

**SPCG Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2018  
and  
Independent auditor's report

## **Independent auditor's report**

### **To the Shareholders of SPCG Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of SPCG Public Company Limited and its subsidiaries (the "Group") and of SPCG Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, 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 2018 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.

#### Related party transactions

Refer to Notes 1, 4, 10 and 11 to the financial statements.

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

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

### *Other 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  
22 February 2019

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

|   | <i>Note</i> | <b>Consolidated</b>         |                   | <b>Separate</b>             |                   |
|---|-------------|-----------------------------|-------------------|-----------------------------|-------------------|
|   |             | <b>financial statements</b> |                   | <b>financial statements</b> |                   |
|   |             | 31 December                 |                   | 31 December                 |                   |
| <b>Assets</b>   |             | 2018                        | 2017              | 2018                        | 2017              |
|   |             | <i>(in thousand Baht)</i>   |                   |                             |                   |
| <b><i>Current assets</i></b>                          |             |                             |                   |                             |                   |
| Cash and cash equivalents                             | 5           | 129,152                     | 345,897           | 70,043                      | 40,050            |
| Current investments                                   | 6           | 1,857,065                   | 1,441,067         | 1,701,953                   | 1,270,577         |
| Trade and other accounts receivable                   | 4, 7        | 1,226,707                   | 1,525,866         | 84,920                      | 16,308            |
| Short-term loan to related parties                    | 4           | -                           | -                 | 101,000                     | 274,700           |
| Current portion of long-term loans to related parties | 4           | -                           | -                 | 2,322,072                   | 2,114,912         |
| Inventories   | 8           | 906,265                     | 709,093           | -                           | -                 |
| Other current assets                                  | 9           | 138,077                     | 149,614           | 445                         | 235               |
| <b>Total current assets</b>                           |             | <b>4,257,266</b>            | <b>4,171,537</b>  | <b>4,280,433</b>            | <b>3,716,782</b>  |
| <b><i>Non-current assets</i></b>                      |             |                             |                   |                             |                   |
| Available-for-sale investments                        | 6           | 681,816                     | 251,542           | 681,816                     | 251,542           |
| Investments in joint venture                          | 4, 10       | -                           | 1,799             | -                           | 3,000             |
| Investments in subsidiaries                           | 4, 11       | -                           | -                 | 3,085,313                   | 3,083,813         |
| Other long-term investments                           | 6           | 468,678                     | 468,678           | 340,000                     | 340,000           |
| Long-term loans to related parties                    | 4           | -                           | -                 | 6,568,372                   | 8,890,444         |
| Investment properties                                 |             | 37,864                      | 39,755            | 28,292                      | 29,388            |
| Property, plant and equipment                         | 13          | 16,458,438                  | 17,149,953        | 30,072                      | 38,934            |
| Intangible assets                                     | 14          | 94,682                      | 99,330            | 3,439                       | 626               |
| Deferred tax assets                                   | 15          | 157,340                     | 156,667           | -                           | -                 |
| Other non-current assets                              | 16          | 641,540                     | 687,377           | 1,519                       | 1,351             |
| <b>Total non-current assets</b>                       |             | <b>18,540,358</b>           | <b>18,855,101</b> | <b>10,738,823</b>           | <b>12,639,098</b> |
| <b>Total assets</b>                                   |             | <b>22,797,624</b>           | <b>23,026,638</b> | <b>15,019,256</b>           | <b>16,355,880</b> |

The accompanying notes are an integral part of these 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 |                  |
|   |           | 2018                   | 2017             | 2018                   | 2017             |
| <i>(in thousand Baht)</i>   |           |                        |                  |                        |                  |
| Revenue from sales and rendering of services                                | 4, 22, 28 | 5,928,170              | 6,008,353        | -                      | -                |
| Cost of sales and rendering of services                                     | 4         | (2,222,558)            | (2,303,476)      | -                      | -                |
| <b>Gross profit</b>   |           | <b>3,705,612</b>       | <b>3,704,877</b> | <b>-</b>               | <b>-</b>         |
| Other income  | 4, 23     | 118,324                | 114,824          | 1,648,307              | 1,615,404        |
| Selling and distribution expenses   |           | (76,813)               | (73,177)         | -                      | -                |
| Administrative expenses   |           | (258,908)              | (240,551)        | (123,408)              | (109,422)        |
| Share of loss of investement in joint venture                               | 10        | (64)                   | (919)            | -                      | -                |
| Finance costs   | 26        | (503,301)              | (618,170)        | (391,406)              | (485,721)        |
| <b>Total expenses</b>   |           | <b>(839,086)</b>       | <b>(932,817)</b> | <b>(514,814)</b>       | <b>(595,143)</b> |
| <b>Profit before income tax expense</b>                                     |           | <b>2,984,850</b>       | <b>2,886,884</b> | <b>1,133,493</b>       | <b>1,020,261</b> |
| Tax expense   | 27        | (61,268)               | (64,779)         | (6,763)                | (19,715)         |
| <b>Profit for the year</b>  |           | <b>2,923,582</b>       | <b>2,822,105</b> | <b>1,126,730</b>       | <b>1,000,546</b> |
| <b>Other comprehensive income (loss)</b>                                    |           |                        |                  |                        |                  |
| <i>Items that will be reclassified subsequently to profit or loss</i>       |           |                        |                  |                        |                  |
| Losses on remeasurement available-for-sale investments                      |           | (13,245)               | (24,365)         | (13,052)               | (24,294)         |
| Income tax relating to items that will be reclassified                      |           | 2,636                  | 4,885            | 2,610                  | 4,859            |
| <b>Total items that will be reclassified subsequently to profit or loss</b> |           | <b>(10,609)</b>        | <b>(19,480)</b>  | <b>(10,442)</b>        | <b>(19,435)</b>  |
| <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)                  | -                |
| <b>Total items that will not be reclassified to profit or loss</b>          |           | <b>1,697</b>           | <b>-</b>         | <b>1,817</b>           | <b>-</b>         |
| <b>Other comprehensive income (loss) for the year, net of tax</b>           |           | <b>(8,912)</b>         | <b>(19,480)</b>  | <b>(8,625)</b>         | <b>(19,435)</b>  |
| <b>Total comprehensive income for the year</b>                              |           | <b>2,914,670</b>       | <b>2,802,625</b> | <b>1,118,105</b>       | <b>981,111</b>   |
| <b>Profit attributable to:</b>  |           |                        |                  |                        |                  |
| Owners of the parent  |           | 2,613,610              | 2,524,325        | 1,126,730              | 1,000,546        |
| Non-controlling interests   |           | 309,972                | 297,780          | -                      | -                |
| <b>Profit for the year</b>  |           | <b>2,923,582</b>       | <b>2,822,105</b> | <b>1,126,730</b>       | <b>1,000,546</b> |
| <b>Total comprehensive income attributable to:</b>                          |           |                        |                  |                        |                  |
| Owners of the parent  |           | 2,604,714              | 2,504,834        | 1,118,105              | 981,111          |
| Non-controlling interests   |           | 309,956                | 297,791          | -                      | -                |
| <b>Total comprehensive income for the year</b>                              |           | <b>2,914,670</b>       | <b>2,802,625</b> | <b>1,118,105</b>       | <b>981,111</b>   |
| <b>Basic earnings per share (in Baht)</b>                                   | 29        | <b>2.70</b>            | <b>2.73</b>      | <b>1.16</b>            | <b>1.08</b>      |

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

**SPCG Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

|  | <b>Consolidated financial statements</b> |  |  |  |                           |                    |                                       |                           |                              |                    |
|--|--|--|--|--|---------------------------|--------------------|---------------------------------------|---------------------------|------------------------------|--------------------|
|  | <i>Note</i>                              | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Shares premium<br>from business<br>combination | Retained earnings         |                    | Other components<br>of equity         | Equity<br>attributable to |                              | Total<br>equity    |
|  |  |  |  |  | Legal<br>reserve          | Unappropriated     | Available-<br>for-sale<br>investments | owners of<br>the parent   | Non-controlling<br>interests |                    |
|  |  |  |  |  | <i>(in thousand Baht)</i> |                    |                                       |                           |                              |                    |
| <b>Year ended 31 December 2017</b>                                 |  |  |  |  |                           |                    |                                       |                           |                              |                    |
| <b>Balance at 1 January 2017</b>                                   |  | <b>923,990</b>                         | <b>2,920,923</b>                       | <b>89,000</b>                                  | <b>86,984</b>             | <b>4,247,596</b>   | <b>26,127</b>                         | <b>8,294,620</b>          | <b>1,471,270</b>             | <b>9,765,890</b>   |
| <b>Transactions with owners, recorded directly in equity</b>       |  |  |  |  |                           |                    |                                       |                           |                              |                    |
| <i>Distributions to owners of the parent</i>                       |  |  |  |  |                           |                    |                                       |                           |                              |                    |
| Dividend paid  | 30                                       | -                                      | -                                      | -  | -                         | (1,108,781)        | -                                     | (1,108,781)               | (146,894)                    | (1,255,675)        |
| <b>Total distributions to owners of the parent</b>                 |  | <b>-</b>                               | <b>-</b>                               | <b>-</b>                                       | <b>-</b>                  | <b>(1,108,781)</b> | <b>-</b>                              | <b>(1,108,781)</b>        | <b>(146,894)</b>             | <b>(1,255,675)</b> |
| <i>Changes in ownership interests in subsidiary</i>                |  |  |  |  |                           |                    |                                       |                           |                              |                    |
| Change in investment holding in subsidiary                         |  | -                                      | -                                      | -  | -                         | 24,138             | -                                     | 24,138                    | (128,778)                    | (104,640)          |
| <b>Total changes in ownership interests in subsidiary</b>          |  | <b>-</b>                               | <b>-</b>                               | <b>-</b>                                       | <b>-</b>                  | <b>24,138</b>      | <b>-</b>                              | <b>24,138</b>             | <b>(128,778)</b>             | <b>(104,640)</b>   |
| <b>Total transactions with owners, recorded directly in equity</b> |  | <b>-</b>                               | <b>-</b>                               | <b>-</b>                                       | <b>-</b>                  | <b>(1,084,643)</b> | <b>-</b>                              | <b>(1,084,643)</b>        | <b>(275,672)</b>             | <b>(1,360,315)</b> |
| <b>Comprehensive income (loss) for the year</b>                    |  |  |  |  |                           |                    |                                       |                           |                              |                    |
| Profit   |  | -                                      | -                                      | -  | -                         | 2,524,325          | -                                     | 2,524,325                 | 297,780                      | 2,822,105          |
| Other comprehensive income (loss)                                  |  | -                                      | -                                      | -  | -                         | -                  | (19,491)                              | (19,491)                  | 11                           | (19,480)           |
| <b>Total comprehensive income (loss) for the year</b>              |  | <b>-</b>                               | <b>-</b>                               | <b>-</b>                                       | <b>-</b>                  | <b>2,524,325</b>   | <b>(19,491)</b>                       | <b>2,504,834</b>          | <b>297,791</b>               | <b>2,802,625</b>   |
| Transfer to legal reserve  | 20                                       | -                                      | -                                      | -  | 14,655                    | (14,655)           | -                                     | -                         | -                            | -                  |
| <b>Balance at 31 December 2017</b>                                 |  | <b>923,990</b>                         | <b>2,920,923</b>                       | <b>89,000</b>                                  | <b>101,639</b>            | <b>5,672,623</b>   | <b>6,636</b>                          | <b>9,714,811</b>          | <b>1,493,389</b>             | <b>11,208,200</b>  |

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

**SPCG Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

|   | <b>Consolidated financial statements</b> |  |  |  |                   |                    |                                       |                         |                              |                   |
|---|--|--|--|--|-------------------|--------------------|---------------------------------------|-------------------------|------------------------------|-------------------|
|   | Note                                     | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Shares premium<br>from business<br>combination | Retained earnings |                    | Other components<br>of equity         |                         | Equity<br>attributable to    |                   |
|   |  |  |  |  | Legal<br>reserve  | Unappropriated     | Available-<br>for-sale<br>investments | owners of<br>the parent | Non-controlling<br>interests | Total<br>equity   |
|   |  |  |  |  |                   |                    |                                       |                         |                              |                   |
| <b>Year ended 31 December 2018</b>                                      |  |  |  |  |                   |                    |                                       |                         |                              |                   |
| <b>Balance at 1 January 2018</b>  |  | <b>923,990</b>                         | <b>2,920,923</b>                       | <b>89,000</b>                                  | <b>101,639</b>    | <b>5,672,623</b>   | <b>6,636</b>                          | <b>9,714,811</b>        | <b>1,493,389</b>             | <b>11,208,200</b> |
| <b>Transactions with owners, recorded directly in equity</b>            |  |  |  |  |                   |                    |                                       |                         |                              |                   |
| <i>Contributions by and distributions to owners of the parent</i>       |  |  |  |  |                   |                    |                                       |                         |                              |                   |
| Issue of ordinary shares  | 19                                       | 50,000                                 | 1,035,000                              | -  | -                 | -                  | -                                     | 1,085,000               | -                            | 1,085,000         |
| Dividend paid   | 30                                       | -                                      | -                                      | -  | -                 | (1,168,770)        | -                                     | (1,168,770)             | (158,446)                    | (1,327,216)       |
| <b>Total contributions by and distributions to owners of the parent</b> |  | <b>50,000</b>                          | <b>1,035,000</b>                       | <b>-</b>                                       | <b>-</b>          | <b>(1,168,770)</b> | <b>-</b>                              | <b>(83,770)</b>         | <b>(158,446)</b>             | <b>(242,216)</b>  |
| <b>Comprehensive income (loss) for the year</b>                         |  |  |  |  |                   |                    |                                       |                         |                              |                   |
| 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)           |
| <b>Total comprehensive income (loss) for the year</b>                   |  | <b>-</b>                               | <b>-</b>                               | <b>-</b>                                       | <b>-</b>          | <b>2,615,307</b>   | <b>(10,593)</b>                       | <b>2,604,714</b>        | <b>309,956</b>               | <b>2,914,670</b>  |
| <b>Balance at 31 December 2018</b>                                      |  | <b>973,990</b>                         | <b>3,955,923</b>                       | <b>89,000</b>                                  | <b>101,639</b>    | <b>7,119,160</b>   | <b>(3,957)</b>                        | <b>12,235,755</b>       | <b>1,644,899</b>             | <b>13,880,654</b> |

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

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

|  | Note | Separate financial statements          |  |                   |                    | Other components<br>of equity | Total<br>equity    |
|--|------|--|--|-------------------|--------------------|-------------------------------|--------------------|
|  |      | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Retained earnings |                    |                               |                    |
|  |      |  |  | Legal<br>reserve  | Unappropriated     |                               |                    |
| <i>(in thousand Baht)</i>                                    |      |  |  |                   |                    |                               |                    |
| <b>Year ended 31 December 2017</b>                           |      |  |  |                   |                    |                               |                    |
| <b>Balance at 1 January 2017</b>                             |      | <b>923,990</b>                         | <b>3,747,793</b>                       | <b>92,399</b>     | <b>1,009,223</b>   | <b>25,684</b>                 | <b>5,799,089</b>   |
| <b>Transactions with owners, recorded directly in equity</b> |      |  |  |                   |                    |                               |                    |
| <i>Distributions to owners of the parent</i>                 |      |  |  |                   |                    |                               |                    |
| Dividends paid   | 30   | -                                      | -                                      | -                 | (1,108,781)        | -                             | (1,108,781)        |
| <b>Total distributions to owners of the parent</b>           |      | <b>-</b>                               | <b>-</b>                               | <b>-</b>          | <b>(1,108,781)</b> | <b>-</b>                      | <b>(1,108,781)</b> |
| <b>Comprehensive income (loss) for the year</b>              |      |  |  |                   |                    |                               |                    |
| Profit   |      | -                                      | -                                      | -                 | 1,000,546          | -                             | 1,000,546          |
| Other comprehensive income (loss)                            |      | -                                      | -                                      | -                 | -                  | (19,435)                      | (19,435)           |
| <b>Total comprehensive income (loss) for the year</b>        |      | <b>-</b>                               | <b>-</b>                               | <b>-</b>          | <b>1,000,546</b>   | <b>(19,435)</b>               | <b>981,111</b>     |
| Transfer to legal reserve                                    | 20   | -                                      | -                                      | 9,240             | (9,240)            | -                             | -                  |
| <b>Balance at 31 December 2017</b>                           |      | <b>923,990</b>                         | <b>3,747,793</b>                       | <b>101,639</b>    | <b>891,748</b>     | <b>6,249</b>                  | <b>5,671,419</b>   |

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

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

|   | Note | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Separate financial statements |                    | Other components<br>of equity<br>Available-<br>for-sale<br>investments | Total<br>equity  |
|---|------|--|--|-------------------------------|--------------------|--|------------------|
|   |      |  |  | Retained earnings             |                    |  |                  |
|   |      |  |  | Legal<br>reserve              | Unappropriated     |  |                  |
| <i>(in thousand Baht)</i>   |      |  |  |                               |                    |  |                  |
| <b>Year ended 31 December 2018</b>                                      |      |  |  |                               |                    |  |                  |
| <b>Balance at 1 January 2018</b>  |      | <b>923,990</b>                         | <b>3,747,793</b>                       | <b>101,639</b>                | <b>891,748</b>     | <b>6,249</b>   | <b>5,671,419</b> |
| <b>Transactions with owners, recorded directly in equity</b>            |      |  |  |                               |                    |  |                  |
| <i>Contributions by and distributions to owners of the parent</i>       |      |  |  |                               |                    |  |                  |
| Issue of ordinary shares  | 19   | 50,000                                 | 1,035,000                              | -                             | -                  | -  | 1,085,000        |
| Dividends to owners of the company                                      | 30   | -                                      | -                                      | -                             | (1,168,770)        | -  | (1,168,770)      |
| <b>Total contributions by and distributions to owners of the parent</b> |      | <b>50,000</b>                          | <b>1,035,000</b>                       | <b>-</b>                      | <b>(1,168,770)</b> | <b>-</b>   | <b>(83,770)</b>  |
| <b>Comprehensive income (loss) for the year</b>                         |      |  |  |                               |                    |  |                  |
| Profit  |      | -                                      | -                                      | -                             | 1,126,730          | -  | 1,126,730        |
| Other comprehensive income (loss)                                       |      | -                                      | -                                      | -                             | 1,817              | (10,442)   | (8,625)          |
| <b>Total comprehensive income (loss) for the year</b>                   |      | <b>-</b>                               | <b>-</b>                               | <b>-</b>                      | <b>1,128,547</b>   | <b>(10,442)</b>  | <b>1,118,105</b> |
| <b>Balance at 31 December 2018</b>                                      |      | <b>973,990</b>                         | <b>4,782,793</b>                       | <b>101,639</b>                | <b>851,525</b>     | <b>(4,193)</b>   | <b>6,705,754</b> |

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

**SPCG Public Company Limited and its Subsidiaries**

**Statement of cash flows**

|  | <b>Consolidated</b>         |                         | <b>Separate</b>             |                     |
|--|-----------------------------|-------------------------|-----------------------------|---------------------|
|  | <b>financial statements</b> |                         | <b>financial statements</b> |                     |
|  | Year ended 31 December      |                         | Year ended 31 December      |                     |
|  | 2018                        | 2017                    | 2018                        | 2017                |
|  | <i>(in thousand Baht)</i>   |                         |                             |                     |
| <i>Cash flows from operating activities</i>                          |                             |                         |                             |                     |
| Profit for the year  | 2,923,582                   | 2,822,105               | 1,126,730                   | 1,000,546           |
| <i>Adjustments</i>   |                             |                         |                             |                     |
| Depreciation and amortisation  | 689,410                     | 642,804                 | 11,262                      | 8,426               |
| Gain from sale of available-for-sale securities                      | (8,900)                     | (68,370)                | (3,508)                     | (59,693)            |
| Dividends income   | (2,105)                     | -                       | (1,097,760)                 | (924,420)           |
| Interest income  | (37,539)                    | (39,458)                | (433,864)                   | (518,467)           |
| (Reversal of) bad and doubtful debts expenses                        | 977                         | (607)                   | -                           | -                   |
| Losses on inventories devaluation                                    | 15                          | -                       | -                           | -                   |
| (Gain) loss on disposal of plant and equipment                       | (1,586)                     | (560)                   | 1                           | (743)               |
| Loss from liquidation of investments in joint venture and subsidiary | -                           | -                       | 1,884                       | -                   |
| Finance costs  | 503,301                     | 618,170                 | 391,406                     | 485,721             |
| Unrealised (gain) loss on foreign exchange                           | 104                         | (11,230)                | 150                         | 1,635               |
| Provisions for employee benefits                                     | 5,382                       | 1,049                   | 2,596                       | 753                 |
| Share of loss of investment in joint venture                         | 64                          | 919                     | -                           | -                   |
| Tax expense  | 61,268                      | 64,779                  | 6,763                       | 19,715              |
|  | <u>4,133,973</u>            | <u>4,029,601</u>        | <u>5,660</u>                | <u>13,473</u>       |
| <i>Changes in operating assets and liabilities</i>                   |                             |                         |                             |                     |
| Trade and other accounts receivable                                  | 301,231                     | (549,941)               | (64,571)                    | (1,174)             |
| Inventories  | (197,188)                   | (128,097)               | -                           | -                   |
| Other current assets   | 26,235                      | (30,090)                | (210)                       | 5,128               |
| Other non-current assets   | 45,837                      | 28,623                  | (168)                       | 287                 |
| Trade and other accounts payable                                     | (541,899)                   | 51,393                  | 79,192                      | 10,539              |
| Other current liabilities  | 3,882                       | (27,924)                | (1,985)                     | (1,600)             |
| Other non-current liabilities  | 300                         | -                       | -                           | -                   |
| Net cash generated from operating                                    | <u>3,772,371</u>            | <u>3,373,565</u>        | <u>17,918</u>               | <u>26,653</u>       |
| Taxes paid   | (88,388)                    | (38,932)                | (14,000)                    | (16,981)            |
| <b>Net cash from operating activities</b>                            | <b><u>3,683,983</u></b>     | <b><u>3,334,633</u></b> | <b><u>3,918</u></b>         | <b><u>9,672</u></b> |

The accompanying notes are an integral part of these 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 |                    |
|  |      | 2018                   | 2017               | 2018                   | 2017               |
| <i>(in thousand Baht)</i>                                      |      |                        |                    |                        |                    |
| <b><i>Cash flows from investing activities</i></b>             |      |                        |                    |                        |                    |
| (Increased) decreased in short term deposits                   |      |                        |                    |                        |                    |
| at financial institutions                                      |      | 81,000                 | (171,000)          | 81,000                 | (171,000)          |
| Proceeds from sale of available-for-sale securities            |      | 11,582,162             | 12,311,828         | 7,726,538              | 8,217,519          |
| Acquisition of available-for-sale securities                   |      | (12,513,929)           | (10,886,318)       | (8,678,882)            | (6,891,288)        |
| Decreased in investments in debt securities held to maturity   |      | 340,000                | -                  | 340,000                | -                  |
| Increased in restricted fixed deposits                         |      | (340,000)              | -                  | (340,000)              | -                  |
| Acquisition of plant and equipment                             |      | (13,923)               | (89,508)           | (1,210)                | (33,011)           |
| Proceeds from sale of plant and equipment                      |      | 27,277                 | 26,466             | 25                     | 1,577              |
| Acquisition of intangible assets                               |      | (3,418)                | (196)              | (2,934)                | -                  |
| Short-term loans to related parties                            |      | -                      | -                  | (910,300)              | (633,000)          |
| Long-term loans to related parties                             |      | -                      | -                  | -                      | (9,546,477)        |
| Proceeds from repayment of short-term loans to related parties |      | -                      | -                  | 1,084,000              | 365,300            |
| Proceeds from repayment of long-term loans to related parties  |      | -                      | -                  | 2,114,912              | 11,653,947         |
| Payment of investment in subsidiary                            |      | -                      | -                  | (2,500)                | -                  |
| Acquisition of non-controlling interest                        |      | -                      | (104,640)          | -                      | (104,640)          |
| Proceeds from sale of investment in subsidiary                 |      | -                      | -                  | 381                    | -                  |
| Dividends received   |      | 2,105                  | -                  | 1,097,760              | 924,420            |
| Interest received  |      | 36,230                 | 36,153             | 431,557                | 516,305            |
| <b>Net cash from (used in) investing activities</b>            |      | <b>(802,496)</b>       | <b>1,122,785</b>   | <b>2,940,347</b>       | <b>4,299,652</b>   |
| <b><i>Cash flows from financing activities</i></b>             |      |                        |                    |                        |                    |
| Increase in bank overdrafts and short-term loans               |      |                        |                    |                        |                    |
| from financial institutions                                    |      | 88,083                 | 10,938             | -                      | -                  |
| Proceeds from issue of ordinary shares                         |      | 1,085,000              | -                  | 1,085,000              | -                  |
| Proceeds from issue of debentures                              |      | 499,360                | -                  | 499,360                | -                  |
| Payment of debentures  |      | (2,950,000)            | (2,715,000)        | (2,950,000)            | (2,715,000)        |
| Payment of finance lease liabilities                           |      | (1,510)                | (2,485)            | (1,346)                | (1,908)            |
| Dividends paid   |      | (1,327,216)            | (1,255,675)        | (1,168,770)            | (1,108,781)        |
| Interest paid  |      | (491,949)              | (604,273)          | (378,516)              | (474,990)          |
| <b>Net cash used in financing activities</b>                   |      | <b>(3,098,232)</b>     | <b>(4,566,495)</b> | <b>(2,914,272)</b>     | <b>(4,300,679)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>    |      | <b>(216,745)</b>       | <b>(109,077)</b>   | <b>29,993</b>          | <b>8,645</b>       |
| Cash and cash equivalents at 1 January                         |      | 345,897                | 454,974            | 40,050                 | 31,405             |
| <b>Cash and cash equivalents at 31 December</b>                | 5    | <b>129,152</b>         | <b>345,897</b>     | <b>70,043</b>          | <b>40,050</b>      |

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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 22 February 2019.

### 1 General information

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

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

Branch office 1<sup>st</sup> : 8/88 Moo 12 Rachathewa, Bangplee, Samutprakarn

Branch office 2<sup>nd</sup> : 8 Moo 15 Bangplee Yai, Bangplee, Samutprakarn

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

The Company’s major shareholder during the financial year was the Kunchornyakong family (46.54% 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
- Engineering, procurement and construction for solar farms.

Details of the Company’s subsidiaries as at 31 December 2018 and 2017 were as follows:

| Name of the entity  | Type of business   | Country of incorporation | Ownership interest (%) |      |
|---|--|--------------------------|------------------------|------|
|   |  |                          | 2018                   | 2017 |
| <b>Direct subsidiaries</b>  |  |                          |                        |      |
| Solar Power Company Limited   | Holding company  | Thailand                 | 100                    | 100  |
| Steel Roof Company Limited<br>(Formerly Steel and Solar Roof Company Limited) | Manufacturing, trading and installation services for roof sheets | Thailand                 | 100                    | 100  |
| Solar Power Engineering Company Limited                                       | Engineering, Procurement and Construction for solar farms        | Thailand                 | 100                    | 100  |
| Solar Power Roof Company Limited  | Trading and installation services for solar roofing              | Thailand                 | 100                    | 100  |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

| Name of the entity  | Type of business   | Country of incorporation | Ownership interest (%) |      |
|---|--|--------------------------|------------------------|------|
|   |  |                          | 2018                   | 2017 |
| Solar Power Asset Company Limited   | Holding company  | Thailand                 | 100                    | 100  |
| SPCG Leasing Company Limited<br>(Completed the liquidation process on 2 March 2018) | Leasing company  | Thailand                 | -                      | 100  |
| <b>Indirect subsidiaries</b>  |  |                          |                        |      |
| 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  |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

| Name of the entity                           | Type of business   | Country of incorporation | Ownership interest (%) |      |
|--|--|--------------------------|------------------------|------|
|  |  |                          | 2018                   | 2017 |
| 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  |
| 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  |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

| Name of the entity                          | Type of business   | Country of incorporation | Ownership interest (%) |      |
|---|--|--------------------------|------------------------|------|
|   |  |                          | 2018                   | 2017 |
| 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   |
| 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 (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 33.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

(b) *Basic of measurement*

The financial statements have been prepared on the historical cost basis except for the following items.

| <i>Items</i>                   | <i>Measurement bases</i>   |
|--------------------------------|--|
| Available-for-sale investments | Fair value   |
| Defined benefit liability      | Present value of the defined benefit obligation as explained in Note 3 (o) |

(c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2018 is included in the following notes:

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

*Measurement of fair values*

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

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 (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in measuring fair values is included in note 31: Financial instruments.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 3 Significant accounting policies

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

#### (a) *Basis of consolidation*

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

##### *Business combinations*

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

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. 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 and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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

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

##### *Subsidiaries*

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

##### *Non-controlling interests*

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *Interests in equity-accounted investees*

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

Interests in joint ventures are accounted for using the equity method. They are 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.

## **(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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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 and other accounts receivable**

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

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

### **(f) Inventories**

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

Cost is calculated using the 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) Construction contracts in progress**

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

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

### **(h) Investments**

#### *Investments in subsidiaries and joint venture*

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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.

### **(i) *Investment properties***

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

Investment properties are 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 |
|---------------------|----------------|

No depreciation is provided on land.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### (j) *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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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.

### (k) *Intangible assets*

#### *Goodwill*

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

#### *Energy Industry License*

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

#### *Other intangible assets*

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

#### *Subsequent expenditure*

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

#### *Amortisations*

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

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

The estimated useful lives for the current and comparative periods are as follows:

|                   |              |
|-------------------|--------------|
| Computer software | 5 - 10 years |
|-------------------|--------------|

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

### (l) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

**(m) Interest-bearing liabilities**

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

**(n) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(o) Employee benefits**

*Defined contribution plans*

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

*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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### (p) *Provisions*

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

### (q) *Revenue*

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

#### *Income from sale of electricity*

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

#### *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.

#### *Commissions*

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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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.

### *Dividend income*

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

### *Interest and other income*

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

### **(r) Finance costs**

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

### **(s) Lease payments**

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

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

### *Determining whether an arrangement contains a lease*

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

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### **(t) Income tax**

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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.

### (u) *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.

### (v) *Segment reporting*

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 4 Related parties

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

Relationships with subsidiaries, and joint venture are described in note 1, 10 and 11 Relationship with key managements or other related parties were as follows;

| Name of entities             | Country of incorporation | Nature of relationships  |
|------------------------------|--------------------------|--|
| JPEN Co., Ltd.               | Thailand                 | Common shareholders and some directors   |
| Woracha Holding Co., Ltd.    | Thailand                 | Common shareholders  |
| 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  |
| 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:

| <i>Year ended 31 December</i> | <b>Consolidated financial statements</b> |      | <b>Separate financial statements</b> |         |
|-------------------------------|--|------|--------------------------------------|---------|
|                               | 2018                                     | 2017 | 2018                                 | 2017    |
|                               | <i>(in thousand Baht)</i>                |      |                                      |         |
| <b>Subsidiaries</b>           |  |      |                                      |         |
| Interest income               | -  | -    | 327,345                              | 419,183 |
| Dividends income              | -  | -    | 1,097,760                            | 924,420 |
| Other income                  | -  | -    | 113,052                              | 111,881 |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

| <i>Year ended 31 December</i>                  | <b>Consolidated<br/>financial statements</b> |               | <b>Separate<br/>financial statements</b> |               |
|--|--|---------------|--|---------------|
|  | 2018   | 2017          | 2018                                     | 2017          |
|  | <i>(in thousand Baht)</i>                    |               |  |               |
| <b>Other related parties</b>                   |  |               |  |               |
| Sales of goods                                 | 29,216                                       | 20,529        | -  | -             |
| Purchases of goods                             | 48,993                                       | 28,796        | -  | -             |
| Service expense for operation and maintenance  | 168,000                                      | 168,000       | -  | -             |
| Building rental expense and utilities expense  | 20,202                                       | 20,144        | 8,548                                    | 8,577         |
| Warehouse rental expense                       | 10,977                                       | 10,825        | -  | -             |
| Contractual installation service of solar roof | 206,654                                      | 189,111       | -  | -             |
| Consulting fee                                 | 13,316                                       | -             | 13,316                                   | -             |
| <b>Key management personnel</b>                |  |               |  |               |
| Key management personnel compensation          |  |               |  |               |
| Short-term employee benefits                   | 35,918                                       | 31,576        | 21,859                                   | 19,870        |
| Post-employment benefits                       | 4,129  | 715           | 1,634                                    | 349           |
| <b>Total</b>                                   | <b>40,047</b>                                | <b>32,291</b> | <b>23,493</b>                            | <b>20,219</b> |

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

| <i>Trade and other accounts receivable<br/>- related parties</i> | <b>Consolidated<br/>financial statements</b> |          | <b>Separate<br/>financial statements</b> |              |
|--|--|----------|--|--------------|
|  | 2018   | 2017     | 2018                                     | 2017         |
|  | <i>(in thousand Baht)</i>                    |          |  |              |
| Subsidiaries   | -  | -        | 71,611                                   | 6,364        |
| Other related parties  | 572  | -        | -  | -            |
| <b>Total</b>   | <b>572</b>                                   | <b>-</b> | <b>71,611</b>                            | <b>6,364</b> |

| <i>Loans to related parties</i> | <b>Interest Rate</b> |      | <b>Consolidated<br/>financial statements</b> |          | <b>Separate<br/>financial statements</b> |                |
|---------------------------------|----------------------|------|--|----------|--|----------------|
|                                 | 2018                 | 2017 | 2018   | 2017     | 2018                                     | 2017           |
|                                 | <i>(% per annum)</i> |      | <i>(in thousand Baht)</i>                    |          |  |                |
| <b>Short-term loans</b>         |                      |      |  |          |  |                |
| Subsidiaries                    | 3.50                 | 3.50 | -  | -        | 101,000                                  | 269,700        |
|                                 | -                    | 4.00 | -  | -        | -  | 5,000          |
| <b>Total short-term loans</b>   |                      |      | <b>-</b>                                     | <b>-</b> | <b>101,000</b>                           | <b>274,700</b> |

| <i>Long-term loans</i>                          |          |          | <b>Consolidated<br/>financial statements</b> |          | <b>Separate<br/>financial statements</b> |                    |
|---|----------|----------|--|----------|--|--------------------|
|   | THBFIX3M | THBFIX3M | 2018   | 2017     | 2018                                     | 2017               |
| Subsidiaries                                    |          |          |  |          |  |                    |
|   | +1.55    | +1.55    | -  | -        | 6,896,319                                | 8,717,131          |
|   | 3.50     | 3.50     | -  | -        | 125,375                                  | 143,225            |
|   | 5.65     | 5.65     | -  | -        | 1,868,750                                | 2,145,000          |
| <b>Total</b>                                    |          |          | <b>-</b>                                     | <b>-</b> | <b>8,890,444</b>                         | <b>11,005,356</b>  |
| <i>Less current portion due within one year</i> |          |          | <b>-</b>                                     | <b>-</b> | <b>(2,322,072)</b>                       | <b>(2,114,912)</b> |
| <b>Total long-term loans</b>                    |          |          | <b>-</b>                                     | <b>-</b> | <b>6,568,372</b>                         | <b>8,890,444</b>   |
| <b>Total loans to related parties</b>           |          |          | <b>-</b>                                     | <b>-</b> | <b>8,991,444</b>                         | <b>11,280,056</b>  |



# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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.

### *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 2019 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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 5 Cash and cash equivalents

|                                | Consolidated<br>financial statements |                | Separate<br>financial statements |               |
|--------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
|                                | 2018                                 | 2017           | 2018                             | 2017          |
|                                | <i>(in thousand Baht)</i>            |                |                                  |               |
| Cash on hand                   | 211                                  | 211            | 20                               | 20            |
| Cash at financial institutions | 128,941                              | 345,686        | 70,023                           | 40,030        |
| <b>Total</b>                   | <b>129,152</b>                       | <b>345,897</b> | <b>70,043</b>                    | <b>40,050</b> |

### 6 Other investments

|   | Consolidated<br>financial statements |                  | Separate<br>financial statements |                  |
|---|--------------------------------------|------------------|----------------------------------|------------------|
|   | 2018                                 | 2017             | 2018                             | 2017             |
|   | <i>(in thousand Baht)</i>            |                  |                                  |                  |
| <b><i>Current investments</i></b>                                   |                                      |                  |                                  |                  |
| Short-term deposits at financial institutions (Private fund)        | 90,000                               | 171,000          | 90,000                           | 171,000          |
| Equity securities available for sale (Short-term fixed income fund) | 1,671,579                            | 1,223,372        | 1,516,467                        | 1,052,882        |
| Debt securities available for sale (Private fund)                   | 95,486                               | 46,695           | 95,486                           | 46,695           |
|   | <b>1,857,065</b>                     | <b>1,441,067</b> | <b>1,701,953</b>                 | <b>1,270,577</b> |
| <b><i>Long-term investments</i></b>                                 |                                      |                  |                                  |                  |
| <b><i>- Available-for-sale securities</i></b>                       |                                      |                  |                                  |                  |
| Debt securities available for sale (Private fund)                   | 654,191                              | 212,149          | 654,191                          | 212,149          |
| Equity securities available for sale (Equity fund)                  | 27,625                               | 39,393           | 27,625                           | 39,393           |
|   | <b>681,816</b>                       | <b>251,542</b>   | <b>681,816</b>                   | <b>251,542</b>   |
| <b><i>- Other long-term investments</i></b>                         |                                      |                  |                                  |                  |
| Non-marketable equity securities                                    | 128,678                              | 128,678          | -                                | -                |
| Restricted fixed deposit  | 340,000                              | -                | 340,000                          | -                |
| Debt securities held to maturity                                    | -                                    | 340,000          | -                                | 340,000          |
|   | <b>468,678</b>                       | <b>468,678</b>   | <b>340,000</b>                   | <b>340,000</b>   |
|   | <b>1,150,494</b>                     | <b>720,220</b>   | <b>1,021,816</b>                 | <b>591,542</b>   |
| <b>Total</b>  | <b>3,007,559</b>                     | <b>2,161,287</b> | <b>2,723,769</b>                 | <b>1,862,119</b> |

During the first quarter of 2017, the Company established private fund and engaged independent assets management company for the purpose of cash balance management of the Company. These private fund has invested in debt securities which has high liquidity and credit quality. As at 31 December 2018, the value of private fund outstanding totalling Baht 848 million (2017: Baht 434 million).

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

Restricted fixed deposit is fixed deposit for the period 18 months with a financial institution and bear interest rate at 1.60% per annum. The fixed deposit is used as collateral for the Company's debentures (note 17).

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

|                                      | Consolidated<br>financial statements |                         | Separate<br>financial statements |                         |
|--------------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
|                                      | 2018                                 | 2017                    | 2018                             | 2017                    |
|                                      | <i>(in thousand Baht)</i>            |                         |                                  |                         |
| <b>Available-for-sale securities</b> |                                      |                         |                                  |                         |
| At 1 January                         | 1,521,609                            | 2,904,750               | 1,351,119                        | 2,643,586               |
| Purchases during the year            | 12,513,929                           | 10,886,318              | 8,678,882                        | 6,891,288               |
| Sales during the year                | (11,582,162)                         | (12,311,828)            | (7,726,538)                      | (8,217,519)             |
| Gain on sale of investments          | 8,900                                | 68,370                  | 3,508                            | 59,693                  |
| Valuation adjustment                 | (13,245)                             | (24,366)                | (13,052)                         | (24,294)                |
| Exchange rates adjustment            | (150)                                | (1,635)                 | (150)                            | (1,635)                 |
| <b>At 31 December</b>                | <b><u>2,448,881</u></b>              | <b><u>1,521,609</u></b> | <b><u>2,293,769</u></b>          | <b><u>1,351,119</u></b> |

## 7 Trade and other accounts receivable

|  | Note | Consolidated<br>financial statements |                         | Separate<br>financial statements |                      |
|--|------|--------------------------------------|-------------------------|----------------------------------|----------------------|
|  |      | 2018                                 | 2017                    | 2018                             | 2017                 |
|  |      | <i>(in thousand Baht)</i>            |                         |                                  |                      |
| <b>Related parties</b>                                       | 4    | <b><u>572</u></b>                    | <b><u>-</u></b>         | <b><u>71,611</u></b>             | <b><u>6,364</u></b>  |
| <b>Other parties</b>   |      |                                      |                         |                                  |                      |
| Trade accounts receivable                                    |      | 592,746                              | 540,962                 | 1,403                            | 1,403                |
| Accrued income   |      | 607,753                              | 948,239                 | 1                                | -                    |
| Retention receivable   |      | 2,994                                | 11,024                  | -                                | -                    |
| Others   |      | 27,146                               | 29,168                  | 13,308                           | 9,944                |
|  |      | <b><u>1,230,639</u></b>              | <b><u>1,529,393</u></b> | <b><u>14,712</u></b>             | <b><u>11,347</u></b> |
| <b>Total</b>   |      | <b><u>1,231,211</u></b>              | <b><u>1,529,393</u></b> | <b><u>86,323</u></b>             | <b><u>17,711</u></b> |
| Less allowance for doubtful accounts                         |      | (4,504)                              | (3,527)                 | (1,403)                          | (1,403)              |
| <b>Net</b>   |      | <b><u>1,226,707</u></b>              | <b><u>1,525,866</u></b> | <b><u>84,920</u></b>             | <b><u>16,308</u></b> |
| (Reversal of) bad and doubtful debts<br>expense for the year |      | <b><u>977</u></b>                    | <b><u>(607)</u></b>     | <b><u>-</u></b>                  | <b><u>-</u></b>      |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

Aging analyses for trade accounts receivable were as follows:

|                                      | Consolidated<br>financial statements |                       | Separate<br>financial statements |                 |
|--------------------------------------|--------------------------------------|-----------------------|----------------------------------|-----------------|
|                                      | 2018                                 | 2017                  | 2018                             | 2017            |
|                                      | <i>(in thousand Baht)</i>            |                       |                                  |                 |
| <b>Other parties</b>                 |                                      |                       |                                  |                 |
| Within credit terms                  | 501,775                              | 507,565               | -                                | -               |
| Overdue:                             |                                      |                       |                                  |                 |
| Less than 3 months                   | 52,315                               | 24,356                | -                                | -               |
| 3-6 months                           | 4,264                                | 1,139                 | -                                | -               |
| 6-12 months                          | 24,523                               | 4,158                 | -                                | -               |
| Over 12 months                       | 9,869                                | 3,744                 | 1,403                            | 1,403           |
|                                      | <u>592,746</u>                       | <u>540,962</u>        | <u>1,403</u>                     | <u>1,403</u>    |
| Less allowance for doubtful accounts | (4,504)                              | (3,527)               | (1,403)                          | (1,403)         |
| <b>Total</b>                         | <b><u>588,242</u></b>                | <b><u>537,435</u></b> | <b><u>-</u></b>                  | <b><u>-</u></b> |

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

## 8 Inventories

|   | Consolidated<br>financial statements |                       | Separate<br>financial statements |                 |
|---|--------------------------------------|-----------------------|----------------------------------|-----------------|
|   | 2018                                 | 2017                  | 2018                             | 2017            |
|   | <i>(in thousand Baht)</i>            |                       |                                  |                 |
| Finished goods  | 18,059                               | 14,258                | -                                | -               |
| Work in progress                                      | 13,494                               | 1,029                 | -                                | -               |
| Raw materials   | 878,234                              | 691,199               | -                                | -               |
| Goods in transit                                      | -                                    | 6,114                 | -                                | -               |
| <b>Total</b>  | <b><u>909,787</u></b>                | <b><u>712,600</u></b> | <b><u>-</u></b>                  | <b><u>-</u></b> |
| Less allowance for decline in value<br>of inventories | (3,522)                              | (3,507)               | -                                | -               |
| <b>Net</b>  | <b><u>906,265</u></b>                | <b><u>709,093</u></b> | <b><u>-</u></b>                  | <b><u>-</u></b> |

Inventories recognised as an expense in  
'cost of sales of goods':

|                 |                       |                         |                 |                 |
|-----------------|-----------------------|-------------------------|-----------------|-----------------|
| - Cost of sales | 896,080               | 1,141,924               | -               | -               |
| - Write-down    | 15                    | -                       | -               | -               |
| <b>Net</b>      | <b><u>896,095</u></b> | <b><u>1,141,924</u></b> | <b><u>-</u></b> | <b><u>-</u></b> |

## 9 Other current assets

|                                    | Consolidated<br>financial statements |                       | Separate<br>financial statements |                   |
|------------------------------------|--------------------------------------|-----------------------|----------------------------------|-------------------|
|                                    | 2018                                 | 2017                  | 2018                             | 2017              |
|                                    | <i>(in thousand Baht)</i>            |                       |                                  |                   |
| Receivable from revenue department | 21,558                               | 50,164                | -                                | -                 |
| Refundable corporate income tax    | 33,701                               | 48,856                | -                                | -                 |
| Others                             | 82,818                               | 50,594                | 445                              | 235               |
| <b>Total</b>                       | <b><u>138,077</u></b>                | <b><u>149,614</u></b> | <b><u>445</u></b>                | <b><u>235</u></b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 10 Investment in joint venture

|  | Consolidated<br>financial statements |                           | Separate<br>financial statements |              |
|--|--------------------------------------|---------------------------|----------------------------------|--------------|
|  | 2018                                 | 2017                      | 2018                             | 2017         |
|  |                                      |                           |                                  |              |
|  |                                      | <i>(in thousand Baht)</i> |                                  |              |
| At 1 January                                 | 1,799                                | 2,718                     | 3,000                            | 3,000        |
| Share of loss of investment in joint venture | (64)                                 | (919)                     | -                                | -            |
| Decrease                                     | (1,735)                              | -                         | (3,000)                          | -            |
| <b>At 31 December</b>                        | <b>-</b>                             | <b>1,799</b>              | <b>-</b>                         | <b>3,000</b> |

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

Investment in joint venture as at 31 December 2018 and 2017 and dividend income for the year then ended were as follows:

|   | <b>Consolidated financial statements</b> |       |                 |        |             |              |               |              |            |          |                     |              |                 |          |
|---|--|-------|-----------------|--------|-------------|--------------|---------------|--------------|------------|----------|---------------------|--------------|-----------------|----------|
|   | Ownership interest                       |       | Paid-up capital |        | Cost Method |              | Equity Method |              | Impairment |          | Equity Method - Net |              | Dividend income |          |
|   | 2018                                     | 2017  | 2018            | 2017   | 2018        | 2017         | 2018          | 2017         | 2018       | 2017     | 2018                | 2017         | 2018            | 2017     |
| Enegate (Thailand) Co., Ltd.<br>(Completed the liquidation process on 7 March 2018) | -  | 30.00 | -               | 10,000 | -           | 3,000        | -             | 1,799        | -          | -        | -                   | 1,799        | -               | -        |
| <b>Total</b>  |  |       |                 |        | <u>-</u>    | <u>3,000</u> | <u>-</u>      | <u>1,799</u> | <u>-</u>   | <u>-</u> | <u>-</u>            | <u>1,799</u> | <u>-</u>        | <u>-</u> |

|  | <b>Separate financial statements</b> |       |                 |        |             |              |            |          |               |              |                 |          |
|--|--------------------------------------|-------|-----------------|--------|-------------|--------------|------------|----------|---------------|--------------|-----------------|----------|
|  | Ownership interest                   |       | Paid-up capital |        | Cost Method |              | Impairment |          | At cost - net |              | Dividend income |          |
|  | 2018                                 | 2017  | 2018            | 2017   | 2018        | 2017         | 2018       | 2017     | 2018          | 2017         | 2018            | 2017     |
| Enegate (Thailand) Co., Ltd.<br>Completed the liquidation process on 7 March 2018) | -                                    | 30.00 | -               | 10,000 | -           | 3,000        | -          | -        | -             | 3,000        | -               | -        |
| <b>Total</b>   |                                      |       |                 |        | <u>-</u>    | <u>3,000</u> | <u>-</u>   | <u>-</u> | <u>-</u>      | <u>3,000</u> | <u>-</u>        | <u>-</u> |

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

At the extraordinary meeting of shareholders of Enegate (Thailand) Co., Ltd., a joint venture, held on 12 October 2017, the shareholders approved the dissolution of the company. The Company registered its dissolution with the Ministry of Commerce on 6 December 2017. The Company was completed the liquidation process on 7 March 2018.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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

|  | Immaterial joint venture  |              |
|--|---------------------------|--------------|
|  | 2018                      | 2017         |
|  | <i>(in thousand Baht)</i> |              |
| Carrying amount of interests in immaterial joint venture | -                         | 1,799        |
| Group's share of:  |                           |              |
| - Loss   | (64)                      | (919)        |
| - Other comprehensive income                             | -                         | -            |
| - Total comprehensive income (loss)                      | <u>(64)</u>               | <u>(919)</u> |

### 11 Investments in subsidiaries

|                       | Separate<br>financial statements |                         |
|-----------------------|----------------------------------|-------------------------|
|                       | 2018                             | 2017                    |
|                       | <i>(in thousand Baht)</i>        |                         |
| At 1 January          | 3,083,813                        | 2,979,173               |
| Increase              | 2,500                            | 104,640                 |
| Decrease              | (1,000)                          | -                       |
| <b>At 31 December</b> | <b><u>3,085,313</u></b>          | <b><u>3,083,813</u></b> |

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the year then ended were as follows;

|  | Ownership interest |      | Paid-up capital |           | Separate financial statements |                  |            |          | At cost - net    |                  | Dividend income  |                |
|--|--------------------|------|-----------------|-----------|-------------------------------|------------------|------------|----------|------------------|------------------|------------------|----------------|
|  | 2018               | 2017 | 2018            | 2017      | 2018                          | 2017             | 2018       | 2017     | 2018             | 2017             | 2018             | 2017           |
|  |                    | (%)  |                 |           | Cost                          |                  | Impairment |          |                  |                  |                  |                |
|  |                    |      |                 |           |                               |                  |            |          |                  |                  |                  |                |
| <i>Direct Subsidiaries</i>   |                    |      |                 |           |                               |                  |            |          |                  |                  |                  |                |
| Solar Power Company Limited  | 100                | 100  | 1,500,000       | 1,500,000 | 2,301,000                     | 2,301,000        | -          | -        | 2,301,000        | 2,301,000        | 1,056,000        | 886,500        |
| Steel Roof Company Limited (Formerly Steel and Solar Roof Company Limited)       | 100                | 100  | 57,373          | 57,373    | 57,373                        | 57,373           | -          | -        | 57,373           | 57,373           | -                | -              |
| Solar Power Engineering Company Limited  | 100                | 100  | 6,000           | 3,500     | 6,000                         | 3,500            | -          | -        | 6,000            | 3,500            | -                | -              |
| 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          | 41,760           | 37,920         |
| SPCG Leasing Company Limited (Completed the liquidation process on 2 March 2018) | -                  | 100  | -               | 1,000     | -                             | 1,000            | -          | -        | -                | 1,000            | -                | -              |
|  |                    |      |                 |           | <u>3,085,313</u>              | <u>3,083,813</u> | <u>-</u>   | <u>-</u> | <u>3,085,313</u> | <u>3,083,813</u> | <u>1,097,760</u> | <u>924,420</u> |

All subsidiaries were incorporated in Thailand.

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### *Changes in investment in subsidiaries*

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.

At the extraordinary meeting of shareholders of SPCG Leasing Company Limited, a subsidiary, held on 22 November 2017, the shareholders approved the dissolution of the company. The Company registered its dissolution with the Ministry of Commerce on 6 December 2017. The Company was completed the liquidation process on 2 March 2018.

On 31 July 2017, the Company entered into share sale & purchase agreement with non-related party and related party to purchase ordinary shares of Solar Power Roof Company Limited, a subsidiary of the Company for 24% of the issued and paid capital for consideration totaling Baht 104.64 million, bringing the Group's total interest in Solar Power Roof Company Limited from 76% to 100%.

## 12 Non-controlling interests

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

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

|  | 31 December 2017                |  |                  |
|--|---------------------------------|--|------------------|
|  | Solar power<br>group<br>company | Other<br>individually<br>immaterial<br>subsidiaries<br><i>(in thousand Baht)</i> | <b>Total</b>     |
| Current assets   | 909,310                         |  |                  |
| Non-current assets   | 17,512,122                      |  |                  |
| Current liabilities  | 2,203,304                       |  |                  |
| Non-current liabilities  | 8,698,388                       |  |                  |
| <b>Net assets</b>  | <b>7,519,740</b>                |  |                  |
| Carrying amount of non-controlling interest                      | <u>1,466,650</u>                | 26,739   | <b>1,493,389</b> |
| Revenue  | 4,165,650                       |  |                  |
| Profit   | 2,499,598                       |  |                  |
| Other comprehensive income (loss)                                | <u>(20)</u>                     |  |                  |
| <b>Total comprehensive income</b>                                | <b>2,499,578</b>                |  |                  |
| Profit allocated to non-controlling interest                     | <u>259,671</u>                  | 38,109   | <b>297,780</b>   |
| Other comprehensive income allocated to non-controlling interest | <u>4</u>                        | 7  | <b>11</b>        |
| Net cash from operating activities                               | 3,663,314                       |  |                  |
| Net cash from investing activities                               | 22,179                          |  |                  |
| Net cash from financing activities                               | <u>(3,679,781)</u>              |  |                  |
| <b>Net increase in cash and cash equivalents</b>                 | <b>5,712</b>                    |  |                  |

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2018**

**13 Property, plant and equipment**

|   | <b>Consolidated financial statements</b> |   |  |                     |               |                             | Total             |
|---|--|---|--|---------------------|---------------|-----------------------------|-------------------|
|   | Land                                     | Buildings,<br>building<br>improvements<br>and<br>infrastructure | Solar modules,<br>inverters,<br>equipment and<br>machinery | Office<br>equipment | Vehicles      | Asset under<br>construction |                   |
|   | <i>(in thousand Baht)</i>                |   |  |                     |               |                             |                   |
| <b>Cost</b>                                   |  |   |  |                     |               |                             |                   |
| At 1 January 2017                             | 1,972,402                                | 1,138,416   | 16,966,285   | 25,188              | 19,342        | -                           | 20,121,633        |
| Additions                                     | 20,651                                   | 49,347  | 8,386  | 8,816               | 4,949         | -                           | 92,149            |
| Transfers                                     | -  | 1,593   | (2,434)  | -                   | -             | -                           | (841)             |
| Disposals                                     | -  | (3,119)   | (28,372)   | (2,138)             | (5,024)       | -                           | (38,653)          |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>1,993,053</b>                         | <b>1,186,237</b>  | <b>16,943,865</b>  | <b>31,866</b>       | <b>19,267</b> | <b>-</b>                    | <b>20,174,288</b> |
| 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)          |
| <b>At 31 December 2018</b>                    | <b>1,993,053</b>                         | <b>1,175,778</b>  | <b>16,927,502</b>  | <b>34,908</b>       | <b>17,125</b> | <b>-</b>                    | <b>20,148,366</b> |
| <b>Depreciation</b>                           |  |   |  |                     |               |                             |                   |
| At 1 January 2017                             | -  | 179,186   | 2,201,515  | 13,403              | 12,121        | -                           | 2,406,225         |
| Depreciation charge for the year              | -  | 52,630  | 571,994  | 4,826               | 2,625         | -                           | 632,075           |
| Transfers                                     | -  | 286   | (1,063)  | -                   | -             | -                           | (777)             |
| Disposals                                     | -  | (1,147)   | (7,737)  | (232)               | (4,072)       | -                           | (13,188)          |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>-</b>                                 | <b>230,955</b>  | <b>2,764,709</b>   | <b>17,997</b>       | <b>10,674</b> | <b>-</b>                    | <b>3,024,335</b>  |
| 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)          |
| <b>At 31 December 2018</b>                    | <b>-</b>                                 | <b>322,754</b>  | <b>3,333,866</b>   | <b>21,289</b>       | <b>12,019</b> | <b>-</b>                    | <b>3,689,928</b>  |

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2018**

**Consolidated financial statements**

|   | Land             | Buildings,<br>building<br>improvements<br>and<br>infrastructure | Solar modules,<br>inverters,<br>equipment and<br>machinery | Office<br>equipment | Vehicles     | Asset under<br>construction | Total             |
|---|------------------|---|--|---------------------|--------------|-----------------------------|-------------------|
|   |                  |   |  | (in thousand Baht)  |              |                             |                   |
| <i>Net book value</i>                         |                  |   |  |                     |              |                             |                   |
| <b>At 1 January 2017</b>                      |                  |   |  |                     |              |                             |                   |
| Owned assets                                  | 1,972,402        | 959,230   | 14,764,770   | 11,785              | 4,428        | -                           | 17,712,615        |
| Assets under finance leases                   | -                | -   | -  | -                   | 2,793        | -                           | 2,793             |
|   | <b>1,972,402</b> | <b>959,230</b>  | <b>14,764,770</b>  | <b>11,785</b>       | <b>7,221</b> | <b>-</b>                    | <b>17,715,408</b> |
| <b>At 31 December 2017 and 1 January 2018</b> |                  |   |  |                     |              |                             |                   |
| Owned assets                                  | 1,993,053        | 955,282   | 14,179,156   | 13,623              | 4,242        | -                           | 17,145,356        |
| Assets under finance leases                   | -                | -   | -  | 246                 | 4,351        | -                           | 4,597             |
|   | <b>1,993,053</b> | <b>955,282</b>  | <b>14,179,156</b>  | <b>13,869</b>       | <b>8,593</b> | <b>-</b>                    | <b>17,149,953</b> |
| <b>At 31 December 2018</b>                    |                  |   |  |                     |              |                             |                   |
| 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             |
|   | <b>1,993,053</b> | <b>853,024</b>  | <b>13,593,636</b>  | <b>13,619</b>       | <b>5,106</b> | <b>-</b>                    | <b>16,458,438</b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

|   | Separate financial statements       |  |               |               |
|---|-------------------------------------|--|---------------|---------------|
|   | Buildings and building improvements | Office equipment<br>(in thousand Baht) | Vehicles      | Total         |
| <b>Cost</b>                                   |                                     |  |               |               |
| At 1 January 2017                             | 1,690                               | 8,090                                  | 11,689        | 21,469        |
| Additions                                     | 30,084                              | 2,520                                  | 3,550         | 36,154        |
| Disposals                                     | -                                   | (659)                                  | (4,000)       | (4,659)       |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>31,774</b>                       | <b>9,951</b>                           | <b>11,239</b> | <b>52,964</b> |
| Additions                                     | 105                                 | 1,105                                  | -             | 1,210         |
| Disposals                                     | -                                   | (177)                                  | -             | (177)         |
| <b>At 31 December 2018</b>                    | <b>31,879</b>                       | <b>10,879</b>                          | <b>11,239</b> | <b>53,997</b> |
| <b>Depreciation</b>                           |                                     |  |               |               |
| At 1 January 2017                             | 29                                  | 3,676                                  | 7,013         | 10,718        |
| Depreciation charge for the year              | 3,866                               | 1,604                                  | 1,666         | 7,136         |
| Disposals                                     | -                                   | (592)                                  | (3,232)       | (3,824)       |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>3,895</b>                        | <b>4,688</b>                           | <b>5,447</b>  | <b>14,030</b> |
| Depreciation charge for the year              | 6,373                               | 1,642                                  | 2,031         | 10,046        |
| Disposals                                     | -                                   | (151)                                  | -             | (151)         |
| <b>At 31 December 2018</b>                    | <b>10,268</b>                       | <b>6,179</b>                           | <b>7,478</b>  | <b>23,925</b> |
| <b>Net book value</b>                         |                                     |  |               |               |
| <b>At 1 January 2017</b>                      |                                     |  |               |               |
| Owned assets                                  | 1,661                               | 4,414                                  | 2,777         | 8,852         |
| Assets under finance leases                   | -                                   | -                                      | 1,899         | 1,899         |
|   | <b>1,661</b>                        | <b>4,414</b>                           | <b>4,676</b>  | <b>10,751</b> |
| <b>At 31 December 2017 and 1 January 2018</b> |                                     |  |               |               |
| Owned assets                                  | 27,879                              | 5,263                                  | 1,441         | 34,583        |
| Assets under finance leases                   | -                                   | -                                      | 4,351         | 4,351         |
|   | <b>27,879</b>                       | <b>5,263</b>                           | <b>5,792</b>  | <b>38,934</b> |
| <b>At 31 December 2018</b>                    |                                     |  |               |               |
| Owned assets                                  | 21,611                              | 4,700                                  | 997           | 27,308        |
| Assets under finance leases                   | -                                   | -                                      | 2,764         | 2,764         |
|   | <b>21,611</b>                       | <b>4,700</b>                           | <b>3,761</b>  | <b>30,072</b> |

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 mounted to Baht 6.85 million (2017: Baht 7.01 million).

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### 14 Intangible assets

|   | Consolidated financial statements |                                       |                      |  |
|---|-----------------------------------|---------------------------------------|----------------------|--|
|   | License<br>for Energy<br>Industry | Goodwill<br><i>(in thousand Baht)</i> | Computer<br>software | Total  |
| <b>Cost</b>                                   |                                   |                                       |                      |  |
| At 1 January 2017                             | 57,895                            | 11,286                                | 58,463               | 127,644  |
| Additions                                     | -                                 | -                                     | 221                  | 221  |
| Disposals                                     | -                                 | -                                     | (650)                | (650)  |
| Transfers                                     | -                                 | -                                     | 841                  | 841  |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>57,895</b>                     | <b>11,286</b>                         | <b>58,875</b>        | <b>128,056</b>                                 |
| Additions                                     | -                                 | -                                     | 3,418                | 3,418  |
| <b>At 31 December 2018</b>                    | <b>57,895</b>                     | <b>11,286</b>                         | <b>62,293</b>        | <b>131,474</b>                                 |
| <b>Amortisation</b>                           |                                   |                                       |                      |  |
| At 1 January 2017                             | 6,947                             | -                                     | 13,135               | 20,082   |
| Amortisation for the year                     | 2,315                             | -                                     | 5,862                | 8,177  |
| Disposals                                     | -                                 | -                                     | (310)                | (310)  |
| Transfers                                     | -                                 | -                                     | 777                  | 777  |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>9,262</b>                      | <b>-</b>                              | <b>19,464</b>        | <b>28,726</b>                                  |
| Amortisation for the year                     | 2,315                             | -                                     | 5,751                | 8,066  |
| <b>At 31 December 2018</b>                    | <b>11,577</b>                     | <b>-</b>                              | <b>25,215</b>        | <b>36,792</b>                                  |
| <b>Net book value</b>                         |                                   |                                       |                      |  |
| At 1 January 2017                             | 50,948                            | 11,286                                | 45,328               | 107,562  |
| <b>At 31 December 2017 and 1 January 2018</b> | <b>48,633</b>                     | <b>11,286</b>                         | <b>39,411</b>        | <b>99,330</b>                                  |
| <b>At 31 December 2018</b>                    | <b>46,318</b>                     | <b>11,286</b>                         | <b>37,078</b>        | <b>94,682</b>                                  |
|   |                                   |                                       |                      | <b>Separate financial<br/>statements</b>       |
|   |                                   |                                       |                      | Computer software<br><i>(in thousand Baht)</i> |
| <b>Cost</b>                                   |                                   |                                       |                      |  |
| At 1 January 2017                             |                                   |                                       |                      | 1,233  |
| <b>At 31 December 2017 and 1 January 2018</b> |                                   |                                       |                      | <b>1,233</b>                                   |
| Additions                                     |                                   |                                       |                      | 2,934  |
| <b>At 31 December 2018</b>                    |                                   |                                       |                      | <b>4,167</b>                                   |
| <b>Amortisation</b>                           |                                   |                                       |                      |  |
| At 1 January 2017                             |                                   |                                       |                      | 434  |
| Amortisation for the year                     |                                   |                                       |                      | 173  |
| <b>At 31 December 2017 and 1 January 2018</b> |                                   |                                       |                      | <b>607</b>                                     |
| Amortisation for the year                     |                                   |                                       |                      | 121  |
| <b>At 31 December 2018</b>                    |                                   |                                       |                      | <b>728</b>                                     |
| <b>Net book value</b>                         |                                   |                                       |                      |  |
| At 1 January 2017                             |                                   |                                       |                      | 799  |
| <b>At 31 December 2017 and 1 January 2018</b> |                                   |                                       |                      | <b>626</b>                                     |
| <b>At 31 December 2018</b>                    |                                   |                                       |                      | <b>3,439</b>                                   |

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### 15 Deferred tax

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

|  | <b>Consolidated<br/>financial statements</b> |                |                    |                |
|--|--|----------------|--------------------|----------------|
|  | <b>Assets</b>                                |                | <b>Liabilities</b> |                |
|  | 2018   | 2017           | 2018               | 2017           |
|  | <i>(in thousand Baht)</i>                    |                |                    |                |
| Total  | 159,827                                      | 158,097        | (2,886)            | (6,344)        |
| Set off of tax                               | (2,487)                                      | (1,430)        | 2,487              | 1,430          |
| <b>Net deferred tax assets (liabilities)</b> | <b>157,340</b>                               | <b>156,667</b> | <b>(399)</b>       | <b>(4,914)</b> |

|                                     | <b>Separate<br/>financial statements</b> |          |                    |                |
|-------------------------------------|--|----------|--------------------|----------------|
|                                     | <b>Assets</b>                            |          | <b>Liabilities</b> |                |
|                                     | 2018                                     | 2017     | 2018               | 2017           |
|                                     | <i>(in thousand Baht)</i>                |          |                    |                |
| Total                               | 2,543                                    | 1,430    | (2,886)            | (6,263)        |
| Set off of tax                      | (2,543)                                  | (1,430)  | 2,543              | 1,430          |
| <b>Net deferred tax liabilities</b> | <b>-</b>                                 | <b>-</b> | <b>(343)</b>       | <b>(4,833)</b> |

Movements in total deferred tax assets and liabilities during the year were as follows:

|  | <b>Consolidated financial statements</b> |                                |                                  |                                    |
|--|--|--------------------------------|----------------------------------|------------------------------------|
|  | (Charged) / Credited to:                 |                                |                                  |                                    |
|  | <b>At 1<br/>January<br/>2018</b>         | Profit or<br>loss<br>(note 27) | Other<br>comprehensive<br>income | <b>At 31<br/>December<br/>2018</b> |
|  | <i>(in thousand Baht)</i>                |                                |                                  |                                    |
| <b><i>Deferred tax assets</i></b>      |  |                                |                                  |                                    |
| Property, plant and equipment          | 155,893                                  | 90                             | -                                | 155,983                            |
| Provisions for employee benefits       | 2,204                                    | 1,090                          | (441)                            | 2,853                              |
| Available-for-sale investments         | -  | -                              | 991                              | 991                                |
| <b>Total</b>                           | <b>158,097</b>                           | <b>1,180</b>                   | <b>550</b>                       | <b>159,827</b>                     |
| <b><i>Deferred tax liabilities</i></b> |  |                                |                                  |                                    |
| Available-for-sale investments         | 1,645                                    | -                              | (1,645)                          | -                                  |
| Debentures                             | 4,699                                    | (1,813)                        | -                                | 2,886                              |
| <b>Total</b>                           | <b>6,344</b>                             | <b>(1,813)</b>                 | <b>(1,645)</b>                   | <b>2,886</b>                       |
| <b>Net</b>                             | <b>151,753</b>                           | <b>2,993</b>                   | <b>2,195</b>                     | <b>156,941</b>                     |

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

|                                  | Consolidated financial statements |                                |                                  | At 31<br>December<br>2017 |
|----------------------------------|-----------------------------------|--------------------------------|----------------------------------|---------------------------|
|                                  | At 1<br>January<br>2017           | (Charged) / Credited to:       |                                  |                           |
|                                  |                                   | Profit or<br>loss<br>(note 27) | Other<br>comprehensive<br>income |                           |
|                                  |                                   | (in thousand Baht)             |                                  |                           |
| <i>Deferred tax assets</i>       |                                   |                                |                                  |                           |
| Property, plant and equipment    | 159,227                           | (3,334)                        | -                                | 155,893                   |
| Provisions for employee benefits | 1,994                             | 210                            | -                                | 2,204                     |
| <b>Total</b>                     | <b>161,221</b>                    | <b>(3,124)</b>                 | <b>-</b>                         | <b>158,097</b>            |
| <i>Deferred tax liabilities</i>  |                                   |                                |                                  |                           |
| Available-for-sale investments   | 6,530                             | -                              | (4,885)                          | 1,645                     |
| Debentures                       | 7,246                             | (2,547)                        | -                                | 4,699                     |
| <b>Total</b>                     | <b>13,776</b>                     | <b>(2,547)</b>                 | <b>(4,885)</b>                   | <b>6,344</b>              |
| <b>Net</b>                       | <b>147,445</b>                    | <b>(577)</b>                   | <b>4,885</b>                     | <b>151,753</b>            |
|                                  | Separate financial statements     |                                |                                  | At 31<br>December<br>2018 |
|                                  | At 1<br>January<br>2018           | (Charged) / Credited to:       |                                  |                           |
|                                  |                                   | Profit or<br>loss<br>(note 27) | Other<br>comprehensive<br>income |                           |
|                                  |                                   | (in thousand Baht)             |                                  |                           |
| <i>Deferred tax assets</i>       |                                   |                                |                                  |                           |
| Provisions for employee benefits | 1,430                             | 519                            | (454)                            | 1,495                     |
| Available-for-sale investments   | -                                 | -                              | 1,048                            | 1,048                     |
| <b>Total</b>                     | <b>1,430</b>                      | <b>519</b>                     | <b>594</b>                       | <b>2,543</b>              |
| <i>Deferred tax liabilities</i>  |                                   |                                |                                  |                           |
| Available-for-sale investments   | 1,562                             | -                              | (1,562)                          | -                         |
| Debentures                       | 4,701                             | (1,815)                        | -                                | 2,886                     |
| <b>Total</b>                     | <b>6,263</b>                      | <b>(1,815)</b>                 | <b>(1,562)</b>                   | <b>2,886</b>              |
| <b>Net</b>                       | <b>(4,833)</b>                    | <b>2,334</b>                   | <b>2,156</b>                     | <b>(343)</b>              |

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

|                                  | Separate financial statements<br>(Charged) / Credited to: |  |                                  | At 31<br>December<br>2017 |
|----------------------------------|---|--|----------------------------------|---------------------------|
|                                  | At 1<br>January<br>2017                                   | Profit or<br>loss<br>(note 27)<br>(in thousand Baht) | Other<br>comprehensive<br>income |                           |
| <i>Deferred tax assets</i>       |   |  |                                  |                           |
| Provisions for employee benefits | 1,279   | 151  | -                                | 1,430                     |
| <b>Total</b>                     | <b>1,279</b>  | <b>151</b>   | <b>-</b>                         | <b>1,430</b>              |
| <i>Deferred tax liabilities</i>  |   |  |                                  |                           |
| Available-for-sale investments   | 6,421   | -  | (4,859)                          | 1,562                     |
| Debentures                       | 7,246   | (2,545)  | -                                | 4,701                     |
| <b>Total</b>                     | <b>13,667</b>   | <b>(2,545)</b>                                       | <b>(4,859)</b>                   | <b>6,263</b>              |
| <b>Net</b>                       | <b>(12,388)</b>   | <b>2,696</b>   | <b>4,859</b>                     | <b>(4,833)</b>            |

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

|            | Consolidated<br>financial statements |         | Separate<br>financial statements |      |
|------------|--------------------------------------|---------|----------------------------------|------|
|            | 2018                                 | 2017    | 2018                             | 2017 |
|            | <i>(in thousand Baht)</i>            |         |                                  |      |
| Tax losses | 486,698                              | 639,248 | -                                | -    |

The tax losses expire during 2018 to 2023. 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.

## 16 Other non-current assets

|                                    | Consolidated<br>financial statements |                | Separate<br>financial statements |              |
|------------------------------------|--------------------------------------|----------------|----------------------------------|--------------|
|                                    | 2018                                 | 2017           | 2018                             | 2017         |
|                                    | <i>(in thousand Baht)</i>            |                |                                  |              |
| Deferred warranty fee of inventors | 636,348                              | 682,852        | -                                | -            |
| Others                             | 5,192                                | 4,525          | 1,519                            | 1,351        |
| <b>Total</b>                       | <b>641,540</b>                       | <b>687,377</b> | <b>1,519</b>                     | <b>1,351</b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### 17 Interest-bearing liabilities

|   | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|---|--------------------------------------|-------------------|----------------------------------|-------------------|
|   | 2018                                 | 2017              | 2018                             | 2017              |
|   | <i>(in thousand Baht)</i>            |                   |                                  |                   |
| <b>Current</b>  |                                      |                   |                                  |                   |
| Bank overdrafts - Secured                                 | -                                    | 1,938             | -                                | -                 |
| Short-term loans from financial institutions<br>- Secured | 99,021                               | 9,000             | -                                | -                 |
| Current portion of debentures                             |                                      |                   |                                  |                   |
| - Secured   | 574,337                              | 1,146,556         | 574,337                          | 1,146,556         |
| - Unsecured   | 1,795,037                            | 1,793,929         | 1,795,037                        | 1,793,929         |
|   | <u>2,369,374</u>                     | <u>2,940,485</u>  | <u>2,369,374</u>                 | <u>2,940,485</u>  |
| Current portion of finance lease liabilities              | 715                                  | 1,392             | 645                              | 1,168             |
| <b>Total current</b>                                      | <u>2,469,110</u>                     | <u>2,952,815</u>  | <u>2,370,019</u>                 | <u>2,941,653</u>  |
| <b>Non-current</b>  |                                      |                   |                                  |                   |
| Debentures  |                                      |                   |                                  |                   |
| - Secured   | -                                    | 574,338           | -                                | 574,338           |
| - Unsecured   | 5,791,195                            | 7,086,676         | 5,791,195                        | 7,086,676         |
|   | <u>5,791,195</u>                     | <u>7,661,014</u>  | <u>5,791,195</u>                 | <u>7,661,014</u>  |
| Finance lease liabilities                                 | 1,368                                | 2,012             | 1,368                            | 2,012             |
| <b>Total non-current</b>                                  | <u>5,792,563</u>                     | <u>7,663,026</u>  | <u>5,792,563</u>                 | <u>7,663,026</u>  |
| <b>Total</b>  | <u>8,261,673</u>                     | <u>10,615,841</u> | <u>8,162,582</u>                 | <u>10,604,679</u> |

#### Debentures

Detail of debentures as at 31 December 2018 and 2017 were as follows;

|   | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|---|--------------------------------------|-------------------|----------------------------------|-------------------|
|   | 2018                                 | 2017              | 2018                             | 2017              |
|   | <i>(in thousand Baht)</i>            |                   |                                  |                   |
| Debentures  | 8,175,000                            | 10,625,000        | 8,175,000                        | 10,625,000        |
| Less Unamortised deferred expenses<br>on debentures | (14,431)                             | (23,501)          | (14,431)                         | (23,501)          |
|   | <u>8,160,569</u>                     | <u>10,601,499</u> | <u>8,160,569</u>                 | <u>10,601,499</u> |
| Less Current portion due within one year            | (2,369,374)                          | (2,940,485)       | (2,369,374)                      | (2,940,485)       |
| <b>Total</b>  | <u>5,791,195</u>                     | <u>7,661,014</u>  | <u>5,791,195</u>                 | <u>7,661,014</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.

## SPCG Public Company Limited and its Subsidiaries

### Notes to financial statements

#### For the year ended 31 December 2018

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 2018 were as follow:

| Amount<br>(in million Baht) | Interest rates<br>(%) p.a. | Term<br>(years) | Maturity dates   |
|-----------------------------|----------------------------|-----------------|------------------|
| 575                         | 5.55                       | 5 years 1 month | 30 June 2019     |
| 1,800                       | 2.97                       | 4 years         | 16 December 2019 |
| 1,700                       | 3.37                       | 5 years         | 16 December 2020 |
| 1,700                       | 3.62                       | 6 years         | 16 December 2021 |
| 1,250                       | 3.80                       | 7 years         | 16 December 2022 |
| 650                         | 3.94                       | 8 years         | 16 December 2023 |
| 500                         | 2.20                       | 3 years         | 10 January 2021  |

Movements during the year ended 31 December 2018 and 2017 of debentures which included current portion were as follows:

|   | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|---|--------------------------------------|-------------------|----------------------------------|-------------------|
|   | 2018                                 | 2017              | 2018                             | 2017              |
|   | <i>(in thousand Baht)</i>            |                   |                                  |                   |
| At 1 January  | 10,601,499                           | 13,303,769        | 10,601,499                       | 13,303,769        |
| Issue of debentures                                       | 499,360                              | -                 | 499,360                          | -                 |
| Repayment of debentures                                   | (2,950,000)                          | (2,715,000)       | (2,950,000)                      | (2,715,000)       |
| Adjusted debentures per effective<br>interest rate method | 9,710                                | 12,730            | 9,710                            | 12,730            |
| <b>At 31 December</b>                                     | <b>8,160,569</b>                     | <b>10,601,499</b> | <b>8,160,569</b>                 | <b>10,601,499</b> |

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

|                            | Note | Consolidated<br>financial statements |         | Separate<br>financial statements |         |
|----------------------------|------|--------------------------------------|---------|----------------------------------|---------|
|                            |      | 2018                                 | 2017    | 2018                             | 2017    |
|                            |      | <i>(in thousand Baht)</i>            |         |                                  |         |
| Other long-term investment | 6    | -                                    | 340,000 | -                                | 340,000 |
| Restricted fixed deposit   | 6    | 340,000                              | -       | 340,000                          | -       |

As at 31 December 2018, the Group had unutilised credit facilities totalling Baht 1,200 million and US dollar 35 million (2017: Baht 666 million and US dollar 35 million).

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### 18 Trade and other accounts payable

|                          | Note | Consolidated<br>financial statements |                  | Separate<br>financial statements |               |
|--------------------------|------|--------------------------------------|------------------|----------------------------------|---------------|
|                          |      | 2018                                 | 2017             | 2018                             | 2017          |
|                          |      | <i>(in thousand Baht)</i>            |                  |                                  |               |
| <b>Related parties</b>   | 4    | <b>242,090</b>                       | <b>259,064</b>   | <b>65,865</b>                    | <b>98</b>     |
| <b>Other parties</b>     |      |                                      |                  |                                  |               |
| Trade accounts payable   |      | 37,181                               | 562,255          | -                                | -             |
| Accrued expense          |      | 158,939                              | 131,829          | 8,516                            | 8,960         |
| Unearned revenues        |      | 30,598                               | 71,090           | -                                | -             |
| Accrued interest expense |      | 17,717                               | 16,264           | 16,119                           | 13,118        |
| Others                   |      | 58,464                               | 45,270           | 46,974                           | 33,106        |
|                          |      | <b>302,899</b>                       | <b>826,708</b>   | <b>71,609</b>                    | <b>55,184</b> |
| <b>Total</b>             |      | <b>544,989</b>                       | <b>1,085,772</b> | <b>137,474</b>                   | <b>55,282</b> |

### 19 Share capital

|                           | Par value<br>per share<br><i>(in Baht)</i> | 2018                                     |                  | 2017             |                  |
|---------------------------|--|--|------------------|------------------|------------------|
|                           |  | Number                                   | Baht             | Number           | Baht             |
|                           |  | <i>(thousand shares / thousand Baht)</i> |                  |                  |                  |
| <b>Authorised</b>         |  |  |                  |                  |                  |
| At 1 January              |  |  |                  |                  |                  |
| - ordinary shares         | 1  | 1,016,389                                | 1,016,389        | 923,990          | 923,990          |
| Issue of new shares       | 1  | -  | -                | 92,399           | 92,399           |
| <b>At 31 December</b>     |  |  |                  |                  |                  |
| <b>- ordinary shares</b>  | 1  | <b>1,016,389</b>                         | <b>1,016,389</b> | <b>1,016,389</b> | <b>1,016,389</b> |
| <b>Issued and paid-up</b> |  |  |                  |                  |                  |
| At 1 January              |  |  |                  |                  |                  |
| - ordinary shares         | 1  | 923,990                                  | 923,990          | 923,990          | 923,990          |
| Issue of new shares       | 1  | 50,000                                   | 50,000           | -                | -                |
| <b>At 31 December</b>     |  |  |                  |                  |                  |
| <b>- ordinary shares</b>  | 1  | <b>973,990</b>                           | <b>973,990</b>   | <b>923,990</b>   | <b>923,990</b>   |

At the Board of Directors' meeting of the Company held on 31 January 2018, the Board approved the offering and allocation of the newly issued ordinary shares by way of private placement under the general mandate as previously approved by the Extraordinary General Meeting of Shareholders held on 6 June 2017 by approved the offering and allocation of 50 million newly issued ordinary shares of the Company under the general mandate to the specific person, at the offering price of Baht 21.70 per share (par value of Baht 1 and premium on ordinary shares of Baht 20.70), totaling Baht 1,085 million. The Company registered an increase of paid-up capital with the Ministry of Commerce on 16 February 2018.

At the Extraordinary General Meeting held on 6 June 2017, the Shareholders approved of increase of the Company's registered share capital under the general mandate for the offering of the newly issued ordinary shares of the Company by way of private placement from the existing registered capital of Baht 923.99 million to Baht 1,016.39 million, by issuing of new shares of Baht 92.40 million (divided into 92,399,000 shares at Baht 1 par value). The Company registered an increase of registered share capital with the Ministry of Commerce on 9 June 2017.

# SPCG Public Company Limited and its Subsidiaries

## Notes to financial statements

For the year ended 31 December 2018

### 20 Additional paid-in capital and reserves

#### *Share premium*

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

#### *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.

### 21 Operating segments

The Group has reportable segments, as described below, which are the Group strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The Group has reviewed business segments and the operations in each of the Group’s reportable segments have 3 reportable segments as follow;

- 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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

***Information about reportable segments***

|  | Manufacture, trading, and installation service of roof sheets and solar roof |                       | Production and distribution of electricity from solar energy |                         | Others                  |                       | Eliminations              |                         | Total                   |                         |
|--|--|-----------------------|--|-------------------------|-------------------------|-----------------------|---------------------------|-------------------------|-------------------------|-------------------------|
|  | 2018   | 2017                  | 2018   | 2017                    | 2018                    | 2017                  | 2018                      | 2017                    | 2018                    | 2017                    |
|  | <i>(in thousand Baht)</i>  |                       |  |                         |                         |                       |                           |                         |                         |                         |
| Revenue from operations                      | 1,683,410  | 1,735,802             | 4,332,123  | 4,301,286               | 30,961                  | 86,089                | -                         | -                       | 6,046,494               | 6,123,177               |
| Revenue from inter-segment                   | -  | -                     | -  | -                       | 1,621,479               | 1,529,394             | (1,621,479)               | (1,529,394)             | -                       | -                       |
| Total revenue and other income               | <u>1,683,410</u>   | <u>1,735,802</u>      | <u>4,332,123</u>   | <u>4,301,286</u>        | <u>1,652,440</u>        | <u>1,615,483</u>      | <u>(1,621,479)</u>        | <u>(1,529,394)</u>      | <u>6,046,494</u>        | <u>6,123,177</u>        |
| Operating profit (loss)                      | <u>252,045</u>   | <u>218,460</u>        | <u>3,200,847</u>   | <u>3,182,855</u>        | <u>(5,812)</u>          | <u>62,429</u>         | <u>1,495</u>              | <u>2,771</u>            | <u>3,448,575</u>        | <u>3,466,515</u>        |
| Interest income                              | 147  | 128                   | 255  | 326                     | 433,861                 | 518,469               | (396,728)                 | (479,465)               | 37,535                  | 39,458                  |
| Finance costs                                | <u>(11,992)</u>  | <u>(7,721)</u>        | <u>(496,630)</u>   | <u>(604,193)</u>        | <u>(391,407)</u>        | <u>(485,721)</u>      | <u>396,728</u>            | <u>479,465</u>          | <u>(503,301)</u>        | <u>(618,170)</u>        |
| Finance costs, net                           | <u>(11,845)</u>  | <u>(7,593)</u>        | <u>(496,375)</u>   | <u>(603,867)</u>        | <u>42,454</u>           | <u>32,748</u>         | <u>-</u>                  | <u>-</u>                | <u>(465,766)</u>        | <u>(578,712)</u>        |
| Share of loss of investment in joint venture | -  | -                     | -  | -                       | (64)                    | (919)                 | -                         | -                       | (64)                    | (919)                   |
| <b>Profit before income tax expense</b>      | <b>240,200</b>   | <b>210,867</b>        | <b>2,706,577</b>   | <b>2,578,988</b>        | <b>1,134,338</b>        | <b>1,018,678</b>      | <b>(1,096,265)</b>        | <b>(921,649)</b>        | <b>2,984,850</b>        | <b>2,886,884</b>        |
| Tax expense                                  | <u>(49,367)</u>  | <u>(41,790)</u>       | <u>(5,534)</u>   | <u>(2,986)</u>          | <u>(6,763)</u>          | <u>(19,715)</u>       | <u>396</u>                | <u>(288)</u>            | <u>(61,268)</u>         | <u>(64,779)</u>         |
| <b>Profit for the year</b>                   | <b><u>190,833</u></b>  | <b><u>169,077</u></b> | <b><u>2,701,043</u></b>                                      | <b><u>2,576,002</u></b> | <b><u>1,127,575</u></b> | <b><u>998,963</u></b> | <b><u>(1,095,869)</u></b> | <b><u>(921,937)</u></b> | <b><u>2,923,582</u></b> | <b><u>2,822,105</u></b> |

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

| <i>As at 31 December</i>       | Manufacture, trading, and installation service of roof sheets and solar roof |         | Production and distribution of electricity from solar energy |            | Others    |            | Eliminations |              | Total                    |                          |
|--------------------------------|--|---------|--|------------|-----------|------------|--------------|--------------|--------------------------|--------------------------|
|                                | 2018   | 2017    | 2018   | 2017       | 2018      | 2017       | 2018         | 2017         | 2018                     | 2017                     |
| <b>Segment assets</b>          |  |         |  |            |           |            |              |              |                          |                          |
| Property, plant and equipment  | 47,794   | 52,024  | 16,377,111   | 17,057,782 | 31,985    | 38,934     | 1,548        | 1,213        | 16,458,438               | 17,149,953               |
| Investments in joint venture   | -  | -       | -  | -          | -         | 1,799      | -            | -            | -                        | 1,799                    |
| Current investments            | 104,476  | 102,044 | 50,637   | 66,137     | 1,701,952 | 1,272,886  | -            | -            | 1,857,065                | 1,441,067                |
| Available-for-sale investments | -  | -       | -  | -          | 681,816   | 251,542    | -            | -            | 681,816                  | 251,542                  |
| Other long-term investments    | -  | -       | 128,678  | 128,678    | 340,000   | 340,000    | -            | -            | 468,678                  | 468,678                  |
| Unallocated assets             |  |         |  |            |           |            |              |              | 3,331,627                | 3,713,599                |
| <b>Total assets</b>            |  |         |  |            |           |            |              |              | <b><u>22,797,624</u></b> | <b><u>23,026,638</u></b> |
| <b>Segment liabilities</b>     |  |         |  |            |           |            |              |              |                          |                          |
| Loans                          | 200,021  | 285,638 | 8,890,444  | 11,005,356 | -         | -          | (8,991,444)  | (11,280,056) | 99,021                   | 10,938                   |
| Debentures                     | -  | -       | -  | -          | 8,160,569 | 10,601,499 | -            | -            | 8,160,569                | 10,601,499               |
| Unallocated liabilities        |  |         |  |            |           |            |              |              | 657,380                  | 1,206,001                |
| <b>Total liabilities</b>       |  |         |  |            |           |            |              |              | <b><u>8,916,970</u></b>  | <b><u>11,818,438</u></b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 22 Revenue from sale and rendering of services

|  | Consolidated<br>financial statements |                  | Separate<br>financial statements |          |
|--|--------------------------------------|------------------|----------------------------------|----------|
|  | 2018                                 | 2017             | 2018                             | 2017     |
|  | <i>(in thousand Baht)</i>            |                  |                                  |          |
| Revenue from sale electricity distribution                                   | 1,224,892                            | 1,194,941        | -                                | -        |
| Revenue from subsidy of adders   | 3,072,586                            | 3,078,087        | -                                | -        |
| Revenue from sales and installation<br>service of roof sheets and solar roof | 1,481,594                            | 1,561,528        | -                                | -        |
| Revenue from sales of goods  | 138,561                              | 173,797          | -                                | -        |
| Others   | 10,537                               | -                | -                                | -        |
| <b>Total</b>   | <b>5,928,170</b>                     | <b>6,008,353</b> | <b>-</b>                         | <b>-</b> |

### 23 Other income

|                                   | Consolidated<br>financial statements |                | Separate<br>financial statements |                  |
|-----------------------------------|--------------------------------------|----------------|----------------------------------|------------------|
|                                   | 2018                                 | 2017           | 2018                             | 2017             |
|                                   | <i>(in thousand Baht)</i>            |                |                                  |                  |
| Dividends income                  | 2,105                                | -              | 1,097,760                        | 924,420          |
| Income from import duty refund    | 55,369                               | -              | -                                | -                |
| Interest income                   | 37,539                               | 39,458         | 433,864                          | 518,467          |
| Gain on sale of other investments | 8,900                                | 68,370         | 3,508                            | 59,693           |
| Management service income         | -                                    | -              | 110,526                          | 109,356          |
| Others                            | 14,411                               | 6,996          | 2,649                            | 3,468            |
| <b>Total</b>                      | <b>118,324</b>                       | <b>114,824</b> | <b>1,648,307</b>                 | <b>1,615,404</b> |

### 24 Employee benefit expenses

|                           | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|---------------------------|--------------------------------------|---------------|----------------------------------|---------------|
|                           | 2018                                 | 2017          | 2018                             | 2017          |
|                           | <i>(in thousand Baht)</i>            |               |                                  |               |
| Salaries and wages        | 77,075                               | 68,970        | 36,857                           | 31,674        |
| Overtime and bonus        | 13,519                               | 11,571        | 8,144                            | 5,848         |
| Defined contribution plan | 1,548                                | 1,491         | 743                              | 696           |
| Defined benefit plans     | 5,382                                | 1,049         | 2,596                            | 753           |
| Others                    | 7,896                                | 7,185         | 3,366                            | 2,710         |
| <b>Total</b>              | <b>105,420</b>                       | <b>90,266</b> | <b>51,706</b>                    | <b>41,681</b> |

#### *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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 25 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<br>financial statements |                         | Separate<br>financial statements |                       |
|---|--------------------------------------|-------------------------|----------------------------------|-----------------------|
|   | 2018                                 | 2017                    | 2018                             | 2017                  |
|   | <i>(in thousand Baht)</i>            |                         |                                  |                       |
| Changes in inventories  | (197,187)                            | (128,097)               | -                                | -                     |
| Raw materials and consumables used  | 1,093,282                            | 1,270,021               | -                                | -                     |
| Depreciation and amortisation   | 689,409                              | 642,804                 | 11,263                           | 8,426                 |
| Management and utilities fee  | 296,937                              | 290,609                 | 9,760                            | 9,841                 |
| Contractual installation service of<br>solar roof   | 281,937                              | 208,847                 | -                                | -                     |
| Employee benefit expenses   | 105,420                              | 90,266                  | 51,706                           | 41,681                |
| Commission expense  | 63,071                               | 64,799                  | -                                | -                     |
| Signboard tax and property tax  | 34,355                               | 26,929                  | -                                | -                     |
| Insurance expenses  | 39,875                               | 24,051                  | 664                              | 606                   |
| Others  | 151,180                              | 126,975                 | 50,015                           | 48,868                |
| <b>Total cost of sale of goods,<br/>selling and distribution expenses<br/>and administrative expenses</b> | <b><u>2,558,279</u></b>              | <b><u>2,617,204</u></b> | <b><u>123,408</u></b>            | <b><u>109,422</u></b> |

### 26 Finance costs

|                               | Consolidated<br>financial statements |                       | Separate<br>financial statements |                       |
|-------------------------------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
|                               | 2018                                 | 2017                  | 2018                             | 2017                  |
|                               | <i>(in thousand Baht)</i>            |                       |                                  |                       |
| <b>Interest expense:</b>      |                                      |                       |                                  |                       |
| Debentures                    | 391,226                              | 485,632               | 391,227                          | 485,632               |
| Bank loans and overdrafts     | 4,604                                | 317                   | -                                | -                     |
| Interest rate swap            | 107,281                              | 132,111               | -                                | -                     |
| <b>Total interest expense</b> | <b><u>503,111</u></b>                | <b><u>618,060</u></b> | <b><u>391,227</u></b>            | <b><u>485,632</u></b> |
| Others finance costs          | 190                                  | 110                   | 179                              | 89                    |
| <b>Total</b>                  | <b><u>503,301</u></b>                | <b><u>618,170</u></b> | <b><u>391,406</u></b>            | <b><u>485,721</u></b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 27 Income tax expense

#### *Income tax recognised in profit or loss*

|                                      | Note | Consolidated<br>financial statements |               | Separate<br>financial statements |                |
|--------------------------------------|------|--------------------------------------|---------------|----------------------------------|----------------|
|                                      |      | 2018                                 | 2017          | 2018                             | 2017           |
| <i>(in thousand Baht)</i>            |      |                                      |               |                                  |                |
| <b>Current tax expense</b>           |      |                                      |               |                                  |                |
| Current year                         |      | 64,166                               | 64,185        | 9,101                            | 22,301         |
| (Over) under provided in prior years |      | 95                                   | 17            | (4)                              | 110            |
|                                      |      | <u>64,261</u>                        | <u>64,202</u> | <u>9,097</u>                     | <u>22,411</u>  |
| <b>Deferred tax expense</b>          |      |                                      |               |                                  |                |
| Movements in temporary differences   | 15   | (2,993)                              | 577           | (2,334)                          | (2,696)        |
|                                      |      | <u>(2,993)</u>                       | <u>577</u>    | <u>(2,334)</u>                   | <u>(2,696)</u> |
| <b>Total income tax expense</b>      |      | <u>61,268</u>                        | <u>64,779</u> | <u>6,763</u>                     | <u>19,715</u>  |

#### *Reconciliation of effective tax rate*

|  | Consolidated financial statements |                    |            |                    |
|--|-----------------------------------|--------------------|------------|--------------------|
|  |                                   | 2018               |            | 2017               |
|  | Rate (%)                          | (in thousand Baht) | Rate (%)   | (in thousand Baht) |
| Profit before income tax expense                                 |                                   | 2,984,850          |            | 2,886,884          |
| Income tax using the Thai corporation tax rate                   | 20                                | 596,970            | 20         | 577,377            |
| Income not subject to tax  |                                   | (541,079)          |            | (521,792)          |
| Expenses not deductible for tax purposes                         |                                   | 1,875              |            | 1,744              |
| Tax losses for which no deferred income tax asset was recognised |                                   | 3,407              |            | 7,433              |
| Under provided in prior years                                    |                                   | 95                 |            | 17                 |
| <b>Total</b>   | <b>2.1</b>                        | <b>61,268</b>      | <b>2.2</b> | <b>64,779</b>      |

|  | Separate financial statements |                    |            |                    |
|--|-------------------------------|--------------------|------------|--------------------|
|  |                               | 2018               |            | 2017               |
|  | Rate (%)                      | (in thousand Baht) | Rate (%)   | (in thousand Baht) |
| Profit before income tax expense               |                               | 1,133,493          |            | 1,020,261          |
| Income tax using the Thai corporation tax rate | 20                            | 226,699            | 20         | 204,052            |
| Income not subject to tax                      |                               | (220,393)          |            | (185,781)          |
| Expenses not deductible for tax purposes       |                               | 461                |            | 1,334              |
| (Over) under provided in prior years           |                               | (4)                |            | 110                |
| <b>Total</b>                                   | <b>0.6</b>                    | <b>6,763</b>       | <b>1.9</b> | <b>19,715</b>      |

#### *Income tax reduction*

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

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 28 Promotional privileges

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

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

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

Summary of revenue from promoted and non-promoted businesses:

|                      | <b>Consolidated financial statements</b> |                                |                         |                             |                                |                         |
|----------------------|--|--------------------------------|-------------------------|-----------------------------|--------------------------------|-------------------------|
|                      | 2018                                     |                                |                         | 2017                        |                                |                         |
|                      | Promoted<br>busi-<br>nesses              | Non-<br>promoted<br>businesses | Total                   | Promoted<br>busi-<br>nesses | Non-<br>promoted<br>businesses | Total                   |
|                      | <i>(in thousand Baht)</i>                |                                |                         |                             |                                |                         |
| Local sales          | 4,297,478                                | 1,981,920                      | 6,279,398               | 4,273,028                   | 2,086,553                      | 6,359,581               |
| Eliminations         | -  | (351,228)                      | (351,228)               | -                           | (351,228)                      | (351,228)               |
| <b>Total revenue</b> | <b><u>4,297,478</u></b>                  | <b><u>1,630,692</u></b>        | <b><u>5,928,170</u></b> | <b><u>4,273,028</u></b>     | <b><u>1,735,325</u></b>        | <b><u>6,008,353</u></b> |

### 29 Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2018 and 2017 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:

|  | <b>Consolidated<br/>financial statements</b> |                    | <b>Separate<br/>financial statements</b> |                    |
|--|--|--------------------|--|--------------------|
|  | 2018   | 2017               | 2018                                     | 2017               |
|  | <i>(thousand shares / thousand Baht)</i>     |                    |  |                    |
| Profit for the year attributable to ordinary shareholders of the Company | <u>2,613,610</u>                             | <u>2,524,325</u>   | <u>1,126,730</u>                         | <u>1,000,546</u>   |
| Number of ordinary shares as at 1 January                                | 923,990                                      | 923,990            | 923,990                                  | 923,990            |
| Effect from issued shares  | <u>43,836</u>                                | <u>-</u>           | <u>43,836</u>                            | <u>-</u>           |
| Number of ordinary shares by weighted average method (basic)             | <u>967,826</u>                               | <u>923,990</u>     | <u>967,826</u>                           | <u>923,990</u>     |
| <b>Basic earnings per share (in Baht)</b>                                | <b><u>2.70</u></b>                           | <b><u>2.73</u></b> | <b><u>1.16</u></b>                       | <b><u>1.08</u></b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 30 Dividends

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.

At the Board of Director's Meeting of the Company held on 11 August 2017, the Board approved the appropriation of interim dividends of Baht 0.50 per share amounting to Baht 462 million. The dividend was paid to the shareholders in September 2017.

At the Annual General Meeting of the shareholders of the Company held on 21 April 2017, the shareholders approved the appropriation of dividend for the year 2016 and the Company's unappropriated retained earnings of Baht 1.10 per share, amounting to Baht 1,016.39 million. The Company had paid interim dividend at the rate of Baht 0.40 per share, amounting to Baht 369.60 million. The remaining dividend was paid at the rate of Baht 0.70 per share, amounting to Baht 646.79 million. The dividend was paid to shareholders during May 2017.

### 31 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.

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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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 17). 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.

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

| <b>Consolidated financial statements</b> |   |                  |   |                  |                   |
|--|---|------------------|---|------------------|-------------------|
|  | Effective<br>interest<br>rate<br><i>(% per annum)</i> | Within 1<br>year | After 1<br>year but<br>within 5<br>years<br><i>(in thousand Baht)</i> | After 5<br>years | Total             |
| <b>2017</b>                              |   |                  |   |                  |                   |
| <b>Non-current</b>                       |   |                  |   |                  |                   |
| Debt securities held to maturity         | 3.75  | 340,000          | -   | -                | 340,000           |
| <b>Total</b>                             |   | <b>340,000</b>   | <b>-</b>  | <b>-</b>         | <b>340,000</b>    |
| <b>Separate financial statement</b>      |   |                  |   |                  |                   |
|  | Effective<br>interest<br>rate<br><i>(% per annum)</i> | Within 1<br>year | After 1<br>year but<br>within 5<br>years<br><i>(in thousand Baht)</i> | After 5<br>years | Total             |
| <b>2018</b>                              |   |                  |   |                  |                   |
| <b>Current</b>                           |   |                  |   |                  |                   |
| Loans to related parties                 | 3.50  | 101,000          | -   | -                | 101,000           |
| <b>Non-current</b>                       |   |                  |   |                  |                   |
| 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         |
| <b>Total</b>                             |   | <b>2,423,072</b> | <b>6,548,751</b>  | <b>19,621</b>    | <b>8,991,444</b>  |
| <b>2017</b>                              |   |                  |   |                  |                   |
| <b>Current</b>                           |   |                  |   |                  |                   |
| Loans to related parties                 | 3.50  | 269,700          | -   | -                | 269,700           |
|  | 4.00  | 5,000            | -   | -                | 5,000             |
| <b>Non-current</b>                       |   |                  |   |                  |                   |
| Loans to related parties                 | THBFIX3M  |                  |   |                  |                   |
|  | +1.55   | 1,820,812        | 6,455,442   | 440,877          | 8,717,131         |
|  | 3.50  | 17,850           | 125,375   | -                | 143,225           |
|  | 5.65  | 276,250          | 1,868,750   | -                | 2,145,000         |
| Debt securities held to maturity         | 3.75  | 340,000          | -   | -                | 340,000           |
| <b>Total</b>                             |   | <b>2,729,612</b> | <b>8,449,567</b>  | <b>440,877</b>   | <b>11,620,056</b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

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:

|                                     | <b>Consolidated financial statements</b> |                         |   |                       |                          |
|-------------------------------------|--|-------------------------|---|-----------------------|--------------------------|
|                                     | Effective interest rate<br>(% per annum) | Within 1 year           | After 1 year but within 5 years<br>(in thousand Baht) | After 5 years         | Total                    |
| <b>2018</b>                         |  |                         |   |                       |                          |
| <b>Current</b>                      |  |                         |   |                       |                          |
| Loans from financial institutions   | 2.30                                     | 96,021                  | -   | -                     | 96,021                   |
|                                     | MLR-1                                    | 3,000                   | -   | -                     | 3,000                    |
| <b>Non-current</b>                  |  |                         |   |                       |                          |
| Debentures                          | 2.20 - 5.55                              | 2,369,374               | 5,791,195   | -                     | 8,160,569                |
| <b>Total</b>                        |  | <b><u>2,468,395</u></b> | <b><u>5,791,195</u></b>                               | <b><u>-</u></b>       | <b><u>8,259,590</u></b>  |
| <b>2017</b>                         |  |                         |   |                       |                          |
| <b>Current</b>                      |  |                         |   |                       |                          |
| Bank overdrafts                     | MOR                                      | 1,938                   | -   | -                     | 1,938                    |
| Loans from financial institutions   | MLR - 1                                  | 9,000                   | -   | -                     | 9,000                    |
| <b>Non-current</b>                  |  |                         |   |                       |                          |
| Debentures                          | 2.66 - 5.55                              | 2,940,485               | 7,011,500   | 649,514               | 10,601,499               |
| <b>Total</b>                        |  | <b><u>2,951,423</u></b> | <b><u>7,011,500</u></b>                               | <b><u>649,514</u></b> | <b><u>10,612,437</u></b> |
| <b>Separate financial statement</b> |  |                         |   |                       |                          |
|                                     | Effective interest rate<br>(% per annum) | Within 1 year           | After 1 year but within 5 years<br>(in thousand Baht) | After 5 years         | Total                    |
| <b>2018</b>                         |  |                         |   |                       |                          |
| <b>Non-current</b>                  |  |                         |   |                       |                          |
| Debentures                          | 2.20 - 5.55                              | 2,369,374               | 5,791,195   | -                     | 8,160,569                |
| <b>Total</b>                        |  | <b><u>2,369,374</u></b> | <b><u>5,791,195</u></b>                               | <b><u>-</u></b>       | <b><u>8,160,569</u></b>  |
| <b>2017</b>                         |  |                         |   |                       |                          |
| <b>Non-current</b>                  |  |                         |   |                       |                          |
| Debentures                          | 2.66 - 5.55                              | 2,940,485               | 7,011,500   | 649,514               | 10,601,499               |
| <b>Total</b>                        |  | <b><u>2,940,485</u></b> | <b><u>7,011,500</u></b>                               | <b><u>649,514</u></b> | <b><u>10,601,499</u></b> |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *Interest rate swap contracts*

The Company had interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of debentures repayments by changing from floating interest rate which received from long-term loans to related parties to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, the Company agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2018, the notional principal from the contract was amounting to Baht 6,896 million (2017: Baht 8,717 million), the fixed interest rate was 3.31% and the floating interest rate was THBFIX3M plus 1.51%.

The subsidiaries entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of long-term borrowings by changing from floating interest rate to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, subsidiaries agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2018, the notional principal from the contract was amounting to Baht 6,322 million (2017: Baht 8,509 million), the fixed interest rates ranged from 4.62% to 5.39% and the floating interest rates was THBFIX3M plus 1.80% to 2.00% (2017: the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00%).

### *Foreign currency risk*

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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<br>financial statements |                 | Separate<br>financial statements |               |
|-------------------------------------|--------------------------------------|-----------------|----------------------------------|---------------|
|                                     | 2018                                 | 2017            | 2018                             | 2017          |
|                                     | <i>(in million Baht)</i>             |                 |                                  |               |
| <b>USD</b>                          |                                      |                 |                                  |               |
| Other investments                   | 27,625                               | 39,393          | 27,625                           | 39,393        |
| <b>Gross balance sheet exposure</b> | <b>27,625</b>                        | <b>39,393</b>   | <b>27,625</b>                    | <b>39,393</b> |
| <b>Currency forwards</b>            | <b>-</b>                             | <b>-</b>        | <b>-</b>                         | <b>-</b>      |
| <b>EUR</b>                          |                                      |                 |                                  |               |
| Trade and other accounts receivable | 7,349                                | -               | -                                | -             |
| Trade and other accounts payable    | (5,955)                              | (79,805)        | -                                | -             |
| <b>Gross balance sheet exposure</b> | <b>1,394</b>                         | <b>(79,805)</b> | <b>-</b>                         | <b>-</b>      |
| <b>Currency forwards</b>            | <b>-</b>                             | <b>15,668</b>   | <b>-</b>                         | <b>-</b>      |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### *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.

### *Carrying amounts and fair values*

As at 31 December 2018 and 2017, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following items;

|   | Carrying amount | Consolidated financial statements |             |         |             |
|---|-----------------|-----------------------------------|-------------|---------|-------------|
|   |                 | Fair value                        |             |         | Total       |
|   |                 | Level 1                           | Level 2     | Level 3 |             |
|   |                 | <i>(in million Baht)</i>          |             |         |             |
| <b>31 December 2018</b>   |                 |                                   |             |         |             |
| <b><i>Financial assets measured at fair value</i></b>                               |                 |                                   |             |         |             |
| Equity securities available for sale<br>(Short-term fixed income fund)              | 1,671.58        | -                                 | 1,671.58    | -       | 1,671.58    |
| Debt securities available for sale<br>(Private fund)                                | 749.68          | -                                 | 749.68      | -       | 749.68      |
| Equity securities available for sale<br>(Equity fund)                               | 27.63           | -                                 | 27.63       | -       | 27.63       |
| <b><i>Financial liabilities not measured at fair value</i></b>                      |                 |                                   |             |         |             |
| Debentures  | (8,160.57)      | -                                 | (8,339.77)  | -       | (8,339.77)  |
| Interest rate swap contract   | -               | -                                 | (195.62)    | -       | (195.62)    |
| <b>31 December 2017</b>   |                 |                                   |             |         |             |
| <b><i>Financial assets measured at fair value</i></b>                               |                 |                                   |             |         |             |
| Equity securities available for sale<br>(Short-term fixed income fund)              | 1,223.37        | -                                 | 1,223.37    | -       | 1,223.37    |
| Debt securities available for sale<br>(Private fund)                                | 258.84          | -                                 | 258.84      | -       | 258.84      |
| Equity securities available for sale<br>(Equity fund)                               | 39.39           | -                                 | 39.39       | -       | 39.39       |
| <b><i>Financial assets and financial liabilities not measured at fair value</i></b> |                 |                                   |             |         |             |
| Debt securities held to maturity  | 340.00          | -                                 | 342.13      | -       | 342.13      |
| Debentures  | (10,601.50)     | -                                 | (11,550.34) | -       | (11,550.34) |
| Interest rate swap contract   | -               | -                                 | (300.31)    | -       | (300.31)    |
| Forward exchange contract   | 0.08            | -                                 | (0.08)      | -       | (0.08)      |

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

|   | Carrying<br>amount | Separate financial statements |             |         |             |
|---|--------------------|-------------------------------|-------------|---------|-------------|
|   |                    | Fair value                    |             |         | Total       |
|   |                    | Level 1                       | Level 2     | Level 3 |             |
| <i>(in million Baht)</i>  |                    |                               |             |         |             |
| <b>31 December 2018</b>   |                    |                               |             |         |             |
| <b><i>Financial assets measured at fair value</i></b>                                   |                    |                               |             |         |             |
| Equity securities available for sale<br>(Short-term fixed income fund)                  | 1,516.47           | -                             | 1,516.47    | -       | 1,516.47    |
| Debt securities available for sale<br>(Private fund)                                    | 749.68             | -                             | 749.68      | -       | 749.68      |
| Equity securities available for sale<br>(Equity fund)                                   | 27.63              | -                             | 27.63       | -       | 27.63       |
| <b><i>Financial liabilities<br/>not measured at fair value</i></b>                      |                    |                               |             |         |             |
| Debentures  | (8,160.57)         | -                             | (8,339.77)  | -       | (8,339.77)  |
| Interest rate swap contract   | -                  | -                             | (7.10)      | -       | (7.10)      |
| <b>31 December 2017</b>   |                    |                               |             |         |             |
| <b><i>Financial assets measured at fair value</i></b>                                   |                    |                               |             |         |             |
| Equity securities available for sale<br>(Short-term fixed income fund)                  | 1,052.88           | -                             | 1,052.88    | -       | 1,052.88    |
| Debt securities available for sale<br>(Private fund)                                    | 258.84             | -                             | 258.84      | -       | 258.84      |
| Equity securities available for sale<br>(Equity fund)                                   | 39.39              | -                             | 39.39       | -       | 39.39       |
| <b><i>Financial assets and financial<br/>liabilities not measured at fair value</i></b> |                    |                               |             |         |             |
| Debt securities held to maturity  | 340.00             | -                             | 342.13      | -       | 342.13      |
| Debentures  | (10,601.50)        | -                             | (11,550.34) | -       | (11,550.34) |
| Interest rate swap contract   | -                  | -                             | 47.75       | -       | 47.75       |

### ***Measurement of fair values***

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.

# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2018

### 32 Commitments with non-related parties

|  | Consolidated<br>financial statements |                | Separate<br>financial statements |              |
|--|--------------------------------------|----------------|----------------------------------|--------------|
|  | 2018                                 | 2017           | 2018                             | 2017         |
|  | <i>(in thousand Baht)</i>            |                |                                  |              |
| <b><i>Future minimum lease payments under non-cancellable operating leases</i></b> |                                      |                |                                  |              |
| Within one year  | 3,358                                | 2,134          | 409                              | -            |
| After one year but within five years   | 1,932                                | 2,170          | 105                              | -            |
| <b>Total</b>   | <b>5,290</b>                         | <b>4,304</b>   | <b>514</b>                       | <b>-</b>     |
| <b><i>Future minimum payments under service contracts</i></b>                      |                                      |                |                                  |              |
| Within one year  | 60,397                               | 66,158         | 928                              | 784          |
| After one year but within five years   | 53,381                               | 102,456        | 360                              | 285          |
| <b>Total</b>   | <b>113,778</b>                       | <b>168,614</b> | <b>1,288</b>                     | <b>1,069</b> |
| <b><i>Other commitments</i></b>  |                                      |                |                                  |              |
| Unused letters of credit for goods and supplies                                    | -                                    | 60,960         | -                                | -            |
| Purchase orders for goods  | 184,119                              | 110,604        | -                                | -            |
| Bank guarantees  | 152,720                              | 132,616        | -                                | -            |
| <b>Total</b>   | <b>336,839</b>                       | <b>303,910</b> | <b>-</b>                         | <b>-</b>     |

### 33 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

| TFRS      | Topic   | Effective |
|-----------|---|-----------|
| TFRS 15   | Revenue from Contracts with Customers                       | 2019      |
| TFRS 7*   | Financial Instruments: Disclosures                          | 2020      |
| TFRS 9*   | Financial Instruments                                       | 2020      |
| TAS 32*   | Financial Instruments: Presentation                         | 2020      |
| TFRIC 16* | Hedges of a Net Investment in a Foreign Operation           | 2020      |
| TFRIC 19* | Extinguishing Financial Liabilities with Equity Instruments | 2020      |

\* TFRS - Financial instruments standards

#### ***TFRS 15 Revenue from Contracts with Customers***

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

The Group has completed assessment of potential impact of adopting TFRS 15 on the financial statements and there is no material impact on the consolidated and separate financial statements.

# **SPCG Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2018**

### ***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.

The Group is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

### **34 Events after the reporting period**

At the Board of Directors' meeting held on 22 February 2019, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2018 dividend payment at the rate of Baht 1.20 per share, totaling Baht 1,168.79 million, of which Baht 0.55 per share was paid as an interim dividend on 10 August 2018 as disclosed in note 30. Thus, the remaining dividend will be at the rate of Baht 0.65 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 12 April 2019.