	21,979	13,846	12,600
Total	89,827	92,839	52,332	49,042

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Defined contribution plans

The defined contribution plans comprise provident funds established by the various Companies within the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 6% of their basic salaries and by the Group at rates ranging from 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

27 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	615,496	282,658	-	-
Raw materials and consumables used	293,083	152,993	-	-
Depreciation and Amortization	644,166	643,192	5,336	5,140
Management and utilities fee	270,199	270,177	7,374	4,548
Contractual installation service of solar roof	117,426	35,651	-	-
Employee benefit expenses	89,827	92,839	52,332	49,042
Signboard tax and property tax	45,650	51,065	-	-
Insurance expenses	28,335	39,790	810	866
Financial advisory fee	3,794	152,013	4	75
Others	63,577	45,166	26,156	28,115
Total cost of sale of goods and rendering of services, selling expenses and administrative expenses	2,171,553	1,765,544	92,012	87,786

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Interest expense:				
Debentures	567,994	237,080	567,994	235,491
Bank loans and overdrafts	311	460,972	-	-
Interest rate swap	158,661	187,360	-	-
Total interest expense	726,966	885,412	567,994	235,491
Others finance costs	18,251	12,367	130	506
Total	745,217	897,779	568,124	235,997

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29 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	15,776	1,944	8,665	-
	15,776	1,944	8,665	-
Deferred tax expense				
Movements in temporary differences	(6,322)	(73,719)	(3,144)	5,292
	(6,322)	(73,719)	(3,144)	5,292
Total income tax (benefit) expense	9,454	(71,775)	5,521	5,292

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		2,626,921		2,393,246
Income tax using the Thai corporation tax rate	20	525,384	20	478,649
Profit from inter-segment		415,089		682,942
Joint ventured' results reported net of tax		(122)		(214)
Income not subject to tax		(931,453)		(1,257,743)
Expenses not deductible for tax purposes		4,875		13,320
Tax losses for which no deferred income tax asset was recognised		7,214		11,271
Recognition of previously unrecognised tax losses		(11,533)		-
Total	0.4	9,454	-	(71,775)

	Separate financial statements			
	2016		2015	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		976,717		1,580,352
Income tax using the Thai corporation tax rate	20	195,343	20	316,070
Income not subject to tax		(179,784)		(315,716)
Expenses not deductible for tax purposes		307		1,094
Tax losses for which no deferred income tax asset was recognised		-		3,844
Recognition of previously unrecognised tax losses		(10,345)		-
Total	0.6	5,521	0.3	5,292

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Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

30 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to production of electricity from solar energy. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b).

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2016			2015		
	Promoted busi- nesses	Non- promoted businesses	Total	Promoted busi- nesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Local sales	4,361,506	1,173,734	5,535,240	4,529,465	679,717	5,209,182
Eliminations	-	(87,144)	(87,144)	-	(209,125)	(209,125)
Total revenue	4,361,506	1,086,590	5,448,096	4,529,465	470,592	5,000,057

31 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(thousand shares / thousand Baht)</i>			
Profit for the year attributable to ordinary shareholders of the Company	2,314,209	2,190,165	971,196	1,575,060
Number of ordinary shares outstanding	923,990	923,990	923,990	923,990
Basic earnings per share (in Baht)	2.50	2.37	1.05	1.70

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32 Dividends

At the board of director's meeting of the Company held on 5 August 2016, the board approved the appropriation of interim dividends of the period from 1 January 2016 - 30 June 2016 at the rate of Baht 0.40 per share, amounting to Baht 369.96 million. The dividend will be paid to the shareholders on 2 September 2016.

At the annual general meeting of the shareholders of the Company held on 22 April 2016, the shareholders approved the appropriation of dividend for the year 2015 of Baht 1.25 per share, amounting to Baht 1,155 million. The Company had paid interim dividend at the rate of Baht 0.44 per share, amounting to Baht 406.6 million on 4 December 2015. The remaining dividend was paid at the rate of Baht 0.81 per share, amounting to Baht 748.4 million. The dividend was paid to shareholders on 16 May 2016.

At the board of director's meeting of the Company held on 5 November 2015, the board approved the appropriation of interim dividends of the period from 1 January 2015 - 30 September 2015 at the rate of Baht 0.44 per share, amounting to Baht 406.55 million. The dividend will be paid to the shareholders on 4 December 2015.

At the annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the appropriation of dividend for the year 2014 of Baht 0.85 per share, amounting to Baht 785.4 million. The Company had paid interim dividend at the rate of Baht 0.40 per share, amounting to Baht 369.6 million on 5 September 2014. The remaining dividend was paid at the rate of Baht 0.45 per share, amounting to Baht 415.8 million. The dividend was paid to shareholders on 15 May 2015.

33 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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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 loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 20). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements / Separate financial statement			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Loans to related parties	4	7,000	-	-	7,000
Non-current					
Loans to related parties	THBFIX3M				
	+1.65	1,813,390	7,036,051	1,618,079	10,530,500
	3.50	17,850	111,563	31,662	161,075
	5.65	276,250	1,677,812	467,188	2,421,250
Other debt securities held to maturity	3.75	-	340,000	-	340,000
Total		2,107,490	9,165,426	2,116,929	13,452,825
2015					
Non-current					
Loans to related parties	THBFIX3M				
	+1.65	1,752,170	7,187,862	3,342,638	12,282,670
	5.65	276,250	1,486,875	934,975	2,697,500
Other debt securities held to maturity	3.75	-	340,000	-	340,000
Total		2,028,420	9,014,737	4,277,613	15,320,770

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The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

		Consolidated financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Non-current					
Debentures	2.47 - 5.50	2,704,226	8,713,397	1,901,352	13,318,975
Total		2,704,226	8,713,397	1,901,352	13,318,975
2015					
current					
Short-term loan	MLR – 1.00	6,000	-	-	6,000
Non-current					
Debentures	2.47 - 5.50	2,467,607	9,716,802	3,601,462	15,785,871
Total		2,473,607	9,716,802	3,601,462	15,791,871
		Separate financial statement			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Non-current					
Debentures	2.47 - 5.50	2,704,226	8,713,397	1,901,352	13,318,975
Total		2,704,226	8,713,397	1,901,352	13,318,975
2015					
Non-current					
Debentures	2.47 - 5.50	2,467,607	9,716,802	3,601,462	15,785,871
Total		2,467,607	9,716,802	3,601,462	15,785,871

Interest rate swap contracts

The Company had interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of debentures repayments by changing from floating interest rate which received from long-term loans to related parties to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, the Company agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2016, the notional principal from the contract was amounting to Baht 10,531 million (2015: Baht 12,283 million), the fixed interest rate was 3.31% and the floating interest rate was THBFIX3M plus 1.51%.

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The subsidiaries entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of long-term borrowings by changing from floating interest rate to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, subsidiaries agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2016, the notional principal from the contract was amounting to Baht 11,184 million (2015: Baht 13,244 million), the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00% (2015: the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00%).

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.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has concentrations of credit risk since most of its revenues are contracted under long-term agreements with a small number of parties. However counterparties are generally government authorities and large public or private corporations and the risk perceived is low.

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.

Fair values of financial assets and liabilities

As at 31 December 2016 and 2015, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following items;

	Consolidated financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
31 December 2016					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	2,904.75	-	2,904.75	-	2,904.75

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Consolidated financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
Financial assets/Financial liabilities not measured at fair value					
Other debt securities held to maturity	340.00	-	350.88	-	350.88
Debentures	13,318.98	-	13,636.14	-	13,636.14
Interest rate swap contract	-	-	(390.94)	-	(390.94)
Forward contract	(38.89)	-	(42.29)	-	(42.29)
31 December 2015					
Financial assets measured at fair value					
Equity securities available for sale	3,633.47	-	3,633.47	-	3,633.47
Financial assets/Financial liabilities not measured at fair value					
Other debt securities held to maturity	340.00	-	353.26	-	353.26
Debentures	15,785.87	-	15,287.19	-	15,287.19
Interest rate swap contract	-	-	(578.27)	-	(578.27)
Separate financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
31 December 2016					
Financial assets measured at fair value					
Equity securities available for sale	2,643.59	-	2,643.59	-	2,643.59
Financial assets/Financial liabilities not measured at fair value					
Other debt securities held to maturity	340.00	-	350.88	-	350.88
Debentures	13,318.98	-	13,636.14	-	13,636.14
Interest rate swap contract	-	-	(61.27)	-	(61.27)
31 December 2015					
Financial assets measured at fair value					
Equity securities available for sale	3,455.99	-	3,455.99	-	3,455.99
Financial assets/Financial liabilities not measured at fair value					
Other debt securities held to maturity	340.00	-	353.26	-	353.26
Debentures	15,785.87	-	15,287.19	-	15,287.19
Interest rate swap contract	-	-	(125.60)	-	(125.60)

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Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Capital commitment</i>				
Project development contracts	20,330	16,150	-	1,150
Total	20,330	16,150	-	1,150
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	1,069	8,556	-	2,242
After one year but within five years	1,768	13,899	-	-
Total	2,837	22,455	-	2,242
<i>Future minimum payments under service contracts</i>				
Within one year	79,619	123,430	10,262	5,041
After one year but within five years	47,229	56,561	17,107	-
Over than five years	65	-	65	-
Total	126,913	179,991	27,434	5,041
<i>Other commitments</i>				
Purchase orders for goods	331,626	281,822	-	-
Bank guarantees	211,200	23,752	-	-
Total	542,826	305,574	-	-

35 Events after the reporting period

At the Board of Directors' meeting held on 24 February 2017, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2016 dividend payment at the rate of Baht 1.10 per share, of which Baht 0.40 per share was paid as an interim dividend on 2 September 2016 as disclosed in note 32. Thus, the remaining dividend will be at the rate of Baht 0.70 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 21 April 2017.

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2016

36 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

11 Corporate Social Responsibilities: CSR



11.1 Overview Policy

SPCG Public Company Limited “SPCG” strives to develop electricity generation from solar power energy. Clean energy is non-polluting, environmental friendly coupled with the environmental sustainability. Current solar farms have been developed and operated commercial distribution of electricity to the Provincial Electricity Authority (“PEA”) has completed 36 projects in total more than 260 Megawatt of capacity to reduce carbon dioxide emissions by more than 200,000 tons per year.

SPCG has intensified operations along with energy conservation and environmentally sustainable throughout the year 2016, and received money from the

sale of carbon credits in the first year. Therefore, the proceeds from sale of carbon credits will support projects established that aim to conserve energy and the environment. The successful development of solar farms and solar roof. Resulted in Dr. Wandee Khunchornyakong Juljarern, Chairman and President of SPCG Public Company Limited has been honored by the United Nations. The climate change or UNFCCC invited as a special guest speaker and seminar was the second consecutive COP21 about “2016 Momentum for Change: Women for Results Event” at the “22nd Conference of the Parties” or COP22 on 14 - 18 November 2016 at Marrakech Morocco. Dr. Wandee has spoken on the topic “Gender equality, the empowerment of

women as a driving force for change global climate to meet the goals of sustainable development. Including the shows. Women who stepped up as a leader in climate change worldwide. In Thai Society females have important role. They have the social status equal to male. In fact females have the social status more than male especially in house. We would like to invite you all women around the world. We would like you to help us to change the world, including the environment and also the renewable energy that is significant to reduce the global warming.” Dr. Wandee said on COP22.

Dr. Wandee has the important role to reduce the global warming, because she is the first pioneer and developer for solar power in Thailand and ASEAN. In order for the renewable energy to produce electricity by policy of UNFCCC. The UNFCCC foresee “The Renewable energy is the best way to solve global warming from greenhouse effect. Including the role of females to change the world to reduce the global warming to achieve sustainable development to achieve UN’s goals of world sustainable development by 17 commandments. No poverty, safe the world and increase the quality of life. In this meeting have 111 countries that approval the topic about climate change is always important. And all participating countries were still committed to the agreement to work together to address the global climate change. To reduce the size of the gap is caused by emissions of greenhouse gases before 2020.

The revenue from carbon credit sale SPCG has exclusively sell for 5 years with Electricite de France (EDF). That is the first sale of carbon credit¹ of SPCG and the first time in Thailand, The procedure was completed in January 2016

SPCG will spend the revenue from carbon credit sale to support the seminars that focus about Climate Change. In 2015 The Energy for Environment Foundation (EforE) has organized “Unlock Renewable Energy Seminar.” The purpose of seminar is support to use renewable energy extensively. And then SPCG supported the parties of forestry global warming project at Rongbon community Chiang Rai by Royal Forest Department and Thailand Greenhouse Gas Management Organization (Public Organization) (“TGO”) to sustainable forest management, sequestration the carbon and increase the quality of

Carbon credit¹ : Substitution of carbon dioxide emissions and other greenhouse gases Caused by human activities such as industry, agriculture, etc., by the Annex I countries are not able to reduce the amount of greenhouse gas emissions within their own countries now. So it must have been created in cooperation with the Non-Annex I through the Clean Development Mechanism (Clean Development Mechanism, or CDM) to bring Certified Emission Reduction or CERs for use as a carbon credit of making the reduction. the greenhouse gas emissions of the country.

people's community life. All of these parties is the most important to improve Thailand to green country, reduce global warming and community forestry project a reality, resulting in the development. Environmental sustainability to achieve the objective of social activity, reduce global warming as the successor to the company's policy.

SPCG is committed to develop production electricity from solar power business and environmental management to prevent pollution causing changes to reduce global warming and achieve sustainable development to achieve UN's goals of world sustainable

development by 17 commandments, which according to "22nd Conference of the Parties" or COP22 reinforces that. The issue of climate change is a global priority throughout.

SPCG has applied to join the Green Industry Project since 2013. The Project was initiated 2011 by Ministry of Industry to promote the friendly environment business with social responsibility in order to make industry sectors to live together with society and community around their factories with happiness and sustainable development. The Project comprises of 5 development levels as follows:

Level 1

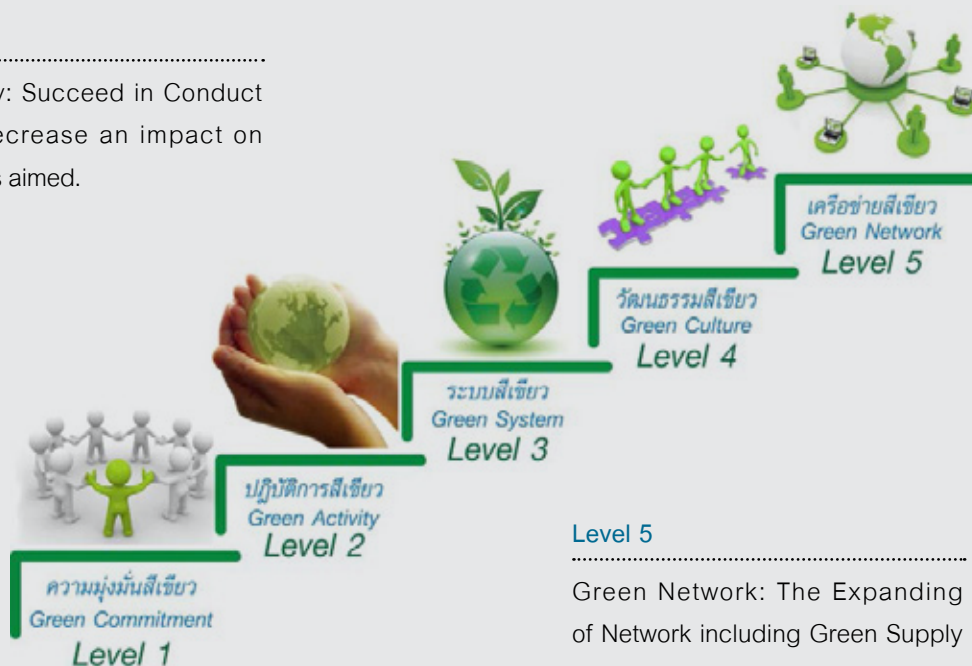
Green Commitment: Willful to decrease an impact on environment and have internal communication to informed all over the organization.

Level 2

Green Activity: Succeed in Conduct Activity to decrease an impact on environment as aimed.

Level 3

Green System: Manage systematic environment, follow up, evaluate and review for continuously development including the acceptance of a recognized environment award and various environment certifications.



Level 4

Green Culture: The participation of everybody in the organization to operate with friendly environment in every sections of the business until it came to be Organization Culture.

Level 5

Green Network: The Expanding of Network including Green Supply Chain by encourage business partner and partnership to enter into an acceptance of Green Industry Process.

In 2016 SPCG started into “The Green Industry” level 4 “Green Culture” for cultivate staff to save environment in all aspects of business to become part of corporate culture. By undertaking the preparation of the Green Industry Level 4 from the Department of Industrial Works. Ministry of industry to investigate all 36 solar projects and develop to the fifth level, the Green Network to demonstrate its commitment to expanding the network throughout the green supply chain. By focusing on supporting partners and partners in green industry accreditation in line with government policies.

SPCG firmly operates our solar business under the good environmental policy that including the responsibility for society and environment continuously. As the result, SPCG received the awards from many organizations as follow:

- The CSR-DIW Awards: Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) project encourages industry to be socially responsible and shared with the community in a sustainable manner. (The cost of the development and technology transfer, manufacturing green, eco-friendly and community) for 2016 by a solar farm project of Solar Power Co., Ltd. subsidiary. SPCG Through evaluation and award criteria, including the number seven



1. Solar Power (Korat 1) Co., Ltd.
2. Solar Power (Khonkaen 3) Co., Ltd.
3. Solar Power (Khonkaen 6) Co., Ltd.
4. Solar Power (Khonkaen 9) Co., Ltd.
5. Solar Power (Khonkaen 10) Co., Ltd.
6. Solar Power (Surin 1) Co., Ltd.
7. Solar Power (Surin 2) Co., Ltd.

The SPCG also aware of the quality and safety standards in its operations, it has provided an implementation of the ISO 9001: 2015 and ISO 14001 and OHSAS 18001: 2007 is to establish guidelines for all projects to be aligned.



11.2 Operating and Reporting

SPCG planned to prepare permanence report in accordance with permanence development report of Global Reporting Initiative (GRI G 3.1) in order to disseminate to all people concerned to let them know about the company's policy and work operation which aim to concentrate on Clean Energy Business for Sustainability Growth.

11.2.1 SPCG Public Company Limited and Subsidiaries

Adhere to friendly environmental business operation with intention development, improved production process and continuous environmental management as well as social responsibilities both internal & external organization. The Company has determined to set the policy and declared to all staffs & people who worked in Company's name to know and work accordingly. Moreover, the company has obviously disseminated

this policy to the Public and organization which concern that SPCG has duty to establish and preserve the good relationship with all groups of stakeholders. Therefore, the Company has provided channel of communication, opinion hearing and set principles to deal with each group of stakeholders as follows:

1. Shareholders and Investors

Company's shareholders and investors include all shareholders as well as fund, investor, an securities analyst who stakes in company's turnover and securities value.

We have policy to run our business honestly and morally, and will develop our corporation to growth with good outcomes for suitable rewards of shareholders and investors consistently and permanently by equitable treatment of shareholders.

2. Customers

The Provincial Electricity Authority (PEA) is the only customer of Solar Farm Business but the customers of Solar Roof and Metal Roof are general public, housing estate, home office, economic building, factory, warehouses, government, and state enterprise etc.

The Company is aware of customer's satisfaction as well as operational safety standard, then ISO 9001:2000 and ISO 14001 have been applied with policy as "We'll produce quality products with same standard and continuous development for highest satisfaction of customer". By fairness of business, we set qualitative policy as "Continuing To Give Best Value, Best Design, Best Output, Best Service To All Of Customer"

3. Traders and/or Creditors

The Company has the Policy to create good relationship with traders and/or creditors, run business

with basis of fairly encouragement, undifferentiated between traders and/or creators, attend to company's advantages, avoiding any circumstances that may cause conflict of interest and complying with all commitments to reach mutual benefits.

4. Business Competitors

The Company has Policy to deal with Competitors on the basis of Fairness Rules not search for competitors secret information by dishonest and unsuitable. Adhere that the competition should be flowed fairly, distort and deceptive. Occasionally, the Company has cooperated with competitors with transparency and not conceal with illegal agreement.

5. Staffs

The Company give precedence to Staffs and take into consideration of staffs' safety and work place sanitation which are conducive to push forward the business target. Respect to human right, the company has policy to look after our staffs to have good lives' quality with fair employment, safety, suitable welfare and progression. Promote staffs to concentrate in environmental performance in keeping with rules and regulations.

6. Government and Authorities

The company runs the business for the sake of country's progress and development by adhere with related laws, rules and regulations concerned in accordance with business traditional path, strictly. Go along with government and control authorities in creating right knowledge and understanding which aim to develop Renewable Energy Industry to be sustainability energy of the country in every format for instance; exchanging information, exchange & link technology with foreign entrepreneur, join lecture or give opinion to create knowledge and understanding for the benefit of Industry Growth.

7. Communities and Society

The company has recruited generalists who interested in Solar Farm Business, most of them lived in nearby communities around the 36 Solar Farms. They came to work in control room as well as look after Solar Farms which generated support and participation in developing the communities under standard of work which concentrate in security, safety, sanitation, strengthen conscious of environment standard and preservation.

11.2.2 Information Disclosure and Transparency

The Company and Subsidiaries emphasized on disclosure of important information regarding financial or non-financials correctively, completely and transparency both in Thai and English, such as Annual Report Form 56-1, 56-2, Minutes of Shareholders. News and Various Developments of the Company which might be useful through the Stocks Exchange of Thailand and our website www.spcg.co.th

By strictly comply with any and all laws, rules and regulations stipulated by the Securities and Exchange Commission, the Stocks Exchange of Thailand and others authorities, for instance;

1. Financial information disclosure are correctly in accordance with the General Accepted Accounting Standards and verified by independent auditor and approved by our Investigation Commission and Board of Director, before disclose to the Public.

2. Specify that Directors and Executives needs to disclose their interests information and people related in case of The Company's interests.

3. Disclose roles and functions of committee and sub-committee, number of meetings and number

of meeting attending of individual in Annual Report.

4. Disclose Policy in remuneration of committee, including scheme, identifying an amount of its remuneration of individuals in each committee.

11.2.3 Anti-Corruption

The Company settled Anti-Corruption Measurement into our Code of Conduct that staffs have been prohibited to receive any gift and feast which may lead to un-transparency and not for the best benefit of the company. Moreover, due to the fact that company's business have to utilize technology in uniquely design as well as secret information of traders which are business secrets, therefore, the company set that executives, staffs, advisories who know such information need to countersign in non-disclosure agreement⁵ and prohibit to use those information dishonestly in order to protect The Company's Damage.

Our internal auditor will investigate executives and staffs' performance annually and evaluate risk of corruption or damage that might be occurred by their performing and then report to the Audit Committee and Board of Directors' Meeting, quarterly.

11.2.4 Communication with Staffs and Employee

The Company has provided several communication channels to our staffs and subsidiaries to conveniently communicate with related agencies, other than meet with executives and related personnel for all time, there also are other channel of communication such as bulletin board, website, email and suggestion box. Moreover, the company give an opportunity for staffs to freely express their political opinions in various outside organization activities by respect to human rights in condition that not taken or related to Company's name, trademark and logo.



Moreover, Business Operation of SPCG is targeted to build up a qualify personnel by indoctrinate “Organization Culture” in taking care of both internal and external organizational environment, create conscious, create learning capacity and develop self-improvement among staffs with merit and business ethic in order to set the Principle for Committee, Management and Staff to execute under the Vision, Mission and Organization Culture, take into consideration to follow the matters of law with social responsibility to all group of stakeholders and business shareholders. The Company has disseminated those good governance in its website: www.spcg.co.th

SPCG Vision

SPCG is the Leader in Solar Power Development with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.

SPCG Mission

SPCG will be the Advisor in Construction and Development of Solar Farms and one of the Leaders in the Steel Roof Market and Steel Structures with Fully Integrated Services under the policy of “Continuing To Give Best Value, Best Design, Best Output and Best Service To All Of Customers”

SPCG Organization Culture

SPCG aims to build up Working Organization Culture by encouraging staffs to follow the philosophy of the formula 12, which follows the model KYOCERA Corporation.

1. Clearly State the Purpose and Mission of Your Business

2. Set Specific Goals

3. Keep a Passionate Desire in Your Heart

4. Strive Harder than Anyone Else

5. Maximize Revenues and Minimize Expenses

6. Pricing Is Management

7. Success Is Determined by Willpower

8. Possess a Fighting Spirit

9. Face Every Challenge with Courage

10. Always Be Creative in Your Work

11. Be Kind and Sincere

12. Always be Cheerful and Positive. Hold Great Dreams and Hopes in the Purenness of Your Heart

Ability People will be able to keep learning develop new skills, including practice to think with the reason in order to reach desire to goals.

Effort We will be love with something that we will doing by keep trying and be enthusiastic for achieve our goals.

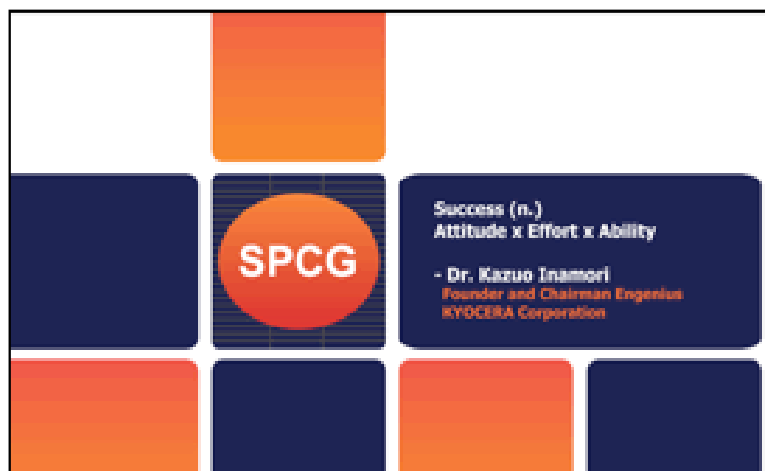
Attitude "Nothing is impossible" focus on the right things. This success would not have happened. If we not believe in their own ability. And optimism We are happy to work.

From the year 2016, SPCG aims to promote the corporate culture that intensively cares for environment for both internal and external of the organization that establish the good ethics, good governance, and good code of conduct. This can create the ability to learn and improve us to have the systematic and logical thinking process that can connect the whole picture and the teamwork capacity to successfully complete the jobs.

11.3 Business Operation which may affected to Social Responsibilities

The Company have none of any legal dispute or accusation in any acting that affected to environment that may lead to legal controversy. The Company aware that our Solar Farms which located in 10 provinces nee

And the way to Success = Ability x Effort x Attitude



to rely on and supported by communities surrounding Solar Farms. Therefore, we have cooperated with the surrounding communities to develop water-shelter, road, floodway, as well as created jobs for communities. Moreover, there were cooperation in organizing various important festival's activities which made the Company's 36 Solar Farm Projects achieved good cooperation from the Communities.

11.4 Activities for the Benefit of Social and Environment

SPCG has the mission to operate business that benefits to society and environment genuinely. Therefore, SPCG PLC has the continuous activities that improve the knowledge and develop quality of life to the community and society as in 2016.

11.4.1 Solar Farm Education Center Visit

SPCG provided the opportunity to Government Organizations, Educational Institutes as well as Private Sectors to visits to Solar Farm Education Center for supported knowledge about Solar power system that is clean energy, no effect to environment, no fuel costs and can help reduce emissions of carbon dioxide by 200,000 tonnes per year by the 2016 through the agency visited the center to learn all 18 agencies including solar farms in total 707 people.



• Prachinburi Provincial Industry Office



• Rayong Provincial Administrative Organization



• Chulalongkorn University Engineering Alumni Association



• Mahasarakham University

11.4.2 Activities for Society

SPCG realizes the important of operating business that sustainably contribute to society under the policy to promote the social responsibility activities that will pay back to the community by providing the scholarship programs, supporting academics activities and other social responsibility activity in year 2016.



• Dr.Wandee Khunchornyakong Juljareern Chairman and President of SPCG Public Company Limited Signed ascribe in remembrance of His Majesty King Bhumibol Adulyadej the royal grace. The honor King Rama 9 grand. At the committee meeting, ASEAN Confederation of Women (ACWO) No.17 with greatly appreciate.



• Dr. Wande Khunchornyakong, the 25th (2015 -2018) president of the National Council of Women of Thailand under the Royal Patronage of Her Majesty the Queen, and Foundation of King Rama Nine, The Great, who is the main organizer of the royal ceremony of Her Majesty the Queen, together with SPCG staffs parade and carry the token of tribute for 12 August 2016.



• SPCG funding support to build school building and develop Thairath Witthaya school in amount to Baht 200,000 for Thairath Foundation. This foundation was created for support all activity about education for the needy at Thairath Foundation Vibhavadi-Rangsit road, Bangkok on March 15, 2016



- SPCG funding support to build meeting centre and Chainat boy scout shelter in amount to Baht 2,235,320 for The camp is ready for use in training, Scouts, youth activities and training of individuals in the offense. The neighboring provinces on May 20, 2016.



- SPCG provide the school building for Chumchon Wat Nam Phu School (Nam Phu Pittayakarn) Amphoe Wisetchaicharn Angthong. This school building is done renovation within Baht 3,048,500 from Solar Power Co., Ltd subsidiary in SPCG. Dr. Wandee Khunchornyakong Juljarearn come to provide the school building and donate money for this school on May 21, 2016



• SPCG supported The parties of forestry global warming project at Rongbon community Chiang Rai by Royal Forest Department and Thailand Greenhouse Gas Management Organization (Public Organization) ("TGO") amount to Baht 200,000 for To promote and generate participation in the form of a "civil state" literally, because the co-operation between government, the private sector and the public sector. Together to create a sustainable community forest. A reservoir of carbondioxide. And increase the quality of life at meeting room2 Komkrit building, Royal Forest Department Bangkok on December 26, 2016.



• Dr. Wandee Khunchornyakong Juljareem Chairman and President of SPCG Public Comnapy Limited spoken in topic "Energy and Asian" for The Asian Students Club Business / Engineering. Harvard Kennedy school and Massachusetts Institute of Technology (MIT) on February 27, 2016



- Dr. Wandee Khunchomyakong Juljarern Chairman and President of SPCG Public Company Limited come to Lecturer in topic "Solar cell : Future Renewable Energy" for secondary student and teacher of Kasem Pittaya School amount 120 people. The Purpose of this speak for inspire and awareness student in conservation safe energy in they's school and turn to use solar power energy in daily at Kasem Pittaya School, Wattana Bangkok on August 19, 2016



- SPCG donated for support commonwealth activities organize the communication cable at tourist attraction, Loei province, install leakage protection RCD and give sweater to children in Ban Kang Kleang Amphoe Phu-rua Loei. To give a royal charity to His Majesty King Bhumibol Adulyadej the royal grace on November 24, 2016



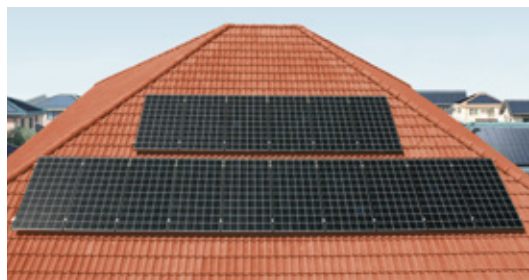
• SPCG supported "The Project of Promote knowledge to Community" at Ban Thai Somboon Amphoe Sangkhla Surin province (SR2) on April 25, 2016



• SPCG supported "Clear Community's well with Solar Power Co., Ltd Project" at Nong chok Community Amphoe Nonsoong Nakhon Ratchasima (KR1) on April 8, 2016



• SPCG supported "Safe community and Environment" at Ban Hua ya Community Amphoe Non-rua Khon Kaen (KK6) on April 10, 2016



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