

**SPCG Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2019
and
Independent auditor's report



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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 2019, 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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), 8 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 randomly tested the price of inventories with the relevant documents. I considered the adequacy of the disclosure of inventories.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Tantichattanon)
Certified Public Accountant
Registration No. 8829

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2020

SPCG Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents	5	460,067	129,152	23,702	70,043
Current investments	6	2,644,396	1,857,065	2,600,694	1,701,953
Trade and other accounts receivable	4, 7	1,025,058	1,226,707	15,838	84,920
Short-term loan to related parties	4	-	-	22,000	101,000
Current portion of long-term loans to related parties	4	-	-	2,477,672	2,322,072
Inventories	8	762,581	906,265	-	-
Other current assets		122,490	138,077	428	445
Total current assets		5,014,592	4,257,266	5,140,334	4,280,433
Non-current assets					
Available-for-sale investments	6	29,794	681,816	29,794	681,816
Investments in associate	4, 9	39,976	-	40,000	-
Investments in subsidiaries	4, 10	-	-	3,089,313	3,085,313
Other long-term investments	6	128,678	468,678	-	340,000
Long-term loans to related parties	4	-	-	4,339,913	6,568,372
Investment properties		38,312	37,864	27,191	28,292
Property, plant and equipment	12	15,800,320	16,458,438	21,894	30,072
Intangible assets	13	101,361	94,682	18,329	3,439
Deferred tax assets	21	162,427	157,340	-	-
Prepaid warranty expense for inventors		583,150	636,348	-	-
Other non-current assets		4,691	5,192	1,519	1,519
Total non-current assets		16,888,709	18,540,358	7,567,953	10,738,823
Total assets		21,903,301	22,797,624	12,708,287	15,019,256

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

SPCG Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term loans from financial institutions	14	30,632	99,021	-	-
Trade and other accounts payable	4, 15	367,981	544,989	30,345	137,474
Current portion of debentures	14	1,696,189	2,369,374	1,696,189	2,369,374
Current portion of finance lease liabilities	14	691	715	691	645
Income tax payable		19,941	29,197	1,656	526
Other current liabilities		64,894	66,148	2,601	5,102
Total current liabilities		2,180,328	3,109,444	1,731,482	2,513,121
Non-current liabilities					
Debentures	14	4,095,219	5,791,195	4,095,219	5,791,195
Finance lease liabilities	14	677	1,368	677	1,368
Deferred tax liabilities	21	7,050	399	6,965	343
Non-current provisions for employee benefits		15,564	14,264	8,052	7,475
Other non-current liabilities		300	300	-	-
Total non-current liabilities		4,118,810	5,807,526	4,110,913	5,800,381
Total liabilities		6,299,138	8,916,970	5,842,395	8,313,502
Equity					
Share capital					
Authorised share capital					
<i>(1,016,389,000 ordinary shares, par value at Baht 1 per share)</i>		1,016,389	1,016,389	1,016,389	1,016,389
Issued and paid-up share capital					
<i>(973,990,000 ordinary shares, par value at Baht 1 per share)</i>		973,990	973,990	973,990	973,990
Share premium on ordinary shares		3,955,923	3,955,923	4,782,793	4,782,793
Share premium from business combination		89,000	89,000	-	-
Retained earnings					
Appropriated					
Legal reserve	16	101,639	101,639	101,639	101,639
Unappropriated		8,668,521	7,119,160	980,041	851,525
Other components of equity	16	27,774	(3,957)	27,429	(4,193)
Equity attributable to owners of the parent		13,816,847	12,235,755	6,865,892	6,705,754
Non-controlling interests	11	1,787,316	1,644,899	-	-
Total equity		15,604,163	13,880,654	6,865,892	6,705,754
Total liabilities and equity		21,903,301	22,797,624	12,708,287	15,019,256

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

SPCG Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenue from sales and rendering of services	4, 17	5,246,538	5,928,170	-	-
Cost of sales and rendering of services	4	(1,620,566)	(2,222,558)	-	-
Gross profit		3,625,972	3,705,612	-	-
Other income	4, 18	76,028	118,324	1,675,044	1,648,307
Selling and distribution expenses		(17,320)	(76,813)	-	-
Administrative expenses		(276,578)	(258,908)	(140,378)	(123,408)
Share of loss of investment in associate and joint venture		(24)	(64)	-	-
Finance costs		(360,201)	(503,301)	(275,862)	(391,406)
Total expenses		(654,123)	(839,086)	(416,240)	(514,814)
Profit before income tax expense		3,047,877	2,984,850	1,258,804	1,133,493
Tax expense	21	(36,619)	(61,268)	(10,225)	(6,763)
Profit for the year		3,011,258	2,923,582	1,248,579	1,126,730
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasurements available-for-sale investments		39,667	(13,245)	39,527	(13,052)
Income tax relating to items that will be reclassified		(7,934)	2,636	(7,905)	2,610
Total items that will be reclassified subsequently to profit or loss		31,733	(10,609)	31,622	(10,442)
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans		-	2,138	-	2,271
Income tax relating to items that will not be reclassified		-	(441)	-	(454)
Total items that will not be reclassified to profit or loss		-	1,697	-	1,817
Other comprehensive income (loss) for the year, net of tax		31,733	(8,912)	31,622	(8,625)
Total comprehensive income for the year		3,042,991	2,914,670	1,280,201	1,118,105
Profit attributable to:					
Owners of the parent		2,669,424	2,613,610	1,248,579	1,126,730
Non-controlling interests		341,834	309,972	-	-
Profit for the year		3,011,258	2,923,582	1,248,579	1,126,730
Total comprehensive income attributable to:					
Owners of the parent		2,701,155	2,604,714	1,280,201	1,118,105
Non-controlling interests		341,836	309,956	-	-
Total comprehensive income for the year		3,042,991	2,914,670	1,280,201	1,118,105
Basic earnings per share (in Baht)	22	2.74	2.70	1.28	1.16

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

SPCG Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
					Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Shares premium from business combination	Legal reserve	Unappropriated	Available-for-sale investments			
(in thousand Baht)										
Year ended 31 December 2018										
Balance at 1 January 2018		923,990	2,920,923	89,000	101,639	5,672,623	6,636	9,714,811	1,493,389	11,208,200
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Issue of ordinary shares		50,000	1,035,000	-	-	-	-	1,085,000	-	1,085,000
Dividend paid	23	-	-	-	-	(1,168,770)	-	(1,168,770)	(158,446)	(1,327,216)
Total contributions by and distributions to owners of the parent		50,000	1,035,000	-	-	(1,168,770)	-	(83,770)	(158,446)	(242,216)
Comprehensive income (loss) for the year										
Profit		-	-	-	-	2,613,610	-	2,613,610	309,972	2,923,582
Other comprehensive income (loss)		-	-	-	-	1,697	(10,593)	(8,896)	(16)	(8,912)
Total comprehensive income (loss) for the year		-	-	-	-	2,615,307	(10,593)	2,604,714	309,956	2,914,670
Balance at 31 December 2018		973,990	3,955,923	89,000	101,639	7,119,160	(3,957)	12,235,755	1,644,899	13,880,654

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

SPCG Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
		Retained earnings				Other components of equity		Equity attributable to		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Shares premium from business combination	Legal reserve	Unappropriated	Available-for-sale investments	owners of the parent	Non-controlling interests	Total equity
						(in thousand Baht)				
Year ended 31 December 2019										
Balance at 1 January 2019		973,990	3,955,923	89,000	101,639	7,119,160	(3,957)	12,235,755	1,644,899	13,880,654
Transactions with owners, recorded directly in equity										
Distributions to owners of the parent										
Dividend paid	23	-	-	-	-	(1,120,063)	-	(1,120,063)	(199,419)	(1,319,482)
Total distributions to owners of the parent		-	-	-	-	(1,120,063)	-	(1,120,063)	(199,419)	(1,319,482)
Comprehensive income for the year										
Profit		-	-	-	-	2,669,424	-	2,669,424	341,834	3,011,258
Other comprehensive income		-	-	-	-	-	31,731	31,731	2	31,733
Total comprehensive income for the year		-	-	-	-	2,669,424	31,731	2,701,155	341,836	3,042,991
Balance at 31 December 2019		973,990	3,955,923	89,000	101,639	8,668,521	27,774	13,816,847	1,787,316	15,604,163

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

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

		Separate financial statements				Other components	
				Retained earnings		of equity	
		Issued and	Share premium	Legal	Unappropriated	Available-	Total
	Note	paid-up	on ordinary	reserve		for-sale	equity
		share capital	shares			investments	
(in thousand Baht)							
Year ended 31 December 2018							
Balance at 1 January 2018		923,990	3,747,793	101,639	891,748	6,249	5,671,419
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the parent							
Issue of ordinary shares		50,000	1,035,000	-	-	-	1,085,000
Dividends paid	23	-	-	-	(1,168,770)	-	(1,168,770)
Total contributions by and distributions to owners of the parent		50,000	1,035,000	-	(1,168,770)	-	(83,770)
Comprehensive income (loss) for the year							
Profit		-	-	-	1,126,730	-	1,126,730
Other comprehensive income (loss)		-	-	-	1,817	(10,442)	(8,625)
Total comprehensive income (loss) for the year		-	-	-	1,128,547	(10,442)	1,118,105
Balance at 31 December 2018		973,990	4,782,793	101,639	851,525	(4,193)	6,705,754

The accompanying notes form an integral part of the 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	Share premium on ordinary shares	Legal reserve	Unappropriated	Available-for-sale investments	Total equity
Note						
			(in thousand Baht)			
Year ended 31 December 2019						
Balance at 1 January 2019	973,990	4,782,793	101,639	851,525	(4,193)	6,705,754
Transactions with owners, recorded directly in equity						
Distributions to owners of the parent						
Dividends paid	23	-	-	(1,120,063)	-	(1,120,063)
Total distributions to owners of the parent		-	-	(1,120,063)	-	(1,120,063)
Comprehensive income for the year						
Profit		-	-	1,248,579	-	1,248,579
Other comprehensive income		-	-	-	31,622	31,622
Total comprehensive income for the year		-	-	1,248,579	31,622	1,280,201
Balance at 31 December 2019	973,990	4,782,793	101,639	980,041	27,429	6,865,892

The accompanying notes form an integral part of the 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	
	2019	2018	2019	2018
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	3,011,258	2,923,582	1,248,579	1,126,730
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	668,369	689,410	10,473	11,262
Gain from sale of available-for-sale securities	(30,015)	(8,900)	(22,797)	(3,508)
Dividends income	(9,287)	(2,105)	(1,205,640)	(1,097,760)
Interest income	(9,303)	(37,539)	(320,696)	(433,864)
Bad and doubtful debts expenses	19,704	977	-	-
Losses on inventories devaluation	-	15	-	-
(Gain) loss on disposal of plant and equipment	(87)	(1,586)	-	1
Loss from liquidation of investments in joint venture and subsidiary	-	-	-	1,884
Finance costs	360,201	503,301	275,862	391,406
Unrealised loss on foreign exchange	2,465	104	2,308	150
Provisions for employee benefits	1,300	5,382	577	2,596
Share of loss of investment in associate and joint venture	24	64	-	-
Tax expense	36,619	61,268	10,225	6,763
	<u>4,051,248</u>	<u>4,133,973</u>	<u>(1,109)</u>	<u>5,660</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	173,518	301,231	65,774	(64,571)
Inventories	143,684	(197,188)	-	-
Other current assets	33,635	26,235	20	(210)
Other non-current assets	53,699	45,837	-	(168)
Trade and other accounts payable	(173,797)	(541,899)	(104,698)	79,192
Other current liabilities	(1,254)	3,882	(2,501)	(1,985)
Other non-current liabilities	-	300	-	-
Net cash generated from operating	<u>4,280,733</u>	<u>3,772,371</u>	<u>(42,514)</u>	<u>17,918</u>
Taxes paid	<u>(70,293)</u>	<u>(88,388)</u>	<u>(10,382)</u>	<u>(14,000)</u>
Net cash from (used in) operating activities	<u>4,210,440</u>	<u>3,683,983</u>	<u>(52,896)</u>	<u>3,918</u>

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

SPCG Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Decreased in short-term deposits at financial institutions		90,000	81,000	90,000	81,000
Proceeds from sale of available-for-sale securities		8,642,893	11,582,162	4,876,624	7,726,538
Acquisition of available-for-sale securities		(8,800,825)	(12,513,929)	(5,153,325)	(8,678,882)
Decreased in investments in debt securities held to maturity		-	340,000	-	340,000
(Increased) decreased in restricted fixed deposits		340,000	(340,000)	340,000	(340,000)
Acquisition of investment properties		(2,264)	-	-	-
Acquisition of plant and equipment		(14,148)	(13,923)	(1,115)	(1,210)
Proceeds from sale of plant and equipment		14,077	27,277	1	25
Acquisition of intangible assets		(15,058)	(3,418)	(14,971)	(2,934)
Short-term loans to related parties		-	-	(194,000)	(910,300)
Proceeds from repayment of short-term loans to related parties		-	-	273,000	1,084,000
Proceeds from repayment of long-term loans to related parties		-	-	2,072,859	2,114,912
Payment of investment in associate		(40,000)	-	(40,000)	-
Payment of investment in subsidiary		-	-	(4,000)	(2,500)
Proceeds from disposal of investment in a subsidiary		-	-	-	381
Dividends received		9,287	2,105	1,205,640	1,097,760
Interest received		17,803	36,230	324,004	431,557
Net cash from (used in) investing activities		241,765	(802,496)	3,774,717	2,940,347
<i>Cash flows from financing activities</i>					
Decreased in bank overdraft from financial institutions		-	(1,938)	-	-
Proceeds from short-term loans from financial institutions		53,862	742,749	-	-
Payment of short-term loans from financial institutions		(122,250)	(652,728)	-	-
Proceeds from issue of ordinary shares		-	1,085,000	-	1,085,000
Proceeds from issue of debentures		-	499,360	-	499,360
Payment of debentures		(2,375,000)	(2,950,000)	(2,375,000)	(2,950,000)
Payment of finance lease liabilities		(835)	(1,510)	(763)	(1,346)
Dividends paid		(1,319,482)	(1,327,216)	(1,120,063)	(1,168,770)
Interest paid		(357,585)	(491,949)	(272,336)	(378,516)
Net cash used in financing activities		(4,121,290)	(3,098,232)	(3,768,162)	(2,914,272)
Net increase (decrease) in cash and cash equivalents		330,915	(216,745)	(46,341)	29,993
Cash and cash equivalents at 1 January		129,152	345,897	70,043	40,050
Cash and cash equivalents at 31 December	5	460,067	129,152	23,702	70,043

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

SPCG Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The 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 authorized for issue by the Board of Directors on 28 February 2020.

1 General information

SPCG Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in March 2005. The Company’s 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 Rachathewa, Bangplee, Samutprakarn

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

The Company’s major shareholder during the financial year was the Kunchornyakong family (46.69% shareholding).

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

- Production and distribution of electricity from solar energy;
- Trading and installation service of solar roof;
- Manufacture, trading and installation service of roof sheets and
- Distribution and providing service about inverter.

Details of the Company’s subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
Direct subsidiaries				
Solar Power Company Limited	Holding company	Thailand	100	100
Steel Roof Company Limited	Manufacturing, trading and installation services for roof sheets	Thailand	100	100
Solar Power Engineering Company Limited	Distribution and providing service about inverter.	Thailand	100	100
Solar Power Roof Company Limited	Trading and installation services for solar roofing	Thailand	100	100
Solar Power Asset Company Limited	Holding company	Thailand	100	100

SPCG Public Company Limited and its Subsidiaries
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
Indirect subsidiaries				
Solar Power (Korat 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	85	85
Solar Power (Korat 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Korat 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Khonkaen 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
Solar Power (Khonkaen 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 10) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Nakornphanom 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Sakonnakorn 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Sakonnakorn 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Loei 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Loei 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75

SPCG Public Company Limited and its Subsidiaries

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
Solar Power (Nongkai 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Udonthani 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue, TAS 11 Construction Contracts and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3 (r).

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 27.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company’s functional currency

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

3 Significant accounting policies

(a) Basis of consolidation

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

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

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. Any gain on bargain purchase is recognized in profit or loss immediately.

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.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 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 an associate and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are initially recognised 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. However, foreign currency differences arising from the translation of the available-for-sale equity investments are recognized in other comprehensive income.

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(c) Derivatives

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.

(e) Trade, other accounts receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses

(f) Inventories

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

Cost is calculated using the weighted average cost 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) Investments

Investments in associate, subsidiaries and joint venture

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

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For the year ended 31 December 2019

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.

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.

(h) 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 measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed 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	5 and 20 years
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No depreciation is provided on land.

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Notes to the financial statements
For the year ended 31 December 2019

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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.

Any 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 in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the 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.

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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:

Buildings, building improvements and infrastructure	5 - 25 years
Solar modules	30 years
Inverters	20 years
Equipment and machinery	3 - 15 years
Office equipment	3 and 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.

(j) 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.

SPCG Public Company Limited and its Subsidiaries
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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.

(k) 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.

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.

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(l) 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.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(o) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated 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.

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(p) Provisions

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

(q) Measurement of fair values

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

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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.

(r) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any 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.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on cost-to-cost method. The related costs are recognised in profit or loss when they are incurred

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For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

Accounting policies for revenue recognition in 2018

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.

Sale of goods

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.

Rendering of services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date.

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.

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Commission revenue

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(s) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(t) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(u) 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 periods of time to be prepared for its intended use or sale.

(v) 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 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.

(w) 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.

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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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(x) *Earnings per share*

The Group 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.

(y) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

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(z) 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

Relationships with subsidiaries, associates and joint ventures are described in notes 9 and 10. Other related parties that the Group had significant transactions with during the year 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
Capital Work Place Co., Ltd.	Thailand	Common shareholders and some directors
SW PARTNERS INC.	Japan	Common 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
Sale of goods	Contractually agreed prices
Interest on loans	Contractually agreed rate with reference to market rate
Dividends income	Upon declaration
Management service income	Contractually agreed prices
Other income	Contractually agreed prices
Purchase of goods and services	Contractually agreed prices
Service expense for operation and maintenance	Contractually agreed prices
Building rental and utilities expense	Contractually agreed prices
Warehouse rental expense	Contractually agreed prices
Contractual installation service of solar roof	Contractually agreed prices
Consulting fee	Contractually agreed prices

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

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	299,091	327,345
Dividends income	-	-	1,205,640	1,097,760
Management service income	-	-	116,981	110,526
Other income	-	-	8,644	2,526

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties				
Sales of goods	30,785	29,216	-	-
Purchases of goods	31,306	48,993	-	-
Service expense for operation and maintenance	168,000	168,000	-	-
Building rental expense and utilities expense	20,340	20,202	8,673	8,548
Warehouse rental expense	11,509	10,977	115	-
Contractual installation service of solar roof	56,061	206,654	-	-
Consulting fee	15,186	13,316	15,186	13,316
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	41,694	35,918	37,352	21,859
Post-employment benefits	988	4,129	521	1,634
Total	42,682	40,047	37,873	23,493

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

<i>Trade and other accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	11,078	71,611
Other related parties	4	572	-	-
Total	4	572	11,078	71,611

<i>Loans to</i>	Interest Rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	3.50	3.50	-	-	22,000	101,000
Total short-term loans			-	-	22,000	101,000
Long-term loans						
Subsidiaries	THB FIX 3M	THB FIX 3M				
	+1.55	+1.55	-	-	5,072,672	6,896,319
	3.50	3.50	-	-	109,756	125,375
	5.65	5.65	-	-	1,635,157	1,868,750
Total			-	-	6,817,585	8,890,444
<i>Less current portion due within one year</i>			-	-	(2,477,672)	(2,322,072)
Total long-term loans			-	-	4,339,913	6,568,372
Total loans to			-	-	6,839,585	8,991,444

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Movements during the year ended 31 December of loans to were as follows:

	Interest rate		Separate financial statements			
	31 December 2018 (% per annum)	31 December 2019	31 December 2018	Increase (in thousand Baht)	Decrease (in thousand Baht)	31 December 2019
Short-term loans						
Subsidiaries	3.50	3.50	101,000	194,000	(273,000)	22,000
Total short-term loans			101,000	194,000	(273,000)	22,000
Long-term loans						
Subsidiaries	THBFIX3M	THBFIX3M				
	+1.55	+1.55	6,896,319	-	(1,823,647)	5,072,672
	3.50	3.50	125,375	-	(15,619)	109,756
	5.65	5.65	1,868,750	-	(233,593)	1,635,157
Total			8,890,444	-	(2,072,859)	6,817,585
Less current portion due within one year			(2,322,072)	-	155,600	(2,477,672)
Total long-term loans			6,568,372	-	(2,228,459)	4,339,913
Total loans to			8,991,444	194,000	(2,345,859)	6,839,585
Trade and other accounts payable						
			Consolidated	Separate		
			financial statements	financial statements		
			2019	2018	2019	2018
				(in thousand Baht)		
Subsidiaries			-	7	42	65,778
Other related parties			152,924	242,083	115	87
Total			152,924	242,090	157	65,865

Significant agreements with related parties

As at 31 December 2019, the Group has significant agreements with related parties as follows:

Operation, maintenance and monitoring agreement

A subsidiary entered into operation, maintenance and monitoring agreements with a related party for service operation control, maintenance and monitoring each solar farm projects. The agreement is for a period of 5 years, commencing from the effective date as specified in the agreement and expiring in December 2020 with the service charge as stipulated in the agreement.

Building rental agreement

The Company and various subsidiaries have entered into building rental agreement with a related party. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2022 with the rental fee and condition are as stipulated in the agreement.

Warehouse rental agreement

Various subsidiaries have entered into warehouse rental agreement with a related party. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2021 with the rental fee and condition are as stipulated in the agreement.

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Service agreement

The Company has 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. The agreement term is for a period of 1 year, commencing from the effective date as specified in the agreement and expiring in December 2020 with the service fee and condition are as stipulated in the agreement.

Consulting agreement

The Company has entered into consulting agreement with a related party for provide consultancy and advice on the Company's activities in Japan. The agreement term is for a period of 3 years from the effective date as specified in the agreement and expiring in March 2021 with the service fee and condition are as stipulated in the agreement.

Loan agreements

On 1 April 2015, the Company entered into a long-term loan agreement with related party totaling of Baht 3,120 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 5.65% per annum, loans are unsecured.

On 29 July 2016, the Company entered into a long-term loan agreement with 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.

On 30 June 2017, the Company entered into a long-term loan agreement with related party totaling of Baht 267 million which has repayment period every 3 months with the last due date for repayments in 2022. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

On 30 June 2017, the Company entered into a long-term loan agreement with related party totaling of Baht 8,450 million which has repayment period every 3 months with the last due date for repayments in 2024. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

On 31 July 2017, the Company entered into a long-term loan agreement with related party totaling of Baht 151 million which has repayment period every 3 months with the last due date for repayments in 2020. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

On 31 August 2017, the Company entered into a long-term loan agreement with related party totaling of Baht 679 million which has repayment period every 3 months with the last due date for repayments in 2025. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	181	211	20	20
Cash at financial institutions	459,886	128,941	23,682	70,023
Total	460,067	129,152	23,702	70,043

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions (Private fund)	-	90,000	-	90,000
Equity securities available for sale (Short-term fixed income fund)	2,644,396	1,671,579	2,600,694	1,516,467
Debt securities available for sale (Private fund)	-	95,486	-	95,486
	<u>2,644,396</u>	<u>1,857,065</u>	<u>2,600,694</u>	<u>1,701,953</u>
<i>Long-term investments</i>				
<i>- Available-for-sale securities</i>				
Debt securities available for sale (Private fund)	-	654,191	-	654,191
Equity securities available for sale (Equity fund)	29,794	27,625	29,794	27,625
	<u>29,794</u>	<u>681,816</u>	<u>29,794</u>	<u>681,816</u>
<i>- Other long-term investments</i>				
Non-marketable equity securities	128,678	128,678	-	-
Restricted fixed deposit	-	340,000	-	340,000
	<u>128,678</u>	<u>468,678</u>	<u>-</u>	<u>340,000</u>
	<u>158,472</u>	<u>1,150,494</u>	<u>29,794</u>	<u>1,021,816</u>
Total	<u>2,802,868</u>	<u>3,007,559</u>	<u>2,630,488</u>	<u>2,723,769</u>

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Available-for-sale securities				
At 1 January	2,448,881	1,521,609	2,293,769	1,351,119
Purchases during the year	8,800,825	12,513,929	5,153,325	8,678,882
Sales during the year	(8,642,893)	(11,582,162)	(4,876,624)	(7,726,538)
Gain on sale of investments	30,015	8,900	22,797	3,508
Valuation adjustment	39,667	(13,245)	39,527	(13,052)
Exchange rates adjustment	(2,305)	(150)	(2,306)	(150)
At 31 December	2,674,190	2,448,881	2,630,488	2,293,769

7 Trade and other accounts receivable

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	4	572	11,078	71,611
Other parties					
Trade accounts receivable		558,095	592,746	-	1,403
Accrued income		474,110	607,753	-	1
Retention receivable		3,045	2,994	-	-
Others		14,012	27,146	4,760	13,308
		1,049,262	1,230,639	4,760	14,712
Total		1,049,266	1,231,211	15,838	86,323
<i>Less allowance for doubtful accounts</i>		<i>(24,208)</i>	<i>(4,504)</i>	<i>-</i>	<i>(1,403)</i>
Net		1,025,058	1,226,707	15,838	84,920
 Bad and doubtful debts expense for the year		 19,704	 977	 -	 -

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	502,692	501,775	-	-
Overdue:				
Less than 3 months	23,659	52,315	-	-
3-6 months	4,244	4,264	-	-
6-12 months	1,657	24,523	-	-
Over 12 months	25,847	9,869	-	1,403
	558,099	592,746	-	1,403
<i>Less allowance for doubtful accounts</i>	<i>(22,680)</i>	<i>(4,504)</i>	<i>-</i>	<i>(1,403)</i>
Total	535,419	588,242	-	-

The normal credit term granted by the group ranges from 30 days to 120 days.

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	11,780	18,059	-	-
Work in progress	4,070	13,494	-	-
Raw materials	717,435	878,234	-	-
Goods in transit	32,818	-	-	-
Total	766,103	909,787	-	-
<i>Less allowance for decline in value of inventories</i>	<i>(3,522)</i>	<i>(3,522)</i>	<i>-</i>	<i>-</i>
Net	762,581	906,265	-	-
 Inventories recognised in 'cost of sales of goods':				
- Cost of sales	483,464	896,080	-	-
- Write-down	-	15	-	-
Net	483,464	896,095	-	-

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9 Investment in associate

Investment in associate as at 31 December 2019 and 2018 and dividend income for the year then ended were as follows:

		Consolidated financial statements										Dividend income			
Type of business	Ownership interest	Paid-up capital		Cost		Equity		Impairment		Equity - Net		for the year			
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
		(%)		(in thousand Baht)											
SET Energy Co.,Ltd. (Incorporation on 19 September 2019)	Develop and invest in intelligent power network	40	-	100,000	-	40,000	-	39,976	-	-	-	39,976	-	-	-
Total						40,000	-	39,976	-	-	-	39,976	-	-	-

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost Method		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
SET Energy Co.,Ltd.												
(Incorporation on 19 September 2019)	40	-	100,000	-	40,000	-	-	-	40,000	-	-	-
Total					40,000	-	-	-	40,000	-	-	-

Associate was incorporated and mainly operate in Thailand. None of the Group's associate is publicly listed and consequently does not have published price quotations.

On 19 September 2019, the Board approved to establish Set Energy Company Limited which is registered share capital totalling of Baht 100 million (divided into 1,000,000 shares at Baht 100 per share). A associate is held 40% by the Company (divided into 1,000,000 shares at Baht 4 per share).

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10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income from those investments for the year then ended were as follows;

	Ownership interest		Paid-up capital		Separate financial statements		Impairment		At cost - net		Dividend income for the year	
					Cost							
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
Direct Subsidiaries												
Solar Power Company Limited	100	100	1,500,000	1,500,000	2,301,000	2,301,000	-	-	2,301,000	2,301,000	1,149,000	1,056,000
Steel Roof Company Limited	100	100	57,373	57,373	57,373	57,373	-	-	57,373	57,373	-	-
Solar Power Engineering Company Limited	100	100	10,000	6,000	10,000	6,000	-	-	10,000	6,000	-	-
Solar Power Roof Company Limited	100	100	400,000	400,000	408,640	408,640	-	-	408,640	408,640	-	-
Solar Power Asset Company Limited	100	100	240,000	240,000	312,300	312,300	-	-	312,300	312,300	56,640	41,760
					<u>3,089,313</u>	<u>3,085,313</u>	<u>-</u>	<u>-</u>	<u>3,089,313</u>	<u>3,085,313</u>	<u>1,205,640</u>	<u>1,097,760</u>

All subsidiaries were incorporated and operate in Thailand.

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Changes in investment in subsidiaries

At the Board of Director's Meeting of Solar Power Engineering Company Limited held on 8 January 2019, the board approved the additional payment of 40% of the registered capital of 4 million baht. (divided into 1,000,000 shares at Baht 4 per share). The Company fully received the called-up share capital during January 2019.

At the Board of Director's Meeting of Solar Power Engineering Company Limited held on 29 November 2018, the Board approved an additional called-up share capital of 25% of the registered share capital totalling of Baht 2.5 million (divided into 1,000,000 shares at Baht 2.5 per share). The Company fully received the called-up share capital during December 2018.

11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest.

	31 December 2019		
	Solar power group company	Other individually immaterial subsidiaries (in thousand Baht)	Total
Current assets	1,225,172		
Non-current assets	16,110,583		
Current liabilities	2,587,775		
Non-current liabilities	4,250,346		
Net assets	10,497,634		
Carrying amount of non-controlling interest	1,752,845	34,471	1,787,316
Revenue	4,367,279		
Profit	2,907,546		
Other comprehensive income	10		
Total comprehensive income	2,907,556		
Profit allocated to non-controlling interest	331,124	10,710	341,834
Other comprehensive income allocated to non-controlling interest	2	-	2
Net cash from operating activities	3,995,436		
Net cash from investing activities	14,715		
Net cash from financing activities	(3,741,672)		
Net increase in cash and cash equivalents	268,479		

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	31 December 2018		
	Solar power group company	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Total
Current assets	974,901		
Non-current assets	16,796,491		
Current liabilities	2,412,643		
Non-current liabilities	6,427,214		
Net assets	8,931,535		
Carrying amount of non-controlling interest	1,614,175	30,724	1,644,899
Revenue	4,190,185		
Profit	2,620,469		
Other comprehensive income (loss)	(117)		
Total comprehensive income	2,620,352		
Profit allocated to non-controlling interest	300,098	9,874	309,972
Other comprehensive income (loss) allocated to non-controlling interest	(16)	-	(16)
Net cash from operating activities	3,708,625		
Net cash from investing activities	52,423		
Net cash from financing activities	(3,763,221)		
Net decrease in cash and cash equivalents	(2,173)		

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12 Property, plant and equipment

Consolidated financial statements							
	Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment <i>(in thousand Baht)</i>	Vehicles	Asset under construction	Total
Cost							
At 1 January 2018	1,993,053	1,186,237	16,943,865	31,866	19,267	-	20,174,288
Additions	-	3,306	3,757	4,660	299	1,605	13,627
Transfers	-	1,960	(391)	1	-	(1,570)	-
Disposals	-	(15,725)	(19,729)	(1,619)	(2,441)	(35)	(39,549)
At 31 December 2018 and 1 January 2019	1,993,053	1,175,778	16,927,502	34,908	17,125	-	20,148,366
Additions	-	5,181	6,365	2,449	-	51	14,046
Transfers	-	(503)	542	12	-	(51)	-
Disposals	-	(7,280)	(17,970)	(1,131)	-	-	(26,381)
At 31 December 2019	1,993,053	1,173,176	16,916,439	36,238	17,125	-	20,136,031
Depreciation							
At 1 January 2018	-	230,955	2,764,709	17,997	10,674	-	3,024,335
Depreciation charge for the year	-	95,466	576,238	4,822	2,928	-	679,454
Transfers	-	47	(47)	-	-	-	-
Disposals	-	(3,714)	(7,034)	(1,530)	(1,583)	-	(13,861)
At 31 December 2018 and 1 January 2019	-	322,754	3,333,866	21,289	12,019	-	3,689,928
Depreciation charge for the year	-	75,070	576,792	4,737	1,606	-	658,205
Transfers	-	(542)	542	-	-	-	-
Disposals	-	(6,358)	(5,588)	(476)	-	-	(12,422)
At 31 December 2019	-	390,924	3,905,612	25,550	13,625	-	4,335,711

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For the year ended 31 December 2019

Consolidated financial statements

	Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment (in thousand Baht)	Vehicles	Asset under construction	Total
<i>Net book value</i>							
At 31 December 2018							
Owned assets	1,993,053	853,024	13,593,636	13,429	2,342	-	16,455,484
Assets under finance leases	-	-	-	190	2,764	-	2,954
	<u>1,993,053</u>	<u>853,024</u>	<u>13,593,636</u>	<u>13,619</u>	<u>5,106</u>	<u>-</u>	<u>16,458,438</u>
At 31 December 2019							
Owned assets	1,993,053	782,252	13,010,827	10,688	1,446	-	15,798,266
Assets under finance leases	-	-	-	-	2,054	-	2,054
	<u>1,993,053</u>	<u>782,252</u>	<u>13,010,827</u>	<u>10,688</u>	<u>3,500</u>	<u>-</u>	<u>15,800,320</u>

SPCG Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

	Separate financial statements			
	Buildings and building improvements	Office equipment (in thousand Baht)	Vehicles	Total
Cost				
At 1 January 2018	31,774	9,951	11,239	52,964
Additions	105	1,105	-	1,210
Disposals	-	(177)	-	(177)
At 31 December 2018 and 1 January 2019	31,879	10,879	11,239	53,997
Additions	-	1,115	-	1,115
Disposals	-	(108)	-	(108)
At 31 December 2019	31,879	11,886	11,239	55,004
Depreciation				
At 1 January 2018	3,895	4,688	5,447	14,030
Depreciation charge for the year	6,373	1,642	2,031	10,046
Disposals	-	(151)	-	(151)
At 31 December 2018 and 1 January 2019	10,268	6,179	7,478	23,925
Depreciation charge for the year	6,375	1,662	1,255	9,292
Disposals	-	(107)	-	(107)
At 31 December 2019	16,643	7,734	8,733	33,110
Net book value				
At 31 December 2018				
Owned assets	21,611	4,700	997	27,308
Assets under finance leases	-	-	2,764	2,764
	21,611	4,700	3,761	30,072
At 31 December 2019				
Owned assets	15,236	4,152	452	19,840
Assets under finance leases	-	-	2,054	2,054
	15,236	4,152	2,506	21,894

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 mounted to Baht 9.28 million (2018: Baht 6.85 million).

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13 Intangible assets

Consolidated financial statements				
	License for Energy Industry	Goodwill <i>(in thousand Baht)</i>	Computer software	Total
<i>Cost</i>				
At 1 January 2018	57,895	11,286	58,875	128,056
Additions	-	-	3,418	3,418
At 31 December 2018 and 1 January 2019	57,895	11,286	62,293	131,474
Additions	-	-	15,058	15,058
Disposals	-	-	(37)	(37)
At 31 December 2019	57,895	11,286	77,314	146,495
<i>Amortisation</i>				
At 1 January 2018	9,262	-	19,464	28,726
Amortisation for the year	2,315	-	5,751	8,066
At 31 December 2018 and 1 January 2019	11,577	-	25,215	36,792
Amortisation for the year	2,388	-	5,960	8,348
Disposals	-	-	(6)	(6)
At 31 December 2019	13,965	-	31,169	45,134
<i>Net book value</i>				
At 31 December 2018	46,318	11,286	37,078	94,682
At 31 December 2019	43,930	11,286	46,145	101,361
Separate financial statements				
			Computer software <i>(in thousand Baht)</i>	
<i>Cost</i>				
At 1 January 2018			1,233	
Additions			2,934	
At 31 December 2018 and 1 January 2019			4,167	
Additions			14,971	
At 31 December 2019			19,138	
<i>Amortisation</i>				
At 1 January 2018			607	
Amortisation for the year			121	
At 31 December 2018 and 1 January 2019			728	
Amortisation for the year			81	
At 31 December 2019			809	
<i>Net book value</i>				
At 31 December 2018			3,439	
At 31 December 2019			18,329	

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14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions				
- Secured	30,632	99,021	-	-
Current portion of debentures				
- Secured	-	574,337	-	574,337
- Unsecured	1,696,189	1,795,037	1,696,189	1,795,037
	<u>1,696,189</u>	<u>2,369,374</u>	<u>1,696,189</u>	<u>2,369,374</u>
Current portion of finance lease liabilities	691	715	691	645
Total current	<u>1,727,512</u>	<u>2,469,110</u>	<u>1,696,880</u>	<u>2,370,019</u>
Non-current				
Debentures				
- Unsecured	4,095,219	5,791,195	4,095,219	5,791,195
	<u>4,095,219</u>	<u>5,791,195</u>	<u>4,095,219</u>	<u>5,791,195</u>
Finance lease liabilities	677	1,368	677	1,368
Total non-current	<u>4,095,896</u>	<u>5,792,563</u>	<u>4,095,896</u>	<u>5,792,563</u>
Total	<u>5,823,408</u>	<u>8,261,673</u>	<u>5,792,776</u>	<u>8,162,582</u>

Debentures

Detail of debentures as at 31 December 2019 and 2018 were as follows;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Debentures	5,800,000	8,175,000	5,800,000	8,175,000
Less Unamortised deferred expenses on debentures	(8,592)	(14,431)	(8,592)	(14,431)
	<u>5,791,408</u>	<u>8,160,569</u>	<u>5,791,408</u>	<u>8,160,569</u>
Less Current portion due within one year	(1,696,189)	(2,369,374)	(1,696,189)	(2,369,374)
Total	<u>4,095,219</u>	<u>5,791,195</u>	<u>4,095,219</u>	<u>5,791,195</u>

On 10 January 2018, the Company issued the name-registered, unsubordinated and unsecured debentures, the repayment date is the same with maturity date with no debentureholders' representative to investors in an amount of Baht 500 million. The debentures have maturity period 3 years which interest is payable on semi-annual basis with the maturity date in January 2021.

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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.

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.

Details debentures as at 31 December 2019 were as follow:

Amount (in million Baht)	Interest rates (%) p.a.	Term (years)	Maturity dates
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
500	2.20	3 years	10 January 2021

Movements during the year ended 31 December 2019 and 2018 of debentures which included current portion were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
At 1 January	8,160,569	10,601,499	8,160,569	10,601,499
Issue of debentures	-	499,360	-	499,360
Repayment of debentures	(2,375,000)	(2,950,000)	(2,375,000)	(2,950,000)
Adjusted debentures per effective interest rate method	5,839	9,710	5,839	9,710
At 31 December	5,791,408	8,160,569	5,791,408	8,160,569

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

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Restricted fixed deposit	6	-	340,000	-	340,000

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 1,350 million and US dollar 35 million (2018: Baht 1,200 million and US dollar 35 million).

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15 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	152,924	242,090	157	65,865
Other parties					
Trade accounts payable		69,512	37,181	-	-
Accrued expense		98,519	158,939	9,855	8,516
Unearned revenues		13,702	30,598	-	-
Accrued interest expense		14,374	17,717	13,688	16,119
Others		18,950	58,464	6,645	46,974
		215,057	302,899	30,188	71,609
Total		367,981	544,989	30,345	137,474

16 Reserve

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.

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For the year ended 31 December 2019

17 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments

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

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis

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Information about reportable segments

For the year ended at 31 December	Consolidated financial statements							
	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Information about reportable segments								
External revenue	728,022	1,621,870	4,482,471	4,302,127	36,045	4,173	5,246,538	5,928,170
Total Revenue	728,022	1,621,870	4,482,471	4,302,127	36,045	4,173	5,246,538	5,928,170
Type of goods or services								
Revenue from sale electricity distribution	-	-	1,297,595	1,224,892	-	-	1,297,595	1,224,892
Revenue from subsidy of adders	-	-	3,178,130	3,072,586	-	-	3,178,130	3,072,586
Revenue from sales and installation service of roof sheets and solar roof	587,453	1,481,594	-	-	-	-	587,453	1,481,594
Revenue from sales of goods and other services	140,569	140,276	6,746	4,649	36,045	4,173	183,360	149,098
Total	728,022	1,621,870	4,482,471	4,302,127	36,045	4,173	5,246,538	5,928,170
Timing of revenue recognition								
At a point in time	512,121	133,912	6,746	4,649	3,343	268	522,210	138,829
Over time	215,901	1,487,958	4,475,725	4,297,478	32,702	3,905	4,724,328	5,789,341
Total	728,022	1,621,870	4,482,471	4,302,127	36,045	4,173	5,246,538	5,928,170

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	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
Operating profit (loss)	<u>(30,933)</u>	<u>252,045</u>	<u>3,416,480</u>	<u>3,200,847</u>	<u>4,365</u>	<u>(5,812)</u>	<u>(400)</u>	<u>1,495</u>	<u>3,389,512</u>	<u>3,448,575</u>
Interest income	86	147	340	255	320,704	433,861	(311,827)	(396,728)	9,303	37,535
Finance costs	<u>(2,103)</u>	<u>(11,992)</u>	<u>(393,611)</u>	<u>(496,630)</u>	<u>(276,314)</u>	<u>(391,407)</u>	<u>311,827</u>	<u>396,728</u>	<u>(360,201)</u>	<u>(503,301)</u>
Finance costs, net	<u>(2,017)</u>	<u>(11,845)</u>	<u>(393,271)</u>	<u>(496,375)</u>	<u>44,390</u>	<u>42,454</u>	<u>-</u>	<u>-</u>	<u>(350,898)</u>	<u>(465,766)</u>
Share of loss of investment in associate and joint venture	-	-	-	-	(24)	(64)	-	-	(24)	(64)
Profit (loss) before income tax expense	<u>(32,950)</u>	<u>240,200</u>	<u>3,032,496</u>	<u>2,706,577</u>	<u>1,254,371</u>	<u>1,134,338</u>	<u>(1,206,040)</u>	<u>(1,096,265)</u>	<u>3,047,877</u>	<u>2,984,850</u>
Tax expense	<u>(37)</u>	<u>(49,367)</u>	<u>(31,383)</u>	<u>(5,534)</u>	<u>(10,225)</u>	<u>(6,763)</u>	<u>5,026</u>	<u>396</u>	<u>(36,619)</u>	<u>(61,268)</u>
Profit (loss) for the year	<u><u>(32,987)</u></u>	<u><u>190,833</u></u>	<u><u>3,001,113</u></u>	<u><u>2,701,043</u></u>	<u><u>1,244,146</u></u>	<u><u>1,127,575</u></u>	<u><u>(1,201,014)</u></u>	<u><u>(1,095,869)</u></u>	<u><u>3,011,258</u></u>	<u><u>2,923,582</u></u>

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As at 31 December	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(in thousand Baht)									
Segment assets										
Property, plant and equipment	41,425	47,794	15,732,910	16,377,111	24,064	31,985	1,921	1,548	15,800,320	16,458,438
Investments in associate	-	-	-	-	39,976	-	-	-	39,976	-
Current investments	3,057	104,476	40,645	50,637	2,600,694	1,701,952	-	-	2,644,396	1,857,065
Available-for-sale investments	-	-	-	-	29,794	681,816	-	-	29,794	681,816
Other long-term investments	-	-	128,678	128,678	-	340,000	-	-	128,678	468,678
Unallocated assets									3,260,137	3,331,627
Total assets									21,903,301	22,797,624
Segment liabilities										
Loans	30,632	200,021	6,817,584	8,890,444	22,000	-	(6,839,584)	(8,991,444)	30,632	99,021
Debentures	-	-	-	-	5,791,408	8,160,569	-	-	5,791,408	8,160,569
Unallocated liabilities									477,098	657,380
Total liabilities									6,299,138	8,916,970

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Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for production and distribution of electricity from solar energy. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted and non-promoted business:

Consolidated financial statements						
2019			2018			
Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total	
(in thousand Baht)						
Total local sales	4,475,726	770,812	5,246,538	4,297,478	1,630,692	5,928,170

18 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Dividends income	9,287	2,105	1,205,640	1,097,760
Income from import duty refund	1,428	55,369	-	-
Interest income	9,303	37,539	320,696	433,864
Gain on sale of other investments	30,015	8,900	22,797	3,508
Management service income	-	-	116,981	110,526
Compensations for damage	13,853	557	-	-
Others	12,142	13,854	8,930	2,649
Total	76,028	118,324	1,675,044	1,648,307

19 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Salaries and wages	82,894	77,075	42,456	36,857
Overtime and bonus	13,618	13,519	8,817	8,144
Defined contribution plan	1,660	1,548	853	743
Defined benefit plans	1,269	5,382	577	2,596
Others	7,038	7,896	3,321	3,366
Total	106,479	105,420	56,024	51,706

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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.

20 Expense by nature

The statements of comprehensive 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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Changes in inventories	143,684	(197,187)	-	-
Raw materials and consumables used	339,780	1,093,282	-	-
Depreciation and amortisation	668,369	689,409	10,473	11,263
Management and utilities fee	293,622	296,937	10,166	9,760
Contractual installation service of solar roof	106,693	281,937	-	-
Employee benefit expenses	106,479	105,420	56,024	51,706
Warranty expense for invertors	46,643	28,333	-	-
Signboard tax and property tax	35,193	34,355	-	-
Commission expenses	5,770	63,071	-	-
Others	168,231	162,722	63,715	50,679
Total cost of sale of goods, selling and distribution expenses and administrative expenses	1,914,464	2,558,279	140,378	123,408

21 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	43,037	64,166	11,510	9,101
(Over) under provided in prior years	(48)	95	(2)	(4)
	42,989	64,261	11,508	9,097
Deferred tax expense				
Movements in temporary differences	(6,370)	(2,993)	(1,283)	(2,334)
	(6,370)	(2,993)	(1,283)	(2,334)
Total income tax expense	36,619	61,268	10,225	6,763

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		3,047,877		2,984,850
Income tax using the Thai corporation tax rate	20	609,575	20	596,970
Income not subject to tax		(583,435)		(541,079)
Expenses not deductible for tax purposes		6,110		1,875
Tax losses for which no deferred income tax asset was recognised		4,417		3,407
(Over) under provided in prior years		(48)		95
Total	1.2	36,619	2.1	61,268

Reconciliation of effective tax rate

	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,258,804		1,133,493
Income tax using the Thai corporation tax rate	20	251,761	20	226,699
Income not subject to tax		(241,919)		(220,393)
Expenses not deductible for tax purposes		385		461
Over provided in prior years		(2)		(4)
Total	0.8	10,225	0.6	6,763

Deferred tax

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	(in million Baht)			
Total	164,039	159,827	(8,662)	(2,886)
Set off of tax	(1,612)	(2,487)	1,612	2,487
Net deferred tax assets (liabilities)	162,427	157,340	(7,050)	(399)

Deferred tax

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	(in million Baht)			
Total	1,611	2,543	(8,576)	(2,886)
Set off of tax	(1,611)	(2,543)	1,611	2,543
Net deferred tax assets (liabilities)	-	-	(6,965)	(343)

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Deferred tax

	Consolidated financial statements (Charged) / Credited to:		
	At 1 January 2019	Profit or loss (in thousand Baht)	Other comprehensive income
			At 31 December 2019
<i>Deferred tax assets</i>			
Property, plant and equipment	155,983	102	-
Provisions for employee benefits	2,853	260	-
Available-for-sale investments	991	-	(991)
Allowance for doubtful accounts	-	4,841	-
Total	159,827	5,203	(991)
<i>Deferred tax liabilities</i>			
Available-for-sale investments	-	-	6,943
Debentures	2,886	(1,167)	-
Total	2,886	(1,167)	6,943
Net	156,941	6,370	(7,934)

Deferred tax

	Consolidated financial statements (Charged) / Credited to:		
	At 1 January 2018	Profit or loss (in thousand Baht)	Other comprehensive income
			At 31 December 2018
<i>Deferred tax assets</i>			
Property, plant and equipment	155,893	90	-
Provisions for employee benefits	2,204	1,090	(441)
Available-for-sale investments	-	-	991
Total	158,097	1,180	550
<i>Deferred tax liabilities</i>			
Available-for-sale investments	1,645	-	(1,645)
Debentures	4,699	(1,813)	-
Total	6,344	(1,813)	(1,645)
Net	151,753	2,993	2,195

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Deferred tax

	At 1 January 2019	Separate financial statements (Charged) / Credited to:		At 31 December 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Provisions for employee benefits	1,495	116	-	1,611
Available-for-sale investments	1,048	-	(1,048)	-
Total	2,543	116	(1,048)	1,611
Deferred tax liabilities				
Available-for-sale investments	-	-	6,857	6,857
Debentures	2,886	(1,167)	-	1,719
Total	2,886	(1,167)	6,857	8,576
Net	(343)	1,283	(7,905)	(6,965)

Deferred tax

	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Provisions for employee benefits	1,430	519	(454)	1,495
Available-for-sale investments	-	-	1,048	1,048
Total	1,430	519	594	2,543
Deferred tax liabilities				
Available-for-sale investments	1,562	-	(1,562)	-
Debentures	4,701	(1,815)	-	2,886
Total	6,263	(1,815)	(1,562)	2,886
Net	(4,833)	2,334	2,156	(343)

Unrecognised deferred tax assets

	Consolidated financial statements 2019	2018 (in thousand Baht)	Separate financial statements 2019	2018
Tax losses	225,206	486,698	-	-

The tax losses expire during 2019 to 2024. 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.

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22 Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2019 and 2018 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(thousand shares / thousand Baht)</i>			
Profit for the year attributable to ordinary shareholders of the Company	<u>2,669,424</u>	<u>2,613,610</u>	<u>1,248,579</u>	<u>1,126,730</u>
Number of ordinary shares as at 1 January	973,990	923,990	973,990	923,990
Effect from issued shares	<u>-</u>	<u>43,836</u>	<u>-</u>	<u>43,836</u>
Number of ordinary shares by weighted average method (basic)	<u>973,990</u>	<u>967,826</u>	<u>973,990</u>	<u>967,826</u>
Basic earnings per share (in Baht)	<u>2.74</u>	<u>2.70</u>	<u>1.28</u>	<u>1.16</u>

23 Dividends

At the Board of Director's Meeting of the Company held on 9 August 2019, the Board approved the appropriation of interim dividends of Baht 0.50 per share amounting to Baht 487 million. The dividend was paid to the shareholders in September 2019.

At the Annual General Meeting of the shareholders of the Company held on 12 April 2019, the shareholders approved the appropriation of dividend for the year 2018 and the Company's unappropriated retained earnings of Baht 1.20 per share, amounting to Baht 1,168.79 million. The Company had paid interim dividend at the rate of Baht 0.55 per share, amounting to Baht 535.69 million. The remaining dividend was paid at the rate of Baht 0.65 per share, amounting to Baht 633.10 million. The dividend was paid to shareholders during May 2019.

At the Board of Director's Meeting of the Company held on 10 August 2018, the Board approved the appropriation of interim dividends of Baht 0.55 per share amounting to Baht 535.69 million. The dividend was paid to the shareholders in September 2018.

At the Annual General Meeting of the shareholders of the Company held on 20 April 2018, the shareholders approved the appropriation of dividend for the year 2017 and the Company's unappropriated retained earnings of Baht 1.15 per share, amounting to Baht 1,095.09 million. The Company had paid interim dividend at the rate of Baht 0.50 per share, amounting to Baht 462 million. The remaining dividend was paid at the rate of Baht 0.65 per share, amounting to Baht 633.08 million. The dividend was paid to shareholders during May 2018.

24 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 derivatives for speculative or trading purposes.

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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.

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 14). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

As at 31 December	Effective interest rate (% per annum)	Separate financial statement			Total
		Maturity period			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2019					
Current					
Loans to related parties	3.50	22,000	-	-	22,000
Non-current					
Loans to related parties	THBFIX3M				
	+1.55	1,730,034	3,337,645	4,993	5,072,672
	3.50	46,855	62,901	-	109,756
	5.65	700,783	934,374	-	1,635,157
Total		2,477,672	4,334,920	4,993	6,817,585
2018					
Current					
Loans to related parties	3.50	101,000	-	-	101,000
Non-current					
Loans to related parties	THBFIX3M				
	+1.55	1,823,647	5,053,051	19,621	6,896,319
	3.50	31,237	94,138	-	125,375
	5.65	467,188	1,401,562	-	1,868,750
Total		2,423,072	6,548,751	19,621	8,991,444

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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					
As at 31 December	Effective interest rate (% per annum)	Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
			(in thousand Baht)		
2019					
Current					
Loans from financial institutions	2.45	30,632	-	-	30,632
Non-current					
Debentures	2.20 - 3.94	1,696,189	4,095,219	-	5,791,408
Total		<u>1,726,821</u>	<u>4,095,219</u>	<u>-</u>	<u>5,822,040</u>
2018					
Current					
Loans from financial institutions	2.30	96,021	-	-	96,021
	MLR-1	3,000	-	-	3,000
Non-current					
Debentures	2.20 - 5.55	2,369,374	5,791,195	-	8,160,569
Total		<u>2,468,395</u>	<u>5,791,195</u>	<u>-</u>	<u>8,259,590</u>
Separate financial statement					
As at 31 December	Effective interest rate (% per annum)	Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
			(in thousand Baht)		
2019					
Non-current					
Debentures	2.20 - 3.94	1,696,189	4,095,219	-	5,791,408
Total		<u>1,696,189</u>	<u>4,095,219</u>	<u>-</u>	<u>5,791,408</u>
2018					
Non-current					
Debentures	2.20 - 5.55	2,369,374	5,791,195	-	8,160,569
Total		<u>2,369,374</u>	<u>5,791,195</u>	<u>-</u>	<u>8,160,569</u>

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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.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
USD				
Other investments	29,794	27,625	29,794	27,625
Trade and other accounts payable	(5)	-	-	-
Gross balance sheet exposure	29,789	27,625	29,794	27,625
EUR				
Trade and other accounts receivable	19,159	7,349	-	-
Trade and other accounts payable	(39,728)	(5,955)	-	-
Gross balance sheet exposure	(20,569)	1,394	-	-

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.

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Carrying amounts and fair values

As at 31 December 2019 and 2018, 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			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale (Short-term fixed income fund)	2,644.40	-	2,644.40	-	2,644.40
Equity securities available for sale (Equity fund)	29.79	-	29.79	-	29.79
<i>Financial liabilities not measured at fair value</i>					
Debentures	(5,791.41)	-	(5,993.59)	-	(5,993.59)
Interest rate swap contract	-	-	(112.92)	-	(112.92)
31 December 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale (Short-term fixed income fund)	1,671.58	-	1,671.58	-	1,671.58
Debt securities available for sale (Private fund)	749.68	-	749.68	-	749.68
Equity securities available for sale (Equity fund)	27.63	-	27.63	-	27.63
<i>Financial liabilities not measured at fair value</i>					
Debentures	(8,160.57)	-	(8,339.77)	-	(8,339.77)
Interest rate swap contract	-	-	(195.62)	-	(195.62)

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		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale (Short-term fixed income fund)	2,600.69	-	2,600.69	-	2,600.69
Equity securities available for sale (Equity fund)	29.79	-	29.79	-	29.79
<i>Financial liabilities not measured at fair value</i>					
Debentures	(5,791.41)	-	(5,993.59)	-	(5,993.59)
Interest rate swap contract	-	-	52.56	-	52.56
31 December 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale (Short-term fixed income fund)	1,516.47	-	1,516.47	-	1,516.47
Debt securities available for sale (Private fund)	749.68	-	749.68	-	749.68
Equity securities available for sale (Equity fund)	27.63	-	27.63	-	27.63
<i>Financial liabilities not measured at fair value</i>					
Debentures	(8,160.57)	-	(8,339.77)	-	(8,339.77)
Interest rate swap contract	-	-	(7.10)	-	(7.10)
<i>Measurement of fair values</i>					

Level 2 fair values for equity securities available for sale are based on the net asset value as of the reporting date, for debt securities are based on the yield rate quoted by the Thai Bond Market Association as of the reporting date and for derivatives the fair value are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

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25 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	4,028	3,358	859	409
1-5 years	3,593	1,932	2,578	105
Total	7,621	5,290	3,437	514
<i>Future minimum payments under service contracts</i>				
Within 1 year	57,432	60,397	791	928
1-5 years	2,100	53,381	-	360
Total	59,532	113,778	791	1,288
<i>Other commitments</i>				
Purchase orders for goods	271,668	184,119	-	-
Bank guarantees	90,080	152,720	-	-
Total	361,748	336,839	-	-

26 Lawsuits

On 14 September 2019, the Group received a civil complaint from the Central Intellectual Property and International Trade Court between ICONICS Inc. by EDA International Ltd., power of attorney (plaintiff) and Solar Power (Korat 1) Co., Ltd., the first defendant and 37 companies within the Group in violation of copyright infringement using the SCADA system and claiming damages totaling Baht 50 million. The court scheduled the examination of witnesses on 18-20 November 2020. The outcome of the case is still uncertain and under the process of the court.

On 28 September 2019, the Company received a criminal complaint from the Central Intellectual Property and International Trade Court between ICONICS Inc. by EDA International Ltd., power of attorney (plaintiff) and SPCG Public Company Limited, the first defendant and Ms. Wandee Kunchornyakong, the second defendant in the offense of copyright infringement using the SCADA system for benefit and public disclosure. The court scheduled the preliminary hearing on 2 April 2020. The outcome of the case is still uncertain and under the process of the court.

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27 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16*	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

** TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's future minimum lease payments under non-cancellable operating leases amounted to Baht 52.92 million 13.26 million, respectively, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

28 Events after the reporting period

At the Board of Directors' meeting held on 28 February 2020, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2019 dividend payment at the rate of Baht 1.22 per share, totaling Baht 1,188.27 million, of which Baht 0.50 per share was paid as an interim dividend on 9 August 2019 as disclosed in note 23. Thus, the remaining dividend will be at the rate of Baht 0.72 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 17 April 2020.

On 16 January 2020, the Board of Directors' meeting approved the investment in Ukujima Mega Solar Project in Japan. The investors of the project including Kyocera Corporation, Kyudenko Corporation, Tokyo Century Corporation, Furukawa Electric Company Limited, Tsuboi Corporation and other minority investors. The investment fund is set at approximately JPY 9,000 million or approximately Baht 2,520 million. The project is scheduled to start the construction in March 2020.