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## Message from Chairman of the Board and Chief Executive Officer



**Dear Shareholders,**

In 2015, Solartron had to manage the business under the high fluctuation of worldwide economy and Thai political un-stability. Due to the sluggish economy growth, the 2015 company's performance had a 37 million baht decrease in profit, mainly due to the delay of purchase order.

Although the company was facing with undesirable performance, the company believed that our business structure which comprised of 4 business operations;

1. The solar cell and solar module Production Base covering important export markets in USA, Europe and Asia pacific.
2. The Engineering, Procurement and Construction Base (EPC) covering important solar power applications for government and private sectors.
3. The Energy Service Company Base (ESCO) covering energy saving for factories and commercial buildings
4. The Solar farm and Solar rooftop investment base covering both in Thailand and ASEAN

These 4 strong business bases will push Solartron through this difficult time successfully.

Nonetheless, the financial position of the company remains strong considered from the Debt to Equity ratio of 0.78 times. In addition, the financial institutions continually support the company's business fairly well.

In order to regain our operating performance, the following measures shall be applied:

- Focusing on improving our own brand in domestic and international markets
- Expanding the existing market base as well as seeking for "E-commerce market" with high potential in online ASEAN market.
- Improving the manufacturing process with advance technology for higher throughputs and efficiencies
- Managing the production cost for competitive advantage

The strategies mentioned above have resulted in increasing in sales volume start from first quarter of 2016.

Lastly, on behalf of the Board of Directors and management team, We would like to express our appreciation to our shareholders, employees and all stakeholders who always giving your trust and support to us. As a company, we will make the best efforts to improve all the performances efficiently. We promise to always conduct our business responsibly, ethically and transparently to ensure good corporate governance. We considerably hope to receive your support as always.

Mr. Cherdpong Siriwit  
Chairman of the Board of Director

Mrs. Patama Wongtoythong  
Chief Executive officer

**Report of Audit Committee**

**Dear Shareholders,**

The Audit committee consists of independent directors who are qualified by law and knowledgeable as well as experience in accounting, finance, laws and organization management. This year, the committee consists of 3 members: Ms. Rawittha Pongnuchit, as the Chairman of the Audit Committee, Mr. Suchat Trisirivattwat and Mr. Akekachat Leelapanyalert as Audit Committee members.

In 2015 the Audit Committee had 4 meetings with the external auditor and the Internal Audit Department. The Audit Committee carried out board-assigned duties under Solartron's regulations on the criteria and guideline for its Audit Committee, in alignment with the regulations of the Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC). The Committee's policy focused on conformance to corporate good governance and on good internal control as follows;

1. Review of Financial Statements

The Audit Committee reviewed significant data and information in the quarterly and annual financial statement of the Company for the year 2015, as well as the consolidated financial statements of Solartron Public Company Limited and its subsidiaries, which were prepared as for Thai financial Reporting Standards (TFRS) in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items and obtained sufficient clarification from the external auditors, the Management, and the internal audit department, confirming that the financial statements and the disclosure in the notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee therefore approved the Financial Statements, which were reviewed and audited by the external auditor without reservation.

In addition, the Committee held a meeting with the external auditors without the presence of the Management so as to freely discuss important matters in the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and to be beneficial to users of these financial statement, as well as to hear who there was any suspicious information indicating potential fraud for following Section 89/25 of the Securities and Exchange Act B.F.2535 as amended by the Securities and Exchange Act (No.4) B.E.2551.

In 2015, the external auditors did not discover any material misstatements or indications of suspicious incidents.

## 2. Review of risk management

The Audit Committee reviewed and monitored the company's risk management effort every quarter in order to ensure that the management adequately managed risks to an acceptable level and accurately identified sufficient risk factors that are required information for the Internal Control. The Committee deems that in 2015, the management had identified sufficient risk factors and was able to mitigate a certain level of risks for the company.

## 3. Review of internal audit and internal control systems

The Audit Committee, External Auditors and Internal Control Department have collaboratively examined the internal audit and internal control system in every quarter. It has been deemed that the Company's internal audit and internal control system are sufficient and can reasonably establish confidence in the company's achievements in term of efficient and effective operations, reliability of the corporate financial reports, and compliance with applicable rules and policies

## 4. Review of Corporate Governance

Reviewing Solartron's performance against the business processes, the committee found that Solartron's business had been conducted with virtue, and that in compliance with securities exchange legislation, SET's requirement, and other legislation relevant to its businesses to ensure regular transactions conducted under normal, sensible conditions. The finding indicated good quality system and contact.

## 5. Appointment of the external auditor and Review of the Audit Fee for 2016

From The selection process of 4 audit firms Office of Pitisevi Co.,Ltd has been selected and appointed as the external auditor of Solartron. Based on the satisfactory results of this performance appraisal and their qualification as independent auditor, the Audit Committee recommended them to the Board. The Board agreed to seek approval at the Shareholders 'meeting. The Board also agreed to seek approval of the Company's audit fee for the year 2016 and the annual audit and quarterly review fee for Solartron's consolidated financial statements and acknowledgement of the annual audit fee for the year 2016 of subsidiaries' financial statements and quarterly review for listed subsidiaries' s financial statements which were audited by Office of Pitisevi and Solartron subsidiaries were responsible for the audit fee.

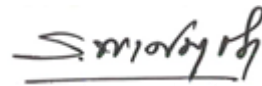
## 6. Compliance with the law and regulation of the Securities and Exchange Commission, the SET regulations, and the law related to the Company's operation

The Audit Committee verified the Company's compliance with applicable laws cooperatively with the Legal firm, the Regulatory Compliance Unit and Internal Control Department. No Matters of importance indicating that the Company had violated any law, rules and requirements related to the Company's operations were found.

In summary, the Audit Committee performed its duties as specified in the Board-approved charter with caliber, prudence and adequate independent in equitable interests of stakeholders. In its opinion, Solartron's financial reports were accurate and reliable, and agreed with generally accepted accounting principles. Solartron commanded adequate risk

management practices, appropriate internal control and internal audit systems, compliance with good corporate governance, legislations, requirements and obligations relevant to its businesses.

On behalf of the Audit Committee



Mrs.Rawittha Pongnuchit  
Chairman of the Audit Committee

## 1. Financial Highlight of Company

(Unit: Million Baht, except earnings per Share)

Financial Statements	2013	2014	2015
Cash and cash equivalents	181.75	48.46	51.04
Total current assets	856.71	796.71	1,474.50
Total assets	2,183.26	2,188.79	3,632.25
Total current liabilities	656.36	369.48	1,352.94
Total liabilities	675.06	692.39	1,594.49
Total shareholders' equity	1,508.19	1,496.40	2,037.76
<b>Operation Results</b>			
Total incomes	1,386.25	947.42	722.76
Revenues from the selling and rendering of services	1,352.19	921.84	683.36
Gross profit	238.12	137.62	48.09
Net income	121.27	36.11	(38.37)
<b>Financial Ratio</b>			
Current ratio (times)	1.31	2.16	1.09
Gross profit (%)	17.61	14.93	7.04
Net profit (%)	8.97	3.92	-5.55
Return on equity (%)	8.84	2.40	-2.15
Return on assets (%)	5.28	1.65	-1.30
Assets turnover (times)	0.59	0.42	0.23
Total debts to equity ratio (times)	0.45	0.46	0.78
Interest Coverage Ratio	139.78	-9.37	-61.90
Dividend per share (Baht)	0.05	0.025	-
Earnings per share* (Baht)	0.25	0.07	-0.07
	Average 494,624,723 Shares	Average 494,624,723 Shares	Average 544,124,723 Shares

\* Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the company excluding comprehensive income by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of prior years' used for the calculation, as presented for comparison purpose, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the share dividends, as if the shares comprising such share dividend had been issued at the beginning of the earliest period reported.

Remark \* Baht per Share

## **2. Vision Mission and Strategies**

### ***Vision:***

**The Leader of Solar Technology in Southeast Asia**

### ***Mission:***

Solartron runs business with the balance between “**Worth**” and “**Value**” for Shareholders, Employees, Stakeholders, Community and the Environment, resulting in numerous corporate social responsibility awards and social acceptance.

### ***Quality Policy:***

**“We are committed to create sustainable energy for customer”**

Solartron determines to do business with the social corporate responsibility and improve the quality of life of the workforce and their families as well as of the community and society at large.

### **Labor and Social Accountability Policy**

Solartron aims on Labor and Social Accountability improvement and ensures for the better quality of standard of living.

Solartron is committed to its policy of conducting activities without making undue impacts on its own personnel and properties, those of its contractors, the public, and the ecology alike.

### **To aid continuous improvement, Solartron promotes:**

1. Commitment to improve research and development of Solar cell and modules.
2. Commitment to improve the competency of employees.
3. Commitment to improve customer's satisfaction.

### **Health, Safety and Environmental Policy**

Solartron recognizes Health, Safety and Environmental Policy. We run business with committed to deliver the good quality of products. Our products are environmental friendly.

### **Product Certifications and Standards:**

1. **Factory Management Certified (UKAS, NAC, The Ministry of Labor of Thailand surveillance audit is required)**

- ISO 9001:2008 – Operation (receiving inspection, QC inspection, process inspection, final inspection) SGS, obtained.
- ISO 14001:2004 – SGS, obtained.
- TIS 18001:1999 – SGS, obtained.
- OHSAS18001:2007 – SGS, obtained.
- TLS 8001:2003 – (Thai Labor Standard) The Department of Labor Protection and Welfare, The Ministry of labor, obtained.

**2. Product Certified (TÜV: annual surveillance audit is required)**

- TÜV Rheinland (Germany), IEC 61215 Edition 2, IEC 61730, obtained.
- TÜV Rheinland (US),ANSI/UL1703-Third Edition, obtained.
- TIS (Thai Standard), TIS 1843:2553 (IEC 61215 Edition 2), obtained.
- TIS (Thai Standard). TIS 2580-2555 (IEC 61730), obtained.
- MCS Mark, The Microgeneration Product Certification Scheme Mark, product certification for export to UK, obtained.
- RoHS Compliant, Directive 2002/95/EC. EU legislation restricting
- the use of hazardous substances in electrical and electronic equipment product certification for export to EU, obtained.
- CE Mark, Directive 2004/108/EC, electromagnetic compatibility, product certification for export to EU, obtained.

**3. Corporate Social Responsibility Certified:** Standard for Corporate Social Responsibility (CSR-DIW), obtained.



### 3. Nature of Business

#### Company Development for 2015

Solartron Public Company Limited (SET Stock code: SOLAR) was established since 1986. The Company business structure comprised of 4 business operations.

1. The solar cell and solar module Production Base covering important export markets in USA, Europe and Asia pacific.
2. The Engineering, Procurement and Construction Base (EPC) covering important solar power applications for government and private sectors.
3. The Energy Service Company Base (ESCO) covering energy saving for factories and commercial buildings
4. The Solar farm and Solar rooftop investment base covering both in Thailand and ASEAN

These 4 strong business bases will push Solartron through this difficult time successfully.

Nonetheless, the financial position of the company remains strong considered from the Debt to Equity ratio of 0.78 times. In addition, the financial institutions continually support the company's business fairly well.

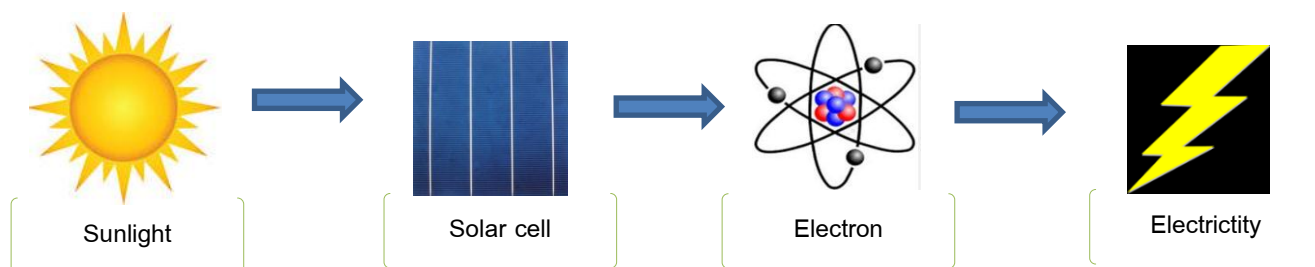
#### **Solartron Factory : Solar Cell / Solar Module**



## Major Development for 2015

January 2015	Constructed the solar hybrid system for Kumpongertial University, Cambodia owned by The foundation of H.R.H Princess Maha chakri Sirindhorn
May 2015	Increasing the company capital by issuing new 49,500,000 common stocks for existing shareholders (Right offering)
July 2015	Signed Memorandum of Understanding with Thai Military Bank (TMB) for Energy Awareness and Solar Rooftop Project
August 2015	Signed Memorandum of Understanding with Siam Technology College for Electrical Vehicle Research and Development Signed Memorandum of Understanding with Pranakorn University for Solar Farm Project
September 2015	Signed Letter of Intent with General Energy Technologies (GET) for export solar cell.
October 2015	Signed Memorandum of Understanding with Siam Technology college for The world solar challenge Project
November 2015	Signed Letter of Intent with REC Solar Pte.,Ltd. For export solar cell
December 2015	Signed Letter of Intent with AU Optronics Corp. (AUO) for export Solar cell.

## 2. Solar Cell Business



### **3.Solar Module Business**





## Solar Street Light System



Solar street lights are raised light sources which are powered by photovoltaic panels generally mounted on the lighting structure or integrated in the pole itself. The photovoltaic panels charge a rechargeable battery, which powers a fluorescent or LED lamp during the night.

### Components



### System Features

1. High efficiency solar panels from export quality manufacturing facility using multi-crystalline solar cells
2. Auto light on/off by luminaire controlled.
3. Fool-proof designing for cable joint & plug to avoid short-circuit.
4. All of the component are durable and long life.
5. High daily cycle life and high recharge efficiency at the very low charge current.

System	Model	Power	Module Quantit	Lamp Quantity	HourRate	Pole Hight	Type
SSL	SSLSTD150A	150W	1 Module	1 EA	6-12 Hr.	4-6 m.	
SSL	SSLSTD150B	150W	1 Module	2 EA	6-12 Hr.	4-6 m.	







## Mini-grid System

The Solar module produces electricity from sunlight which can be use directly or store in the battery.

The Battery Charger will control the charging of electricity into the battery. The Battery provides DC current to the Inverter which in turn converts DC to AC suitable for usage in household appliances.

### Components



### System Features

Output selectable

High efficiency bi-directional inverter with build-in output transformer

Battery 12 - 48 VDC, Capacity up to requirement

4,300 up to 5,000 Watt Inverter per 1 set

Provide stable and reliable power increases overall efficiency of electronic components. True MPPT (maximum power point tracking) charge controller to efficiently convert the power generated at module level.

Smart electronics to effectively manage usage of solar power based on load requirements. High efficiency inverters capable of supplying load directly (in the day time) without storing in the batteries all the time.





## Solar Water Pumping System

**Solar power water pumping system** The Solar Water Pumping System can be used for pumping both from surface and underground water source, from the dusk till dawn. The solar cell modules convert sun light into electrical energy for driving the motor of the water pump in the daytime. The water is then stored in the ground -level or high-level tank (10-20 m). The gravity force from the high -level tank gives enough water pressure to supply to the nearby households

### Components



1. Solar module



2. Submersible pump



3. CU200 (Controller)

### System Features

- The water pump is designed specially for the solar cell application
- Usable with DC voltage 30-300 Volt
- Usable with AC voltage 90-240 Volt, 50/60 Hz
- Pump protection when run dry
- Motor protection for the low input power
- The controller shows operation status of the pump
- Water-level switch links to the pump on-off
- Expected life span : PV module  $\geq$  20 years;
- High quality GI pipes enables pole to last long for more than 10 years

Standard Designed	Small	Medium	Large
Power	500 W	750 W	1,000 W
Ability	51 M3/ day	76 M3/ day	100 M3/ day

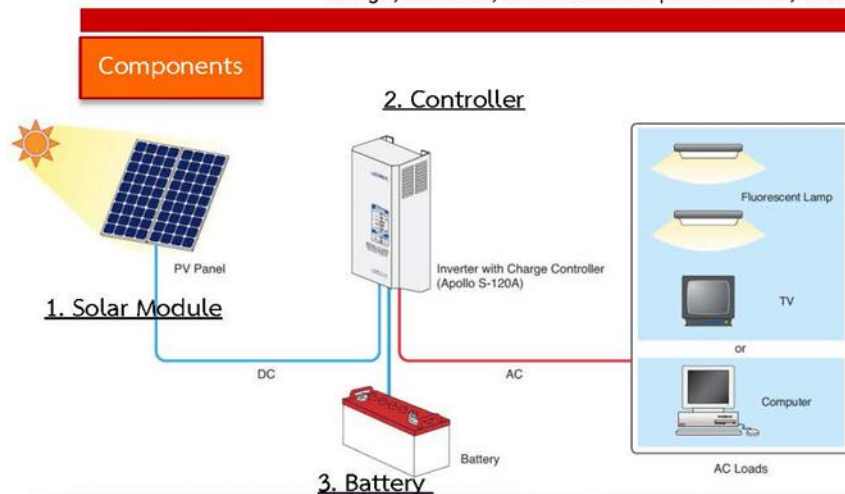






## Solar Home System

The Solar module produces electricity from sunlight which can be use directly or store in the battery. The Battery Charger will control the charging of electricity into the Battery. The Battery provides DC current to the Inverter which in turn converts DC to AC suitable for usage in household appliances. Provide a battery charging station for the whole village, schools, and National parks office, etc. in the remote area such as jungle, mountain and island.



### System Features

- Up to 5, 25 years design life at renewable energy applications
- High efficiency bidirectional inverter with build-in output transformer
- High speed automatic transfer switch (4 msec) included
- Stable output voltage and frequency
- Full protection for overload, short circuit and over temperature
- Automatic low battery shutdown to protect battery
- Reverse polarity protection

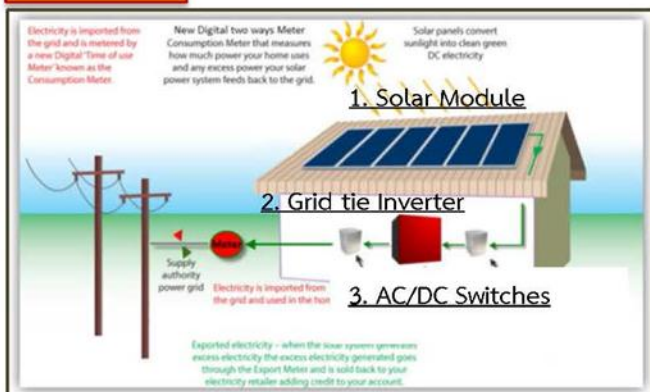




## Solar Rooftop System

The system generates electricity from sunlight suitable for residential and office usages. The solar module generates DC current which will be converted into AC by the grid connected-inverter. The power meter monitors electricity that the system generated. The owner can produce electricity for residential use and also sell the excess electricity generated by the grid connected system back into the electricity grid.

### Components



### System Features

- 1 kWp up to 1MW solar cell modules
- 1 kWp up to 1MW Inverter per 1 set
- Provide stable and reliable power increases overall efficiency of electronic components.
- True MPPT (maximum power point tracking) Inverter to efficiently convert the power generated at module level.
- DC /AC cables and junction boxes designed to minimize power loss.
- Expected life span : PV module  $\geq$  20 years; High quality GI pipes enables pole to last long for more than 10 years.





#### **4. Risk Factors and Risk Management**

The Company has realized the significance of risk management and good corporate governance. The significant risk factors are explained as follows:

##### **1) The Risk of the Reliability an Alternative Energy Development Plan (AEDP)**

In 2015, The Ministry of Energy tried to promote AEDP but there were many obstacles from the regulations of other ministries such as the factory license permission from ministry of Industry, the limitation of construction on the green area from ministry of interior. The 800 megawatt solar program for agricultural cooperatives still pending. Therefore, it caused a significant drop in solar revenue.

However, the government classified the solar energy as the energy securities to promote the usage of solar energy in both rural area and city rooftop. So the government released all the problems of regulations by setting the Energy Regulatory Commission as a one stop service agent The Company has long term experience in Thai solar business and is a certified body as installer, energy Service Company which implies that it has a capability in bidding and deliver the good quality of solar projects. The company has confidence in doing solar business in Thailand that conform the AEDP. Therefore, the solar investors trust and want to do the solar business with the company.

##### **2) The Volatility of Solar cell and Solar module Price**

We sell and buy solar cells and solar modules in term of US dollar/watt. Even though the price per watt goes down, the efficiency per watt goes up. So Solartron focuses on improving the Cell and Module efficiency in order to get the good quality with lowest cost. The Company cooperates with the leader of solar consultant to improve the manufacturing line and product efficiency to gain more watts (power price/watt) and mitigate the risk from the volatility of solar cell and module price.

##### **3) The Risk from the Entrance of New Competitors**

Nowadays, the government has fully supported the usage of solar energy. The marketing opportunity attracts both local and foreign investors to invest in solar farm business. These newcomers may seize the company's market share and will affect the company growth in the future. However the newcomers have to meet many requirements such as Thai Industrial Standard (TIS), long term reference for solar system, registered installers, register engineers. It takes years to prepare for doing turnkey mega projects. In addition Solartron will invest its own solar farm and solar rooftop. Cells and Modules that company produced will serve on its own projects.

**4) The Volatility of the Exchange Rate**

The company imports most of its raw material including wafers, silver paste, junction box etc. Payment term mainly in US dollar. If the rate of US dollar rises comparing to Thai currency, the company cost will increase accordingly.

The company opens letter of credit (L/C) monthly with fully coverage forward contract to protect its exchange rate risk when it expects the vulnerable of the currency.

## 5. General Information

<b>Company Name</b>	<b>Solartron Public Company Limited</b>
<b>Type of Business</b>	Manufacturing Solar cells and Modules Engineering, Design and Installation of solar power systems, Energy Service Company
<b>Company Code</b>	0107547000877
<b>Head Office</b>	1000/65,66,67 PB.Tower 16 <sup>th</sup> Floor Sukhumvit 71 Road, North Klongtan, Wattana, Bangkok 10110 Tel. +66-2-392-0224-6 Fax. +66-2-381-2971, +66-2-381-0936
<b>Module Factory</b>	88/8 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130
<b>Cell Factory</b>	88/9 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130
<b>Website</b>	www.solartron.co.th
<b>E-mail</b>	support@solartron.co.th

<b>Registered Capital</b>	544.124,723 Baht
<b>Registered Ordinary Shares</b>	544.124,723 Shares
<b>Par Value</b>	1 Baht
<b>Registered Ordinary Share with paid</b>	544,124,723 Shares 544,124,723 Baht
<b>Registered Capital with paid</b>	
<b>Established Date</b>	November 12, 1986

**Registrar :**

Thailand Securities Depository Co., Ltd  
62 The Stock Exchange of Thailand Building  
Rachadapisek Road, Klongtoey, Bangkok  
10110

Tel: +66-2-229 2800

Call Center: +66-2-229 2888

**Auditor:**

Miss Chawana Wiwatpanachat,  
The Certified Public Accountants  
License No..4712

Miss Wanpen Aoonruan  
The Certified Public Accountants  
License No. no.7750

Pitisevi Company Limited  
8/4 SoiVipavadee rangsit 44, Vipavadee rangsit  
road, Ladyoa. Jatujak, Bangkok  
Tel. : +66-2-9413584-6  
Fax. : +66-2-9413658

**Lawyer:**

Mr. Somkiat Ruengsurakiat  
Bangkok Law Office & Associates Co.,Ltd.  
75/20 17<sup>th</sup> Fl., Ocean TowerII Bldg.,  
Sukhumvit 21 Road, Klongtoey - Nua,  
Wattana, Bangkok 10110  
Tel. : +66-2-661-6896-9  
Fax. : +66-2-661-6895

Subsidiaries	SOLARTRON ENERGY 1 CO.,LTD.	SOLARTRON ENERGY 2 CO.,LTD.	SOLARTRON ENERGY 3 CO.,LTD.	SOLARTRON ENERGY 4 CO.,LTD.	SOLARTRON ENERGY 5 CO.,LTD.
Company Code	0105558000472	0105558000456	0105558000481	0105558000545	0105558000537
Registered Capital	1,000,000 Baht	100,000,000 Baht	100,000,000 Baht	100,000,000 Baht	100,000,000 Baht
Registered Ordinary Shares	10,000 Shares	1,000,000 Shares	1,000,000 Shares	1,000,000 Shares	1,000,000 Shares
Par Value	100 Baht	100 Baht	100 Baht	100 Baht	100 Baht
Number of Shares	9,996 Shares	999,996 Shares	999,996 Shares	999,996 Shares	999,996 Shares
% of Share holding	99.96%	100.00%	100.00%	100.00%	100.00%
Registration Date	5 JANUARY 2015				
Type of Business	The Engineering, Procurement and Construction of Solar Power System. and Investment in Solar Grid Connected System				
Head Office	1000/65,66,67 PB.Tower 16 <sup>th</sup> Floor Sukhumvit 71 Road, North Klongtan, Wattana, Bangkok 10110				

## 6. Shareholder Structure

As of December 31, 2015, the company has a registered capital of Baht 544,124,723 consisting of 544,124,723 ordinary shares with par value of 1 Baht. The paid up capital of Baht 544,124,723 consisting of 544,124,723 ordinary shares with par value of 1 Baht.

The list and percentage of the first 10 major shareholders in company's shareholder record are as follows:

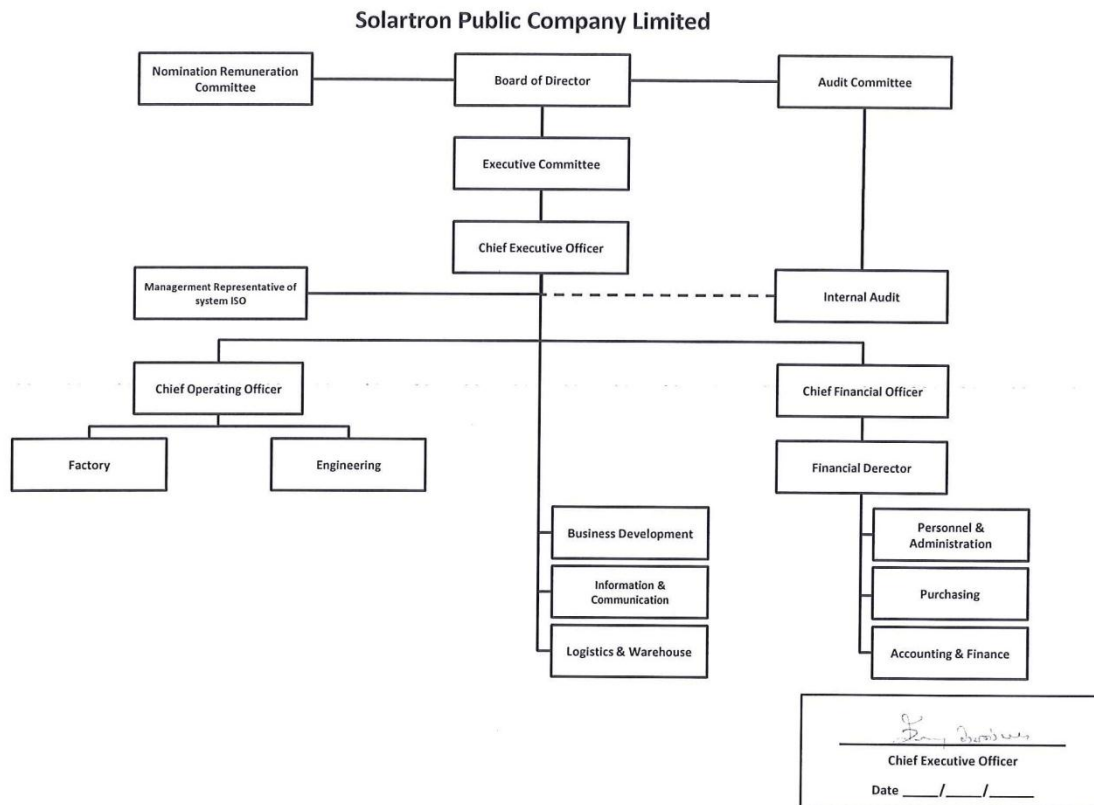
As of December 31, 2015			
Rank	Name	Number of Share	%
1	Mr.Pongsak Thammatucharee	101,272,204	18.61%
2	Mr.Naris Jirawongpapha	36,000,009	6.62%
3	Mr.Jiradech Jongwattanasilgul	24,550,019	4.51%
4	Mr.Akaradej Rojmeta	21,428,882	3.94%
5	Mr.Phaiwong Taechanarong	13,610,609	2.50%
6	Mr.Nipol Sangwanmanon	12,545,177	2.31%
7	Thai NVDR Ltd	9,599,045	1.76%
8	Mr.Sitthichai Mathanachai	9,262,160	1.70%
9	Mr.Namchai Sooksuntisakulchai	9,171,799	1.69%
10	Mr.Chawalit Poonpermsuwan	9,000,000	1.65%
	Total for Top ten Major shareholders	232,811,295	42.79%
	Others	311,313,428	57.21%
	<b>Total paid up capital</b>	<b>544,124,723</b>	<b>100%</b>

<b>7. Dividend Policy</b>
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The maximum company dividend policy is approximately 40 % of its Net Profit after deduction of tax and legal reserves. Factors that are considered include corporate operation results, financial position, liquidity, and business expansion plans. The dividend payment requires approval from corporate shareholders and/or the Board of Directors.

## 8. Company Structure

### Organization Chart



**Management Structure**

Management structure of company consists of 2 Committees, The Board of Directors and Audit Committee. Each Committee has duties and responsibilities as follows:

**Board of Directors**

As of December 31, 2015, the Company's Board of Directors comprises of:

1. Mr. Cherdpong Siriwit	Chairman / Director
2. Ms. Patama Wongtoythong	Deputy Chairman / Director / Company Secretary
3. Mr. Akaradej Rojmeta	Director
4. Dr. Pavan Siamchai	Director
5. Mr. Pongsak Thammathataree	Director
6. Ms. Rawittha Pongnuchit	Independent Director / Audit Committee
7. Mr. Suchat Trisrivattwat	Independent Director / Audit Committee
8. Mr. Akekachat Leelapanyalert	Independent Director / Audit Committee

**Scope of duties and responsibilities of the Board of Directors**

1. To undertake the duties in accordance with laws, objectives and requirements of the company and resolutions of the shareholders with due care and integrity for interest of the company.
2. To set the business policies and direct the operations of the company and supervise the management to ensure effectiveness and compliance with the prescribed policies and to maximize the economic value of the business and business stability to shareholders.
3. To arrange a reliable accounting system, financial reports internal control procedures and suitable internal audit system with consistent follow-up.
4. To approve the quarterly and financial reports and the annual investment budget
5. To monitor the operating results of the company, and provide advice/suggestions / decisions with due care on the agenda proposed in the meeting of the board of directors.
6. To appoint/remove the subcommittee on specific matters as deemed suitable.
7. To arrange a policy on business supervision, ethics and employee ethics as a guideline on business conducts and to arrange and supervise the administrative work in accordance with the good governance principles consistently.
8. To approve the key transactions of the company such as acquisition or disposal of assets, expansion of the investment projects, determination of the authority to be assigned and any action required by laws and to look after the conflict of interest among stakeholders of the company.
9. To approve and/or grant consent on the inter-company transactions between the company and its subsidiaries in accordance with related notifications, requirements and guidelines of the Stock Exchange of Thailand.



10. To report any shareholding by himself/herself and his/her spouse and children in the meeting of the board of directors every quarter and to immediately inform the company if there is any purchase or sale of sharer (securities) of the company.

#### **The Executive Committees**

As of December 31, 2015, the Company's Executive Committee comprises of:

- |    |                         |                                     |
|----|-------------------------|-------------------------------------|
| 1. | Ms. Patama Wongtoythong | Chairman of the Executive Committee |
| 2. | Mr. Akaradej Rojmeta    | Executive Committee                 |
| 3. | Dr. Pavan Siamchai      | Executive Committee                 |

#### **Scope of duties and responsibilities of the Board of Executive Committee**

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies and supervise the overall work
2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees.
3. Have the power to dismiss, lie off, and discharge employees as appropriate.
4. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
5. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
6. Approve the appointment of advisors needed in the corporate operations.
7. Deal with affairs concerning the Company's general operations.

**Table 1:** A summary of approved financial amounts of transactions according to the Company's authorization manual

Approved Financial Amounts for Important Transactions	BOD	EXCOM	CEO
1. Approval of Annual Budget	More than THB 200 Million	Less than THB 200 Million	Less than THB 50 Million
2. Approval of Changing/Increasing of Annual Budget or Investment Budget	Change more than 25 %	Change Not over 25 %	Change not over 15 %
3. Approval of purchasing and procurement	More than THB 200 Million	Less than THB 200 Million	Less than THB 50 Million

*Note :* (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the company, the Stock Exchange of Thailand and Securities, and Exchange Commission.

(2) BOD: Board of Directors, EXCOM: Executive Committee, and CEO: Chief Executive Officer

**Audit Committee**

As of December 31, 2015, the Audit Committee comprises of:

1. Mrs. Rawittha Pongnuchit Chairman of Audit Committee
2. Mr. Suchat Trisirivattwat Audit Committee
3. Mr. Akekachat Leelapanyalert Audit Committee

**Scope of duties and responsibilities of the audit committee**

The scope of duties of the Audit Committee has been made in accordance with the notifications issued by the Stock Exchange of Thailand:

1. To verify in assuring that the Company's financial report is correct and accurate and sufficiently disclosed.
2. To verify in assuring that the Company shall have the appropriated effective internal control and internal audit systems on cooperation with the internal auditor.
3. To consider the independence of the internal audit unit as well as to provide the approval for the appointment, transfer, termination of the chief of the internal audit unit or any other agencies responsible for the internal audit.
4. To verify in assuring that the Company has acted in compliance with the law on Securities and Exchange Commission, the Stock Exchange of Thailand, provisions of Stock Exchange or the laws relating to the Company's business.
5. To consider, select, propose to appoint the independent person or persons to perform the duty as the Company's auditor and to propose the remuneration for such person/persons, considering the reliability, resources adequacy, workloads and personnel's experiences as well as participating in the meeting with the auditor without the involvement of the Management for at least once a year.
6. To consider the related items or the items that would have the conflict of interest to meet the requirement of law or the provision of the Stock exchange to assure that such items are reasonable and resulted in the maximum benefit to the Company.
7. To prepare the report of the Audit Committee's activities, consisting of the opinions about the preparation process and the disclosure of the Company's accurate, complete and reliable financial report, including the options relating to the adequacy of the Company's internal control system by disclosing it in Company's annual report. Such report must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
  - 7.1 The opinions about the accuracy, completion and reliability of the Company's financial report.
  - 7.2 The opinions about the adequacy of the Company's internal control system.

- 7.3 The opinions about the act in compliance with law on Securities and Exchange Commission and Stock Exchange of Thailand, provisions of Stock Exchange or the laws relating to the Company's business.
- 7.4 The opinions about the appropriateness of the auditor.
- 7.5 The opinions about the items that may post the conflict of interest.
- 7.6 The number or the meeting of the Audit Committee and each member's meeting participation.
- 7.7 The overall opinions or the observations obtained by the Audit Committee from the operation as required in the charter.
- 7.8 Other items as deemed to be known by shareholders and general investors under the scope and responsibility assigned to them by the Company's Board of Directors.
8. Any other operations as assigned by the Company's Board of Directors with the approval of the Audit Committee who directly responsible for the Company's Board of Directors who shall remain to be responsible for the Company's operation against the third party.
9. To verify and amend the Audit Committee charter to be up to date and to suit with the Company's conditions and circumstances.

**Independent Director Selection Criteria**

1. Not holding shares exceeding 1% of the total shares with voting rights of the Company, its parent Company, its associated company, or any potential conflicting person, which shall be inclusive of the shares held by those related persons;
2. Not being nor having been a director participating in the management, employee, officer, consultant who receiving regular salary, or controlling person over the Company, or potential conflicting person, excepting that he/she has no such characteristic for at least two years before the date of filling of the application with the Officer;
3. No being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, ,major shareholder, controlling person of the Company or its subsidiary company;
4. Not having nor having had any business relationship with the Company, its parent company, its associated company, or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a dependent direction, including not being nor having been a major shareholder, a dependent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before the date of filling of the application with the office.

5. Not being nor having been an auditor of the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person, and not being a major shareholder, a dependent director, an executive, or partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person except that he/she has no characteristic for at least two years before the date of filling of the application with the Office;
6. Not being nor having been any professional services provides including a legal advisor and a financial advisor, obtaining service fees of more than Baht 2 million per annum from the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person. If a professional adviser is a legal entity, this will include a major shareholder, a dependent director, an executive, or a partner of such professional services provider except he/she has no such characteristic for at least two years before the date of filling of the application with the Office;
7. Not being a director appointed to represent any director of the Company, a major shareholder, or a shareholder who is a related person of the Company's major shareholder;
8. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the Company's operation.

#### **Directors' and Executives' remuneration**

##### **1. Directors' Remuneration**

The board of directors determines clear policies and guidelines for payment of directors' remunerations. For transparency, the remunerations are proposed to shareholders annually. They are adequate and motivational so that the company is able to keep highly qualified directors. Directors serving in committees receive appropriate remunerations corresponding to more duties and responsibilities. Remunerations are divided into 2 categories:

- 1) Regular remunerations are paid for non-executive directors monthly with/without board meetings.
- 2) Meeting remunerations are paid for directors who attend a board meeting.

##### **2. Remunerations for the Management**

Remunerations for the Management are in line with the Company's procedures and policies, and in relation to corporate operation results and each individual's performance. Amounts of the remunerations are motivational and enable the company to achieve loyalty among the competent Management.

##### **3. Remuneration for the Board of Directors**

According to the company annual general shareholder meeting of April 30, 2015,  
The compensation for the committee members was set as follows:

Remuneration	Monthly payment / person	Meeting allowance / Time/person
The Board of Directors	12,000 THB	25,000THB
Audit Committee	4,000 THB	20,000THB
Nomination and Remuneration Committee	-	20,000THB

Remark: The Chairman of every committee will get the compensation 20% more than the committee members.

### Monetary Remuneration

The total remuneration was paid as follows:

Monetary Remuneration	2013	2014	2015
Total remuneration (Baht)	2,199,200.00	2,626,400.00	2,561,400.00
Number of Committee Member (Persons)	7	8	8
Type of remuneration	Meeting allowance and monthly payment	Meeting allowance and monthly payment	Meeting allowance and monthly payment

### Others Remuneration

The Company has the provident fund for the employees that started working in August 20, 2004 while employees pay 5% of their salary and the company will match an additional 5% each month into the provident fund.

The number of Board of Directors Meeting and Audit Committee Meeting and the Attendance by Individual Member of Fiscal Year 2015 and 2014

Name	Board of Directors Meeting		Audit Committee Meeting		Annual General Meeting	
	2015	2014	2015	2014	2015	2014
Mr.Cherdpong Siriwit	5/5	4/6	-	-	1/1	1/1
Ms.Patama Wongtoythong	5/5	6/6	-	-	1/1	1/1
Mr.Akaradej Rojmeta	5/5	6/6	-	-	1/1	1/1
Dr. Pavan Siamchai	5/5	5/6	-	-	1/1	1/1
Mrs.Rawittha Pongnuchit	4/5	5/6	2/4	3/4	-	1/1
Mr.Suchat Trisirivattwat	4/5	5/6	3/4	3/4	1/1	1/1
Mr.Akekachat Leelapanyalert	2/5	4/6	2/4	-	1/1	-
Mr.Pongsak Thammathataree	3/5	-			1/1	-

### Directorships and Executive Development

The company has provided training and human resources development programs for all of its personnel through internal and external training. It allows the board to participate in its operations and ventures. Corporate directors and executives have participated in training courses organized by accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the Audit Committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions.

New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly. This is to enhance confidence among shareholders.

### **Personnel Development Policy**

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to grow in their fields. All employees are required to receive training that is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

In addition, the company has focused on developing better quality of life of employees. Also, the company has focused more on developing employees' knowledge and understanding about health and environmental safety in the workplace.

### **Succession Plans**

The corporate board of director realizes that succession plans become necessary in case the Chief Executive Officer or top executives are not able to work. To ensure readiness for the circumstance, the Company has prepared its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

### **Supervision of Use of Inside Information**

The company prohibits its directors and the Management from using inside information concerning important matters including trading of securities before publication for personal gains. Preventive measures against the use of inside information by the directors and the management are as follows:

1. The company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to executives advising those who receive important inside information that affects prices of securities not to trade corporate securities within that one month and not to disclose the important inside information before the corporate financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to corporate employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.

## The Board of Directors

*Mr. Cherdpong Siriwit*  
*Chairman of the Board of Directors*

**Academic Background**

Master Degree	M.A. Economics, Georgetown University, U.S.A.
Bachelor Degree	B.A. Economics (Honor), Thammasat University

**Work Experience**

Present	Chairman of the Board of Directors, Solartron PCL. Chairman of Audit Committee, Independent Director, IRPC PCL. Chairman Advance Finance PCL. Chairman, Vithai Bio power Co., Ltd. Chairman, Thai Sugar Mirror Co., Ltd. Director, Ever Green Plus Co., Ltd. Independent Director/Audit Committee/Nomination Committee, Thoresen PCL.
2006 - 2009	Audit Committee/Nomination Committee, PTT Chemical PCL.
2005 - 2008	Chairman of the Board of Directors, PTTEP PCL.
2005 - 2007	Chairman of the Board of Directors, Rayong Refinery Co., Ltd.
2004 - 2008	Chairman of the Board of Directors, Thai Oil PCL
2003 - 2008	Chairman of the Board of Directors, PTT PCL
2003 - 2008	Chairman of the Board of Directors, Ratchaburi Electricity Generating Holding PCL
2003 - 2004	Chairman of the Board of Directors, Electricity Generating Authority of Thailand
2002 - 2006	Permanent Secretary, Ministry of Energy

**Training Program**

Diploma, The Joint State-Private Sector Course, National Defense College, Class 40  
 Politics and Governance in Democratic System for Executives Class, King Prajadhipok's Institute Class 5  
 The Civil Service Executive Development Program I, The Civil Service Training Institute, Class 13/1993  
 Capital Market Academy Leadership Program, (CMA) Class 5  
 Director Accreditation Program (DAP), Class 8/2004  
 Role of the Chairman Program (RCP), Class 10/2004  
 Director Certification Program (DCP), Class 104/2008

**Number of Shares held**

-0-



## The Board of Directors

*Mrs. Patama Wongtoythong*

*Chief Executive Officer*

*Deputy Chairman of the Board and the company secretary*

**Academic Background**

Master Degree	Master of Business Administration (Finance, Policy and Planning) University of Missouri, U.S.A.
Bachelor Degree	Bachelor of Business Administration (Accounting), Thammasat University

**Work Experience**

2005 - Present	Chief Executive Officer, Solartron PCL Deputy Chairman of the Board, Solartron PCL Company secretary, Solartron PCL
2014 - Present	Chairman of Audit Committee, Netbay PCL
2005 - 2008	Chief Financial Officer, Solartron PCL

**Training Program**

Top Executive Program, Thailand Energy Academy “(TEA Class 7)”  
 Director Accreditation Program (DAP) class 54/2005  
 Director Certification Program (DCP) class 54/2005  
 Fraud Prevention and Information Security Governance  
 Full Scale Internal Auditing and Control Program  
 Future and Derivatives for Investor Program  
 The Governance Role of the Board in the Preparation and Response to  
 Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries  
 GRC: Tool for Board Governance  
 Thailand Competitiveness: Making Corporate Governance Productive

**Number of Shares held** 0.05 %

## The Board of Directors

*Mr.Akaradej Rojmeta**Director***Academic Background**

Master Degree	Master of Business Administration, Tarleton University, Texas, U.S.A.
Bachelor Degree	Bachelor of Business Administration, Thammasat University

**Work Experience**

2004–Present	Director, Solartron PCL
2006–Present	Director, Netbay PCL
2007 - 2008	Chief Executive Officer, Solartron PCL

**Training Program**

2004	Director Accreditation Program (DAP) class 27/2004
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<b>Number of Shares held</b>	3.92 %
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## The Board of Directors

*Mrs.Rawittha Pongnuchit*  
*Chairman of Audit Committee*  
*Independent Director*

**Academic Background**

Master Degree	Master of Political Science, Thammasat University
Bachelor Degree	Bachelor of Law, Ramkhamhaeng University

**Work Experience**

Subcommittee member, The Agreement Audit, Ministry of Transportation and Communication

Inspector-General, Ministry of Finance

Deputy Director-General, the Revenue Department

Director of Bureau of Tax Appeals, the Revenue Department

Lawyer 9 (Expert in protection and counter destroying of the tax system), Office of Tax Auditing, the Revenue Department

Deputy Finance Ministry Spokesman

Secretariat to the Revenue department

The Revenue Department Spokesman

Clearing Director of Thai Asset Management Corporation

Chairman of the Audit Committee / Director of KTB Law Co., Ltd.

Advisor to the Finance Minister

Member of the Doing Business of Alien Committee, the Department of Trade Development, the Ministry of Commerce

Member and Chairman of the Audit Committee of Sukhumvit Assets Management Co., Ltd.

Director, Member of the Audit Committee, and Chairman of the Selection and Remuneration Committee of Thai Petrochemical Industry Public Company Limited

Director, Member of the Audit Committee, and Member of Risk Management Committee of the Thai Credit Guarantee Corporation

Director of Airport Authority of Thailand Public Company Limited

Representative of the Ministry of Finance in the Committee of the Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sport

**Directorship****Other Listed Companies**

Independent Director, Chairman of the Audit Committee  
of Solartron Public Company Limited

Independent Director, Member of the Audit Committee,  
and Chairman of the Sub-Committee Risk Management

on Law Committee of Synnex (Thailand) Public Company Limited

Independent Director ,Audit Committee, Pranda Jewelry Public Company Limited

**Non-Listed Companies**

Advisor to the Institute of Management Consultants

Association of Thailand

Advisor to the Economics and Finance Academy

Vice president to the Revenue Officers Association

Director of the Fiscal Policy Research Institute Foundation(FPRI)

Director of the Capital Market Academy Alumni Association

Director of Class 1, Top Executive program in Commerceand Trade (TEPCOT)

Chairman of the Class 59 of the Director Certificate Program (DCP59)

Board of Chairman of Pootra Corporation Co., Ltd.

Board of Chairman of Chankham Residence Co., Ltd.

Independent Director, Member of the Audit Committee of NamHeng Concrete  
(1992) Co.,Ltd.

**Training Program**

Director Certificate Program (DCP) Class 59/2005 Thai Institute of Directors (IOD)

Top Executive Program in Justice Management (Class 3)

Top Executive Program in Commerce and Trade (TEPCOT) Class 1

Top Executive Program, Capital Market Academy (Class 3)

Public Administration and Public Law Program, King Prajadhipok's Institute,Class 3

National Defense College, The Joint State - Private Sector Course Class 15,

Thailand National Defense College

**Number of Shares held**

-0-

## The Board of Directors

*Mr. Suchat Trisirivattwat*  
*Audit Committee*  
*Independent Director*

**Academic Background**

Master Degree	Master of Science (Accounting), Thammasat University
Bachelor Degree	Bachelor of Business Administration (Accounting), Thammasat University

**Work Experience**

2004 - Present	Audit Committee, Independent Director, Solartron PCL.
2006 - 2015	Managing Director, Indara Insurance PCL
2006 - 2013	Director, Klangdong Lime and Expert Environment Co., Ltd.

**Training Program**

Advance Audit Committee Programs class 1/2009

- MIA 5/2009
- MFR 8/2008
- MIR 6/2009
- MFM 1/2009

Role of the Compensation Committee Program class 5/2008

Chartered Director Class 3/2008

The Role of the Chairman Program 13/2006

Director Certification Program (DCP) class 72/2006

Improving the Quality of Financial Report 4/2006

Audit Committee Program (ACP) class 1/2004

Director Accreditation Program (DAP) class 21/2004

**Number of Shares held**

-0-

## The Board of Directors

*Dr.Pavan Siamchai*  
*Director*  
*Chief Operating Officer*

**Academic Background**

Doctor of Philosophy	Ph. D in Electrical and Electronics Engineering, Tokyo Institute of Technology, Japan
Master Degree	Master of Engineering (Electrical), Chulalongkorn University
Bachelor Degree	Bachelor of Engineering (Electrical) 2 <sup>nd</sup> Honor, Chulalongkorn University

**Work Experience**

2009–Present	Director, Chief Operating Officer, Solartron PCL.
2007 - 2009	Project Coordinator, Centrotherm photovoltaics AG
2005 – 2007	Senior Auditor, Solartron PCL.
1996 - 2005	Researcher / Project Manager NECTECH Researcher / Project Manager NASDA

**Academic Experience**

Guest Lecturer Mahanakorn University of Technology  
 Guest Lecturer Asian Institute of Technology

**Number of Shares held** -0-

The Board of Directors

*Mr.Pongsak Thammathataree*

*Directors*



**Academic Background**

Bachelor Degree	Doctor of Medicine, Chulalongkorn University specialist Ear Nose Throat, Chulalongkorn Hospital
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**Work Experience**

1992 - Present	Founder and Owner Pongsak Medicine Co.,Ltd.
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<b>Number of Shares held</b>	18.61%
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The Board of Directors

*Mr. Akekachat Leelapanyalert*  
*Independent Directors*

**Academic Background**

Bachelor Degree	Bachelor of Business Administration (First Class Honors) Chulalongkorn University
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**Work Experience**

present	Managing Director, Corporate Strategy Division, Apple Wealth Securities PCL.
2013 - 2014	Managing Director, Business Development and Corporate Strategy Division, Apple Wealth Securities PCL.
2012 - 2013	Director in Investment Banking Department, Country Group Securities PCL.
2007 - 2009	Analyst in Investment Banking Department, Phatra Securities PCL.

<b>Number of Shares held</b>	-0-
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## 9. Corporate Governance

### Policy of Corporate Governance

The Board of Directors has always realized the importance of conducting business in compliance with good corporate governance principles. The Board resolved corporate governance policy in written to comply with the principles of corporate governance stated by the Stock Exchange of Thailand (SET) as well as rules and regulations of the Securities Commission (SEC) which cover the following categories:

- Rights of shareholders and equitable treatment of shareholders
- Role of stakeholders,
- Disclosure and transparency
- Role and Responsibilities of the Board of Directors

#### 1. Rights of shareholders and equitable treatment of shareholders

1. The Company always respects rights of its shareholders: basic shareholder rights as prescribed the law, ownership right through appointment of the Board of Directors, and other rights as appropriate. The Company takes care of its shareholders more than legal requirements, such as provision of information, news, updates through the corporate website. Important news for shareholders is notified by letters. Shareholders are welcome to visit the Company by request.
2. The Company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items concerning issues to be decided. A notice of a meeting and support documents are sent to corporate shareholders at least 7 days in advance. The notice for the 2015 shareholders meeting was posted on the Company's website so that shareholders could study all the information prior to receiving the notice in documentation.
3. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is [www.solartron.co.th](http://www.solartron.co.th). Inquiries and requests for further information may be e-mailed to [support@solartron.co.th](mailto:support@solartron.co.th)
4. The Company facilitates and encourages its shareholders to exercise their rights and votes. There are two closing times of the transfer book. The transfer book is closed for shareholders' right to attend a shareholders meeting, allowing the shareholders to consider and approve the annual dividend payment. The book is closed again for shareholders' right to receive dividends, allowing the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. The meetings are notified in newspapers. Shareholders can register about one hour prior to each meeting. Should a shareholder not be able to physically present at a meeting, they may appoint their proxy or an independent director as their proxy to attend and vote in the meeting.
5. The Company held the Annual General Meeting1/2015 on April 30, 2015, where all directors were present. Corporate shareholders were given opportunities to directly inquire the corporate

directors and committees. The Company does not deprive its shareholders of access to corporate information. All important information, for instance, is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.

6. The Company allows its shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there shall be at least 5% of total shares. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the Board of Directors' meeting will consider and select the proposals. Shareholders will be informed about the Board's meeting resolutions and reasons in detail regarding the proposals through the Company's website and corporate shareholders did not propose any additional matters to be included in the shareholders' meeting agendas. Moreover, the Company encourages its shareholders to electronically submit the Board their inquiries related to shareholders' meeting agendas via its website prior to shareholders' meeting dates.
7. The Company has facilitated nomination of candidates for corporate directors by shareholders. Guidelines for the procedure and criteria have been provided. For instance, registered mail can be used for shareholders' submission of their nominations to the Company's Secretarial Division. Periods of time for accepting shareholders' director nominations are defined. Forms for nominees' profiles are provided. The procedure for nominees' declaration of their consent is explained. Detailed information regarding the nomination is posted on the Company's website. After nominations are accepted, the board of directors' meeting will consider the nominations. However, up to the present there has been no nomination from corporate shareholders.
8. The Company provides information on a shareholders' meeting for its shareholders on the corporate website. Hard copies of the same information are also sent to corporate shareholders. Shareholders' meeting notices and support documents are sent to shareholders at least 14 days in advance.
9. In the annual shareholders meeting notice, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. It nominated corporate independent directors. Shareholders were provided with standard proxy forms for indicating their opinions in voting.
10. Agenda of the 2015 annual shareholders' meeting notice covered appointments of directors, consideration of directors' remuneration, appointment of an independent auditor and determination of their remuneration, dividend payment, and other important matters, such as the issuance and offering of the Company's warrants, and allocation of new ordinary shares. Necessary information for shareholders' decision was presented.
11. In the 2015 AGM, the Chair informed corporate shareholders about procedures relevant to the meeting including voting procedure. The shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statements and

operating results. In director appointment, the shareholders voted on each nominated director. Voting cards were used in case of disagreement over the meeting agenda. The meeting was recorded on video.

12. In minutes of the 2015 Annual General Shareholders' Meeting, names of all the directors physically present/absent were shown. All corporate directors were present. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the corporate website within 14 days after the AGM.
13. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing.
14. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders' meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years. The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board's meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

## 2. Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, for instance, customers, employees, trading partners, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

**Rights of shareholders:** They are defined in "Rights of Shareholders and Equitable Treatments of Shareholders" section.

**Rights of employees:** The Company respects its employees' legal rights according to the Labor Protection Act and related laws. It ensures fair and equal treatment for all employees regardless of their ranks, nationalities, religious beliefs, and gender. Employees are entitled to benefits according to their positions without discrimination. For transparency and fairness in employees' promotions and pay raises, the Company has established a committee comprising of Management of different departments. To support its growth, the Company encourages its employees' knowledge and skill development through in-house and outside training.

Provident fund has been set for corporate employees' security. The Company upholds Thai Labor Standard 8001 on human rights and social responsibility. It was given full and highest accreditation by the Department of Labor Protection and Welfare, Ministry of Labor, with the Thai Labor Standard (TLS: 8001).

**Rights of customers:** Apart from customers' rights specified in contracts, the Company cares about their satisfaction. Follow-up and customer satisfaction evaluating systems have been established. Follow-ups and satisfaction evaluations are done periodically in line with ISO 9001:2008, ISO 14001: 2004, OHSAS 18001:2007 and TLS8001: 2003. The aim is to promote long-term relationships between the Company and customers.

**Rights of trading partners:** Most of the Company's relationships with its trading partners are in the form of joint ventures. The Company always respects its trading partners' legal rights and rights as specified in joint venture agreements. It adheres to integrity, equality, and rights of benefits corresponding to their investments.

**Rights of creditors:** The creditors' rights specified in trade agreements are respected. The Company has earned trust among its creditors from ethical operations. Information and updates concerning the Company and its financial status are provided for the Company's creditors.

**Rights of the community and environment:** The Company has always been responsible to the society and environment. It strictly complies with applicable laws, such as environmental and factory laws. The Company collaborates with the government sector and agencies, helps developing public infrastructure, provides financial supports, and promotes social activities that bring understanding and sustainable development to the community.

For projects that may have a potential impact on the community and environment, the company conducts public hearings and tries to minimize those effects. Specific procedures have been set for environmental and social factor studies, minimizing environmental and social impact, along with feasibility studies. The company had conducted public hearings and analyses of impacts on the community and environment.

The company always realizes the importance of all groups of stakeholders as mentioned. It also values all suggestions, opinions, and comments that enable development, improvement and correction of the corporate operations. All stakeholders can contact the company to report improper incident, complain, request for clarifications or correction, or make any suggestions via email: [support@solartron.co.th](mailto:support@solartron.co.th) or faxing the internal audit office at 02-381-2971. In the previous year, there was no wrongdoing reported to the company.

### 3. Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently through channels that are trustworthy and equally easy to access for the public. The followings are corporate practices:

1. Annual statements (Form 56-1) and annual reports are disclosed through the SET channels and corporate website, [www.solartron.co.th](http://www.solartron.co.th). There are also updates related to the company and the industry posted on the website to facilitate decision-making of those involved.
2. The company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the company's compliance with established policies, summarized business ethics, and directors' training background were disclosed.
3. A statement of the Board of Directors' responsibilities for the company's financial statements is provided along with the auditor's report in the corporate annual report. The contents include the certification that the company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and that the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Board Chairman and Managing Director.
4. Contents of the Company's website consist of organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.
5. The company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. A team set up to coordinate communications between the company, investors, and shareholders can be reached by email at [support@solartron.co.th](mailto:support@solartron.co.th).

#### 4. Responsibilities of the Board of Directors

1. The structure of the Board consisted of 8 directors. 3 out of 8 are independent directors and. The company's Board of Directors possesses skills and expertise in various fields, such as accounting, finance, law, governance, production technology, personnel, purchasing, marketing, real estate, internal audit, and information technology. Detailed profiles, qualifications, experiences, and ownership of directors are included in Form 56-1.

#### Category of Directors

Name		The Board of Directors	Audit Committee	Nomination and Remuneration Committee
Mr. Cherdpong	Sirivit	/	-	-
Ms. Patama	Wongtoythong	/	-	/
Mr. Akaradej	Rojmeta	/	-	/
Ms. Rawittha	Pongnuchit	/	/	-
Mr. Suchat	Trisirivattwat	/	/	/
Mr. Akekachat	Leelapanyalert	/	/	-

Dr. Pavan	Siamchai	/	-	-
Mr. Pongsak	Thammathataree	/	-	-

2. It is required that during the annual general meeting, one third (1/3) or close to one third of corporate directors resign. Each director's term is three years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The company has not determined how many terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the company's business to serve in the Board.
3. The Board of Directors has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, as well as defined their functions and responsibilities. For transparency and independence in the work, the majority of the committee members are independent directors, and chairs of the committees are independent directors. To maintain true independence of the corporate committees, the Chair of the Board is not the chair or a member of those committees. The committees serve 2 years. In case that a committee serves until the end of its term and a new committee has not yet been appointed, the former committee still continues to work until a new committee has been appointed. At the end of their term, if a director is not re-elected, their position in their current committee shall end automatically. If there is a new director in a committee, that director shall remain in the position as long as the committee's term.
4. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to corporate executives as well.
5. The company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency. The current corporate vision has been reshaped from being a sugar manufacturer to a producer of alternative energy which is environmentally friendly. The new vision is based on the idea that sugar is an energy source for human beings. Ethanol fuels automobiles. Fertilizer nourishes plants. Electricity energizes appliances. Corporate investments are in line with such vision.
6. The board has established corporate governance policy as follows: "The Company is committed to corporate governance to build trust among shareholders, employees, and customers, as well as to create sustainable competitive advantage. It emphasizes internal control, internal audit, and risk management, as well as ensures that managements implement policies effectively in compliance with legislation and business ethics." The policy has been communicated throughout the Company. The company ensures that its personal understands and complies with the corporate governance. The work and corporate policies are always evaluated and reviewed annually.

7. The board has set a written ethics and codes of business conduct for the company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Company's human resources department evaluates, reviews, and revises the codes of conduct.
8. Conflicts of Interest Prevention, The board of directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The Audit Committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.
9. Efficient Administrations and Internal Control, the company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of corporate resources, and protection and corporate assets. The corporate internal audit provides analyses, audits, evaluations, advice, and recommendations to support corporate activities. The Audit Committee independently reviews and audits adequacy and efficiency of the company's internal control and internal audit once a year. The opinions on the corporate internal control system are included in the annual report.
10. Risk Management, the risk management committee engages in establishing the total risk management. Adequacy and efficiency of the company's risk management system will be reviewed at least once a year. The early warning system will be in place for irregularity scanning.
11. The board of director sets at least 4 board meeting every 3 months, and 1 additional meeting: one is a meeting before one month of annual shareholders' meeting and the other one is a meeting for annual budget, each director of the board is notified in advance. For the flow of the company's operations, there are monthly executive meetings where the board entitles the meeting to make decisions. In every board meetings, the board of directors is informed about matters that have been approved by the Company's executive meeting to ensure that the board is able to supervise, control, and monitor the work of managements on a regular basis.
12. In board meetings, the chairman, managing director, and secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.
13. The board's secretary sends meeting documents to each director in advance of the meeting date. The documents are concise. Confidential issues that cannot be disclosed in writing or prior to the meetings are brought to be discussed during the meeting.
14. In a board of directors meeting, the chairman of the board allocates adequate meeting time for managements' presentations and comprehensive directors' discussions. The chairman encourages careful consideration in the meeting. Directors pay attention to each issue presented in the meeting, including issues concerning governance of the company. Top executives from different departments attend the board meeting to present details on the issues that they are responsible for in order to facilitate the Board's decision-making. The Board also has a chance to know more about the top executives, as well as has access to important additional information through the top executives. Directors may request more information about issues in the meeting from the company's secretary.

15. Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are disclosed. The board sets a meeting every 3 months in a year, and the executive committee has monthly meetings concerning the company's operating results. Information from the executive committee meetings is presented to the corporate board of directors.

In 2015, the board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually. The board considered the evaluation results and put forward recommendations for improvement.

## 5. Selection of Directors and Management

1. The nomination and remuneration committee has determined that an independent director: (1) must possess an amount of shares that does not exceed 0.5% of the total of voting shares; (2) must not involve in corporate management and must not be an employee or advisor including an audit advisor, a legal advisor, or any other type of advisor receiving salary, or a person with controlling power over the company, its subsidiaries and associates, or a person who may have conflicts of interest or may hold a stake in that manner not less than 2 years; (3) must not have any business relationship, interest or stake both direct and indirectly; (4) must not be a close relative or have other type of relationship with management and major shareholders that might result in lack of independence. Such requirements, which are stricter than other general requirements, have been approved by the company's board.
2. In the past 2015, the independent directors have no any business relationship or any providing the professional service to the Company.
3. Board of director appointed 3 directors as a member of the Nominating and Remuneration Committee. 2 out of 3 members are company's independent directors. This committee has planned to determine policies, regulations, and procedures for nomination of directors in order to select and nominate qualified personnel to the Board of Director and shareholder for consideration in annual general shareholders' meeting. However, the criteria for consideration must be not less than the qualifications specified in Section 68 of the SEC ACT B.E. 2535 (including the revised version) and related announcements of the SEC. The election of directors is organized in line with the following Company's regulations:
  1. The corporate Board of Directors consists of a lease four directors, which not less than half of the number of directors must reside in the Kingdom. The directors must be qualified individuals who do not possess characteristics as prohibited by the laws.
  2. The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:



- a) One vote per share is allowed for a shareholder.
  - b) Shareholders vote for each individual nominated as a director. The number of vote(s) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in (a). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a director remaining, the chairperson shall be granted the final vote.
3. In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total.

**6. Use of inside information**

According to Corporate Governance policy, the Company prohibits its directors, the executives, and employees from using inside information concerning important matters including trading of securities before publication for others or personal gains. Directors, executives, and employees have the right to trade corporate securities within one month before the corporate financial statements are publicized.

## 10. Corporate Social Responsibilities

As government policy in Alternative Energy Development Plan(AEDP) which focuses on developing in main nation energy, cutting down dependency on fuel importing and enforcing nation energy stability with acceptable price and environmental friendly.

Solartron as solar cells and Solar modules producer is proud to produce clean energy especially during the peak time that every sector consumes a lot of electricity. Reducing energy consumption and increasing energy efficiency with solar energy sources are now more important than ever.

Through continuous innovation , Solartron can produce solar cells and solar module with higher conversion efficiency. Increased efficiency means more energy is created from the same surface area, helping to higher module energy yield that make high return of investment for Solartron customer.

In addition, solar water pumping system is the solution to prevent drought for rural non electrified area and can reduce the summer outbreak coming from the dirty water.

Solartron teams is proudly to produce the good quality of solar power system to serve the community and promote clean energy product for reducing global warming.

For 2015, Solartron Solar Solutions led to cut down dependency on energy from fossil and turn to solar power that friendly to environment as follows:



Solar Rooftop

Solar water pumping System VS Drought Problems



## **11. Internal Control and Risk Management**

The Board is responsible for the Company's system of internal control. The audit committee, a sub-committee of the Board, is chartered to oversee the internal control system within the company that operates to safeguard the company's assets and shareholders' investments. Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting, assist compliance with laws and regulations, and strengthens overall risk management of the environment within which the business operates. The audit committee, supported by both the internal and external auditors, evaluates working of internal control within the company on an on-going basis, reporting the results to the Board regularly. The AC is assisted by external auditor and the internal auditors in its review and supervision of internal control operations within the Company. Both the external auditors and internal auditors are independent of Management. The Internal Audit Department reports functionally and directly to the AC and coordinates with the external auditors in providing information and opinions on internal control. The mission and annual work plan of the Internal Audit Department form the basis upon which the systems within the Company relating to internal control, risk management and corporate governance are reviewed and reported to the AC and Board of Directors.

On an annual basis, the AC also evaluates the sufficiency and effectiveness of the internal control system of the Company by reference to the following eight factors;

### **1) Internal Environment**

The Company establishes a control strong working environment with an appropriate organization structure reinforced with policy and planning, error free execution and continual monitoring and feedback mechanism. Business transactions are subject to Code of Business Ethics, and employees are held accountable to stated Code of Conduct, Misconduct, fraudulent act, are investigated on a timely basis and reported upward to Senior Management, Internal Audit and Audit Committee.

### **2) Objectives Setting**

The Company provides each department with clearly stated objectives and goals, including strategies and operating procedures. These objectives and goals align Company's mission with business plan and risk factors.

### **3) Event Identification**

The Company leverages on its Risk Management Committee (RMC) and the experience and networking depth of its Senior Management to identify adverse and risky events on a timely basis so that the appropriate response measure can be developed and deployed.

### **4) Risk Assessment**

The Company has a risk management policy which governs the operation of the Risk Management Committee (RMC) to review and update the risk factors underlying the businesses. The assessment and resulting response are documented in the RMC report which is shared with both the Audit Committee and the Board.

**5) Risk Management**

The Audit Committee reviewed, on a quarterly basis, the assessment of the risk management by considering the internal and external factors, impacts and managing risk to be at an acceptable level.

This will also be extended to encourage and promote accountability from risk owners of every level. Audit committee advised internal audit department to conduct the practical workshop on the importance, objectives and process of risk management by using case study approach in order to recognize risk alert and sense of emergency.

**6) Control Activities**

The Company has clear policies, and guidelines that define key control activities in each operation. These policies and guidelines are reviewed on a regular basis to ensure they are consistent with and the relevant to current operating environment.

**7) Information and Communication**

The Company has management information systems and communication channels through which key information relating to corporate governance, policies and regulations, procedures and practice can be communicated to employees to guide them in their personal conduct, business activities and as feedback for improving their performance in the future.

**8) Monitoring and Assessment**

The Company commands a performance tracking system by having a sub-committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement an internal audit Department, reporting to the Audit Committee, reviews compliance with the company's formulated internal control system.

**12. Transactions with Related Parties****Connected Transaction with Parties with Possible Conflict of Interest**

During the year 2015, the Company entered into the connected transactions with the parties or persons who might have conflict of interest to the Company. Most of the transactions were related to sales and purchased of spare parts and services. The said transactions were engaged in accordance with the conditions mutually agreed between the Company and the related parties, which relied on the normal business conditions. The Company already disclosed information on such connected transactions, such as description of transactions, transactions value, and pricing policy in note 5 in the financial statements.

**Necessity and Reasonableness**

Most of the connected transactions are the transactions undertaken to support previous project of business of the Company. To enter into each previous, the Company always makes a decision based on the utmost good faith for the Company's benefits without any conflict of interests.

**Procedures for Connected Transaction**

The Company has clearly stated the procedures for connected transaction in an authorized manual of the Company which aligns with the regulations of the Stock Exchange of Thailand.

**Policy and Possibility in conducting the Connected Transaction in Future**

The Company has to enter into the connected transactions, but such transactions shall be conducted based on the normal business conditions by not transferring any benefits to the parties who might have the conflict of interest with the Company. The Company shall assign The Audit Committee or the external auditor or independent specialists to consider an appropriate value, and disclose type of transaction, value, and rational in conducting the transactions to the shareholders as required by the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

**Transactions with Related Parties**

Named	Retaliation	Description	Size of activities (Baht)		The necessary and reasonable of activities and policy to set the price
			2016	2015	
<b>Fac Rent Co; ltd.</b>	Spouse of Mrs.Patama Wongtoyong	Warehouse Rental	556,920	556,920	The location of warehouse is near the Bangkok office and the rental rate is lower than the market rate.
<b>Solartron Energy 1</b>	Subsidiary Hold by Solartron 99.96 %	(1) Interest Revenue (2) Interest expense (3) Short-term loans to subsidiary	255,068 - 5,000,000	-	Using the bank overdraft rate which is equal to 7% year.
<b>Solartron Energy 2</b>	Subsidiary Hold by Solartron 100 %	(1) Interest Revenue (2) Interest expense (3) Short-term loans from subsidiary	- 450,493 27,000,000	-	Using the bank overdraft rate which is equal to 7% year.
<b>Solartron Energy 3</b>	Subsidiary Hold by Solartron 100 %	(1) Interest Revenue (2) Interest expense (3) Short-term loans from subsidiary	- 450,493 27,000,000	-	Using the bank overdraft rate which is equal to 7% year.
<b>Solartron Energy 4</b>	Subsidiary Hold by Solartron 100 %	(1) Interest Revenue (2) Interest expense (3) Short-term loans from subsidiary	- 450,493 27,000,000	-	Using the bank overdraft rate which is equal to 7% year.
<b>Solartron Energy 5</b>	Subsidiary Hold by Solartron 100 %	(1) Interest Revenue (2) Interest expense (3) Short-term loans from subsidiary	- 450,493 27,000,000	-	Using the bank overdraft rate which is equal to 7% year.

The above connected transactions are reasonable, equitable and in line with an ordinary and usual course of the Company's business and / or supporting an ordinary and usual course of the Company's business and / or supporting an ordinary and usual course of the Company's business.

### 13. Management Discussion and Analysis

Solartron Public Company Limited (The Company) would like to report on Management's Discussion and Analysis of Financial Positions and Operating results for the year ended December 31, 2015 as follows:

#### 1) The operating results and profitability

The Company Separate operation results for the year ended on December 31, 2015 recorded the comprehensive net income (loss) of (37.92) million Baht decreasing in amount of 74.03 million baht or representing 204.98% from the same period last year in the comprehensive net income of 36.11 million Baht and the year End of 2014 Earnings per Share of (0.07) Baht due to the main reasons as follows:

##### 1.1 Total Revenues

The Company Separate had total revenues in year 2015 and 2014 amounting to 722.76 million Baht and Baht 947.42 million Baht respectively which an decreased of 224.66 million Baht, or decreased by 23.71% The total revenues are divided to sales and other income as follows:

Total Revenues	Year 2015		Year 2014		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Sales Revenues</b>	<b>683.36</b>	<b>94.55</b>	<b>921.84</b>	<b>97.30</b>	<b>(238.48)</b>	<b>(25.87)</b>
-Revenue from sales of goods which installation service and construction of solar power plant	273.25	37.81	889.58	93.89	(616.33)	(69.28)
-Revenue from sales of goods	410.11	56.74	32.26	3.41	377.85	1171.22
<b>Other incomes</b>	<b>39.40</b>	<b>5.45</b>	<b>25.58</b>	<b>2.70</b>	<b>13.82</b>	<b>54.04</b>
<b>Total Revenues</b>	<b>722.76</b>	<b>100.00</b>	<b>947.42</b>	<b>100.00</b>	<b>(224.66)</b>	<b>(23.71)</b>

**Sales Revenues**

The Company Separate, the year 2015 the company had sales amounting to 683.36 million Baht comparing to the year 2014 of 921.84 million Baht an decrease amounted to 238.48 million Baht, representing an decrease of 25.87%

**Other Incomes**

The Company Separate, the year 2015 the Company had the other income of 39.40 million Baht comparing to the year 2014 of 25.58 million Baht increase equivalent 13.82 million Baht or 54.04% because in year 2015, record for gain on foreign exchange rate.

**1.2 Cost of sales and Selling and Administrative Expenses**  
**(The Company Separate)**

Financial Statement	Year 2015		Year 2014		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	683.36	100.00	921.84	100.00	(238.48)	(25.87)
Cost of sales	635.27	92.96	784.22	85.07	(148.95)	(18.99)
Total Selling& Admin Expenses	114.94	16.82	106.83	11.59	8.11	7.59
- Selling Expenses	11.96	1.75	9.99	1.08	1.97	19.72
-Administrative Expenses	102.98	15.07	96.83	10.50	6.15	6.35

**Cost of Sales**

The Company Separate, the Year 2015 the Company had the cost of sales of 635.27 million Baht, comparing to the year 2014 of 784.22 million Baht a decreases amount 148.95 million Baht or 18.99% from significantly decrease of sales volume.



**Selling and Administrative Expenses**

The Company Separate, the Year 2015 the Company had selling and admin expenses of 114.94 million Baht, comparing to the year 2014 of 106.83 million Baht an increased equivalent to 8.11 million Baht or 7.59% because of increasing in man power for increasing capacity of Equipment for Cell Factory and Module Factory to 200 MW. per year and salary increases.

**Profit**

(The Company Separate)

Financial Statement	Year 2015		Year 2014		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	683.36	100.00	921.84	100.00	(238.48)	(25.87)
Cost of Sales	635.27	92.96	784.22	85.07	(148.95)	(18.99)
Gross Profit	48.09	7.04	134.62	14.60	(86.53)	(64.28)
Other income	39.40	5.76	25.58	2.77	13.82	54.03
Selling and Admin expenses	114.94	16.82	106.83	11.59	8.11	7.59
EBIT	(27.46)	(4.02)	56.36	6.11	(83.82)	(148.72)
Finance costs	(18.95)	(2.77)	(10.19)	(1.11)	8.76	85.96
Income Tax (expenses)	8.49	1.24	(10.06)	(1.09)	(18.55)	(184.39)
Net Profit for the year	(37.92)	(5.55)	36.11	3.92	(74.03)	(205.01)

**Gross Profit**

The Company Separate, the Year 2015 the Company had Gross Profit amounted to 48.09 million Baht, comparing to the year 2014 of 134.62 million Baht, a decrease of amount 86.53 million Baht or 64.28%

**EBIT**

The Company Separate, the Year 2015 the Company had EBIT amounted of (27.46) million Baht, comparing to the year 2014 of 56.36 million Baht, a decrease from year 2014 amount 83.82 million or 148.72% because of an decrease of gross profit decrease.

**Net Profit**

The Company Separate, the Year 2015 the Company's net profit for the year 2015 amount (37.92) million Baht, comparing to the year 2014 of 36.11 million Baht, a decrease from the year 2014 of Baht 74.03 million or a decrease of 205.01%

**2) Ability to manage assets.****Asset Component**

Table compares the statement of financial position for the year 2015 and 2014.

(The Company Separate)

Financial Statement	Year 2015		Year 2014	
	Million Baht	%	Million Baht	%
			(Restated)	
Cash and Cash equivalents	51.04	1%	48.46	2%
Trade accounts and other receivable-net	255.21	7%	63.96	3%
Unbilled receivables	115.64	3%	24.08	1%
Retention receivable	3.19	0%	2.01	0%
Short-term loans to subsidiary	5.00	0%	-	-
Inventories-net	921.58	25%	503.63	23%
Advance payment for machinery and equipment	22.20	1%	136.14	6%
Other current assets :				
Revenues receivable	68.18	2%	17.06	1%

Financial Statement	Year 2015		Year 2014	
	Million Baht	%	(Restated) Million Baht	%
Others	32.47	1%	1.36	0%
<b>Total current assets</b>	<b>1,474.50</b>	<b>40%</b>	<b>796.71</b>	<b>36%</b>
Deposits at banks held on collateral	131.52	4%	131.63	6%
Investments in subsidiaries	133.99	4%	-	-
Property, plant and equipment - net	1,861.46	51%	1,230.87	57%
Intangible assets - net	10.73	0%	8.94	0%
Deferred tax assets - net	16.52	1%	7.92	0%
Other non – current assets :				
Withholding tax	1.28	0%	11.77	1%
Deposits	2.23	0%	0.95	0%
<b>Total non – current assets</b>	<b>2,157.75</b>	<b>60%</b>	<b>1,392.09</b>	<b>64%</b>
<b>Total Assets</b>	<b>3,632.25</b>	<b>100%</b>	<b>2,188.79</b>	<b>100%</b>

### Asset Quality

The Company Separate, the Year 2015 the Company has total assets of 3,632.25 million Baht, comparing to the year 2014 of 2,188.79 million Baht, an increase from year 2014 of 1,443.45 million Baht, or 65.95% from the increase in Trade accounts and other receivables, Inventories and Property plant and equipment.

### 3) Adequacy of liquidity and capitalization

#### 3.1 Liquidity

#### Components of cash flows

Table compares cash flows for the year 2015 and 2014

(The Company Separate)

Unit: Million Baht

Statement of Cash Flows	December 31, 2015	December 31, 2014
Net cash provided by(used in) operating activities	(654.01)	(176.68)
Net cash provided by(used in) investing activities	(614.62)	(267.79)
Net cash provided by(used in) financing activities	1,271.21	311.18
Net increase(decrease) in cash and cash equivalents	2.58	(133.29)
Cash and cash equivalents at beginning of the period	48.46	181.75
Cash and cash equivalents at end of the period	51.04	48.46

Year 2015, The Company's net cash flow provided by (used in) operating activities decreased as (654.01) million Baht, year 2014 decreased as (176.68) million Baht due to increase in operating assets, Trade accounts and other receivables Inventories and Other current assets.

Net Cash flow provided by (used in) investing activities decreased as (614.62) million Baht, year 2014 decreased as (267.79) million Baht, because of the Company invested in subsidiaries and invested in new machinery and equipment for Cell Factory and Module Factory from 70 MW to 200 MW.

Net Cash flow provided by (used in) financing activities increased as 1,271.21 million Baht, year 2014 increased as 311.18 million Baht due to cash receipt of increased short-term loans from financial institutions and cash receipt of increased capital.

The company's operating, investing and financing cash flows for the year 2015 effect net an increase in cash and cash equivalents of 2.58 million Baht to 48.46 million Baht in cash at beginning of period. Cash at end of period were 51.04 million Baht.

**Liquidity Ratio**

The Company Separate, the Year 2015, The Company's current ratio decreased from 2.16 to 1.09 times due to increasing in short-term loans from financial institution, Trade accounts and other payables, Discounted bills of exchange and short-term loans from subsidiary.

**Ability to repay short-term debt.**

The Company Separate, the Year 2015, the Company's current liabilities amounted to 1,352.93 million Baht, while current asset of 1,474.50 million Baht. The Company was able to repay all short-term debts.

**4) Source of funds.****4.1 Capital Structure**

The Company Separate, the Year 2015, Liabilities increased as 1,594.49 million Baht and year 2014 as 692.39 million Baht, representing an increase rate of 902.10 million Baht or 130.29%, resulting in a debt to equity (D/E) is 0.78 times while the previous year's level of 0.46 times for the period. The company still has a strong financial structure.

**4.2 Shareholders**

The Company Separate, the Year 2015, The Company's shareholders, of 2,037.76 million Baht and year 2014 as 1,496.40 million Baht, increase 541.36 million Baht or 36.18% due to the increased capital.

**4.3 Liabilities**

The Company Separate, the Year 2015, The Company has total liabilities of 1,594.49 million Baht, the year 2014 total liabilities of 692.39 million Baht increased as 902.10 million Baht or 130.29% from increased short-term loans from financial institutions, trade accounts and other payable, discounted bills of exchange and short-term loans from subsidiary.

**Solartron Public Company Limited and Its Subsidiaries**

**Auditor's Report and Financial Statement**

**For The Year Ended December 31, 2015**

**INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF SOLARTRON PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of SOLARTRON PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of SOLARTRON PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2015, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the period from January 5, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT** (Con't) -2-**Opinion**

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of SOLARTRON PUBLIC COMPANY LIMITED and its subsidiaries and of SOLARTRON PUBLIC COMPANY LIMITED as at December 31, 2015, and their financial performance and cash flows for the period from January 5, 2015 to December 31, 2015, in accordance with Thai Financial Reporting Standards.

**Other Matter**

As described in Condensed Notes 2.2 and 12 to the financial statements, in January 2015, the Company has incorporated 5 new subsidiaries. In effect, the Company began to prepare consolidated financial statements which included these 5 subsidiaries' financial statements from the first quarter 2015.



(Chaovana Viwatpanachati)

Certified Public Accountant (Thailand) No. 4712

OFFICE OF PITISEVI CO., LTD.

8/4 Floor 1<sup>st</sup>, 3<sup>rd</sup> Soi Viphavadee Rangsit 44

Chatuchak, Bangkok

February 26, 2016



## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit : Baht

		Consolidated		Separate	
		Dec 31, 2015	Dec 31, 2015	Dec 31, 2014	Jan 1, 2014
	Note			(Restated)	(Restated)
<u>ASSETS</u>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	74,363,363	51,036,183	48,458,129	181,750,955
Temporary investments		-	-	-	17,173,493
Trade accounts and other receivables - net	6.2, 8	254,953,759	255,208,827	63,959,144	232,931,836
Unbilled receivables	9	115,640,630	115,640,630	24,084,702	252,720,943
Retention receivables		3,185,126	3,185,126	2,010,951	2,953,164
Short - term loans to subsidiary	6.2	-	5,000,000	-	-
Inventories - net	10	921,582,013	921,582,013	503,626,828	118,898,229
Advance payment for machinery and equipment		22,201,229	22,201,229	136,140,717	5,586,240
Other current assets					
Revenue receivable		68,515,078	68,179,698	17,062,011	24,947,340
Other		32,466,293	32,467,894	1,364,765	19,752,044
Total other current assets		100,981,371	100,647,592	18,426,776	44,699,384
<b>Total current assets</b>		1,492,907,491	1,474,501,600	796,707,247	856,714,244
<b>NON - CURRENT ASSETS</b>					
Deposits at banks held on collateral	11	131,524,900	131,524,900	131,632,087	111,120,328
Investments in subsidiaries	12	-	133,998,000	-	-
Property, plant and equipment - net	4, 13	1,865,959,486	1,861,459,486	1,230,870,298	1,174,184,375
Intangible assets - net	14	10,727,225	10,727,225	8,937,767	9,830,921
Deferred tax assets	4, 15	16,525,680	16,525,680	7,922,142	7,528,820
Other non - current assets					
Withholding tax		1,286,890	1,285,963	11,769,535	-
Deposits		2,226,867	2,226,867	954,828	710,573
Total other non-current assets		3,513,757	3,512,830	12,724,363	710,573
<b>Total non - current assets</b>		2,028,251,048	2,157,748,121	1,392,086,657	1,303,375,017
<b>TOTAL ASSETS</b>		3,521,158,539	3,632,249,721	2,188,793,904	2,160,089,261

The notes to the financial statements are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated	Separate		
		Dec 31, 2015	Dec 31, 2015	Dec 31, 2014	Jan 1, 2014
	Note			(Restated)	(Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft and short - term loans					
from financial institutions	16	376,866,928	376,866,928	160,478,675	170,237,803
Trade accounts and other payables	6.2, 17	348,473,419	350,050,392	151,768,706	451,397,219
Discounted bills of exchange	18	400,000,000	400,000,000	-	-
Short-term loans from subsidiary	6.2	-	108,000,000	-	-
Current portion of liabilities under					
Long - term loan from financial institution	19	87,504,000	87,504,000	43,752,000	-
Hire - purchase contracts	20	3,464,419	3,464,419	4,687,698	4,235,673
Construction revenue received in advance	9	17,711,143	17,711,143	1,484,150	2,812,202
Current portion of employee benefit obligation	21	1,992,450	1,992,450	1,843,330	132,800
Accrued income tax		-	-	-	8,179,061
Other current liabilities		7,345,271	7,345,271	5,463,444	19,361,629
<b>Total current liabilities</b>		<b>1,243,357,630</b>	<b>1,352,934,603</b>	<b>369,478,003</b>	<b>656,356,387</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loan from financial institution - net	19	226,036,000	226,036,000	306,248,000	-
Liabilities under hire - purchase contracts - net	20	1,854,862	1,854,862	5,319,284	8,346,770
Employee benefit obligation – net	21	13,666,267	13,666,267	11,346,234	10,361,562
<b>Total non current liabilities</b>		<b>241,557,129</b>	<b>241,557,129</b>	<b>322,913,518</b>	<b>18,708,332</b>
<b>Total liabilities</b>		<b>1,484,914,759</b>	<b>1,594,491,732</b>	<b>692,391,521</b>	<b>675,064,719</b>

The notes to the financial statement are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated	Separate		
		Dec 31, 2015	Dec 31, 2015	Dec 31, 2014	Jan 1, 2014
	Note			(Restated)	(Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Con't)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	22				
Authorized share capital					
544,124,723 common shares of Baht 1.- each in 2015					
791,397,723 common shares of Baht 1.- each in 2014		544,124,723	544,124,723	791,397,723	791,397,723
Issued and paid - up share capital					
544,124,723 common shares of Baht 1.- each in 2015					
494,624,723 common shares of Baht 1.- each in 2014		544,124,723	544,124,723	494,624,723	494,624,723
Premium on share capital		1,218,760,870	1,218,760,870	676,168,704	676,168,704
Retained earnings					
Appropriated					
Legal reserve	23	55,965,054	55,965,054	54,268,054	48,243,054
Unappropriated		217,393,024	218,907,342	271,340,902	265,988,061
Equity attributable to owners of the parent		2,036,243,671	2,037,757,989	1,496,402,383	1,485,024,542
Non - controlling interests		109	-	-	-
<b>Total shareholder's equity</b>		<b>2,036,243,780</b>	<b>2,037,757,989</b>	<b>1,496,402,383</b>	<b>1,485,024,542</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,521,158,539</b>	<b>3,632,249,721</b>	<b>2,188,793,904</b>	<b>2,160,089,261</b>

The notes to the financial statements are an integral part of these financial statements

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
	Note			(Restated)
<b>REVENUES</b>				
Revenue from sales of goods which installation services and construction of solar power plants		273,247,230	273,247,230	889,575,425
Revenue from sales of goods		410,109,484	410,109,484	32,260,981
Other incomes	6.1	39,239,710	39,402,093	25,578,854
<b>Total revenues</b>		<b>722,596,424</b>	<b>722,758,807</b>	<b>947,415,260</b>
<b>EXPENSES</b>				
Cost of sales - sales of goods which installation services and construction of solar power plants		226,048,743	226,048,743	757,437,966
Cost of sales - goods	6.1	409,221,478	409,221,478	26,781,809
Selling expenses		11,961,297	11,961,297	9,999,818
Administrative expenses		106,137,638	102,983,439	96,829,965
<b>Total expenses</b>		<b>753,369,156</b>	<b>750,214,957</b>	<b>891,049,558</b>
<b>PROFIT(LOSS) BEFORE FINANCE COSTS AND INCOME TAX</b>		<b>(30,772,732)</b>	<b>(27,456,150)</b>	<b>56,365,702</b>
Finance costs		(17,152,022)	(18,953,995)	(10,192,269)
<b>PROFIT(LOSS) BEFORE INCOME TAX</b>		<b>(47,924,754)</b>	<b>(46,410,145)</b>	<b>46,173,433</b>
Income tax expenses (income)	15.2	8,490,671	8,490,671	(10,064,356)
<b>NET PROFIT(LOSS) FOR THE YEAR</b>		<b>(39,434,083)</b>	<b>(37,919,474)</b>	<b>36,109,077</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Defined loss plan remeasurement				
Employee benefit - net from income tax	15.2	451,468	451,468	-
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>(39,885,551)</b>	<b>(38,370,942)</b>	<b>36,109,077</b>
<b>NET PROFIT ATTRIBUTABLE TO :</b>				
Owners of the parent		(39,433,792)		
Non - controlling interests		(291)		
<b>NET PROFIT FOR THE YEAR</b>		<b>(39,434,083)</b>		
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO :</b>				
Owners of the parent		(39,885,260)		
Non - controlling interersts		(291)		
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(39,885,551)</b>		
<b>BASIC EARNINGS(LOSS) PER SHARE (BAHT : YEAR)</b>	26	<b>(0.07)</b>	<b>(0.07)</b>	<b>0.07</b>

The notes to the financial statements are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht							
		Consolidated							
		Equity attributable to owners of the parent				Non -controlling		Total	
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total Equity attribute to the parent	interest	shareholder's equity	
				Appropriated legal reserve	Unappropriated				
Balance as at January 1, 2015 (After adjustment)		494,624,723	676,168,704	54,268,054	271,340,902	1,496,402,383	-	1,496,402,383	
Non - controlling interests increase during the period		-	-	-	-	-	400	400	
Capital increase during the year	22	49,500,000	542,592,166	-	-	592,092,166	-	592,092,166	
Legal reserve	23, 24	-	-	1,697,000	(1,697,000)	-	-	-	
Dividend paid	24	-	-	-	(12,365,618)	(12,365,618)	-	(12,365,618)	
Comprehensive income(loss) for the year		-	-	-	(39,885,260)	(39,885,260)	(291)	(39,885,551)	
Balance as at December 31, 2015		544,124,723	1,218,760,870	55,965,054	217,393,024	2,036,243,671	109	2,036,243,780	

The notes to the financial statements are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Con't)

## FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht					
		Separate					
	Note	Issued and paid - up share capital	Premium on share capital	Retained earnings		Other components of equity Surplus on revaluation of fixed assets	Total
				Appropriated Legal reserve	Unappropriated		
Beginning balance as at January 1, 2014 (Before adjustment)		494,624,723	676,168,704	48,243,054	265,988,061	23,166,199	1,508,190,741
Cumulative effect of change in accounting policy	4	-	-	-	-	(23,166,199)	(23,166,199)
Balance as at January 1, 2014 (After adjustment)		494,624,723	676,168,704	48,243,054	265,988,061	-	1,485,024,542
Legal reserve		-	-	6,025,000	(6,025,000)	-	-
Dividend paid		-	-	-	(24,731,236)	-	(24,731,236)
Comprehensive income (loss) for the year		-	-	-	36,109,077	-	36,109,077
Balance as at December 31, 2015 (After adjustment)		494,624,723	676,168,704	54,268,054	271,340,902	-	1,496,402,383
Capital increase during the year	22	49,500,000	542,592,166	-	-	-	592,092,166
Legal reserve	23, 24	-	-	1,697,000	(1,697,000)	-	-
Dividend paid	24	-	-	-	(12,365,618)	-	(12,365,618)
Comprehensive income(loss) for the year		-	-	-	(38,370,942)	-	(38,370,942)
Balance as at December 31, 2015		544,124,723	1,218,760,870	55,965,054	218,907,342	-	2,037,757,989

The notes to the financial statements are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
	Note			(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss) before income tax		(47,924,754)	(46,410,145)	46,173,433
Reconciliations of net profit (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expenses		92,745,190	92,745,190	85,319,221
Doubtful accounts		1,623	1,623	299,631
Reversal of allowances for doubtful accounts		(420,727)	(420,727)	(967,840)
Employee retirement benefit		1,904,818	1,904,818	2,695,202
Written-off of withholding tax		584,181	584,181	-
Loss (gain) from disposal of machinery and equipment		-	-	(498,846)
Written-off of fixed asset		-	-	473
Unrealized loss (gain) on exchange rate		(14,710,140)	(14,710,140)	2,140,211
Interest income		(5,001,029)	(5,256,097)	-
Interest expenses		17,152,023	18,953,995	10,192,269
Gain from operating activities before changes in operating assets and liabilities		44,331,185	47,392,698	145,353,754
Decrease (Increase) in operating assets:-				
Trade accounts and other receivables		(186,950,742)	(186,950,742)	169,610,850
Unbilled receivables		(91,555,928)	(91,555,928)	228,636,241
Retentions receivables		(1,174,175)	(1,174,175)	942,214
Inventories		(417,955,184)	(417,955,184)	(384,728,599)
Other current assets		(82,554,597)	(82,220,817)	26,467,707
Other non - current assets		(1,272,040)	(1,272,040)	(244,255)
Increase (Decrease) in operating liabilities:-				
Trade accounts and other payables		62,484,451	62,259,451	(306,897,628)
Construction revenue received in advance		16,226,993	16,226,993	(1,328,052)
Other current liabilities		1,881,828	1,881,828	(13,898,184)
Cash provided by (used in) operating activities		(656,538,209)	(653,367,916)	(136,085,952)
Interest paid		(10,544,541)	(10,544,541)	(10,192,269)
Income tax paid		9,898,464	9,899,391	(30,406,276)
Net cash provided by (used in) operating activities		(657,184,286)	(654,013,066)	(176,684,497)

The notes to the financial statements are an integral part of these financial statements.

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS (Con't)

## FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
	Note			(Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (Increase) in deposits at banks held on collateral		107,187	107,187	(20,511,759)
Decrease (Increase) in temporary investments		-	-	17,173,493
Cash paid for investments in subsidiaries	12	-	(133,998,000)	-
Increase short - term loans to subsidiary	6.2	-	(5,000,000)	-
Acquisition of property, plant and equipment	13	(595,123,538)	(590,623,538)	(134,398,630)
Acquisition of intangible assets	14	(3,019,961)	(3,019,961)	-
Proceeds from disposal of machinery and equipment		-	-	499,589
Increase in advance payments for machinery and equipment		113,939,489	113,939,489	(130,554,477)
Interest Income		3,971,746	3,971,746	-
<b>Net cash provided by (used in) investing activities</b>		<b>(480,125,077)</b>	<b>(614,623,077)</b>	<b>(267,791,784)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdraft and				
short - term loans from financial institutions		233,614,140	233,614,140	(9,759,128)
Cash received from discounted bills of exchange	18	400,000,000	400,000,000	-
Cash paid for interest of discounted bill of exchange	18	(8,978,790)	(8,978,790)	-
Cash received from short - term loans from subsidiaries	6.2	-	108,000,000	-
Cash received from long - term loan from financial institution	19	-	-	350,000,000
Repayments of long - term loan from financial institution	19	(36,460,000)	(36,460,000)	-
Repayments of hire - purchase contracts		(4,687,701)	(4,687,701)	(4,326,181)
Cash received from non-controlling interest		400	-	-
Cash receipt of increased capital	22	592,092,166	592,092,166	-
Dividend paid	24	(12,365,618)	(12,365,618)	(24,731,236)
<b>Net cash provided by (used in) financing activities</b>		<b>1,163,214,597</b>	<b>1,271,214,197</b>	<b>311,183,455</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>25,905,234</b>	<b>2,578,054</b>	<b>(133,292,826)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>48,458,129</b>	<b>48,458,129</b>	<b>181,750,955</b>
<b>Cash and cash equivalents at end of the year</b>		<b>74,363,363</b>	<b>51,036,183</b>	<b>48,458,129</b>

The notes to the financial statements are an integral part of these financial statements.



## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS (Con't)

## FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
				(Restated)
	Note			
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION</b>				
1.	Cash paid during the period for capitalized borrowing cost			
	to its fixed assets	20,492,950	20,492,950	4,157,723
2.	Non - cash items			
	Purchase of asset on credit	13	131,480,337	131,480,337
				4,963,856
	Purchase of asset on hire-purchase contracts		-	-
				1,750,720
	Reversal of surplus on revaluation of assets	4	20,996,373	20,996,373
				-
3.	Unutilized credit facilities for future working capital		359,832,572	359,832,572
				446,220,825

The notes to the financial statements are an integral part of these financial statements.

**SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2015****1. GENERAL INFORMATION**

SOLARTRON PUBLIC COMPANY LIMITED ("Company") was incorporated as a limited company in Thailand on November 12, 1986 and the Company registered to be a public company limited under the Limited Public Company Act B.E.2535 with the Department of Business Development on September 24, 2004 and the Company was listed on the Stock Exchange of Thailand on March 30, 2005. The Company's head office is located at 1000/65, 66, 67, P.B. Tower 16th Floor, Soi Sukhumvit Road, North Klongton, Wattana, Bangkok and its branch office is located at 88/8 Moo 10, Nong Nam Daeng Sub - District, Pak Chong District, Nakornratchasima Province.

The Company is engaging in manufacturing and distribution, selling and installation of solar-cell systems and related equipment and construction of solar power plant. All subsidiaries are incorporated to operate in solar power business.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****2.1 Basis of preparation of financial statements**

The statutory financial statements are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions under The Royal Patronage of His Majesty the King ("FAP") and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting standard No. 1 (Revised 2012) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, B.E. 2554" dated September 28, 2011.

The consolidated and separate financial statements are presented in Thai Baht, which is the Company's and its subsidiaries' functional currency rounded in financial statements to the nearest Baht unless otherwise stated.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

### 2.2 Basis of preparation of consolidated financial statements

Subsidiaries undertaking are defined as those companies which the parent company in the Group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, including potential voting rights that are presently exercisable or presently convertible.

The consolidated financial statements include the financial statements of Solartron Public Company Limited and its 5 subsidiaries which were registered on January 5, 2015.

The details of subsidiaries as follows :

	Operation		Percentage of
	Type of business	Location	Holdings 2015
<b>Subsidiaries held by Company :</b>			
Solartron Energy 1 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	99.96%
Solartron Energy 2 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%
Solartron Energy 3 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%
Solartron Energy 4 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%
Solartron Energy 5 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%

The financial statements of the company have been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control ceases.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. 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.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies for the same accounting items or similar accounting events.

Material balances and transactions between the Company and its subsidiaries, and investments in subsidiaries by the Company and non-controlling interests of the subsidiaries have been eliminated from the consolidated financial statements.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)****2.2 Basis of preparation of consolidated financial statements (Con't)**

Non-controlling interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

**2.3 Principles of separate financial statements**

The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

**3. ADOPTION OF NEW ACCOUNTING STANDARDS****3.1 Adoption of new accounting standard effective in the current year**

In current year, the Company and its subsidiaries have applied the revised and newly issued Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) as announced by the Federation of Accounting Professions as follows.-

Thai Accounting Standards

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Venture
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets

**3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)****3.1 Adoption of new accounting standard effective in the current year (Con't)**Thai Accounting Standards (Con't)

TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property

Thai Financial Reporting Standard

TFRS 2 (revised 2014)	Share - Based Payments
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Interpretations

TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases- Incentives
TSIC 25 (revised 2014)	Income Taxes- Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue- Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2557) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

#### 3.1 Adoption of new accounting standard effective in the current year (Con't)

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company. However, some of these standards involve changes to key principles, as follows.-

##### TAS 19 (Revise 2014) "Employee Benefits"

This revised accounting standard, the key changes are (a) actuarial gains and losses are renamed "remeasurements" and will be recognized immediately in "other comprehensive income" (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognized in profit or loss; and (b) past-service costs will be recognized in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period.

The Company has changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy.

##### Thai Financial Reporting Standard 13 "Fair Value Measurement"

This newly financial reporting standard provides a single source of fair value measurement for use across IFRSs and sets out the fair value disclosure requirement.

#### 3.2 New Thai Accounting Standard announces during the period not yet adopted

In current period, the Federation of Accounting Professions has issued Notification regarding the revised and newly Conceptual Framework Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) and Accounting Treatment Guidance which was announced and these have been published in the Royal Gazette and which will become effective for the financial statements for the fiscal years beginning on or after January 1, 2016. The Company has not applied such standards before the effective period as follows:

Conceptual Framework for Financial Reporting (revised 2015)

##### Thai Accounting Standards

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment

**3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)****3.2 New Thai Accounting Standard announce during the period not yet adopted (Con't)**Thai Accounting Standards (Con't)

TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Venture
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standard

TFRS 2 (revised 2015)	Share - Based Payments
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

Interpretations

TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services

**3. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)****3.2 New Thai Accounting Standard announces during the period not yet adopted (Con't)**Interpretations (Con't)

TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

## Accounting Treatment Guidance for Bearer Plant

The above-mentioned the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted.



#### 4. EFFECT OF THE CHANGES IN ACCOUNTING POLICY

In 2015, the Company has changed the accounting policy regarding measurement of plants and machineries from the revaluation model to cost model. Based on the Company's management opinion, the cost model is more appropriated since it represents the Company's actual operating results than revaluation model. The Company has retrospective the prior year's financial statements, presented as comparative information, as though the Company had initially recognized. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarized are as follow:

	Unit : Thousand Baht			
	Consolidated	Separate		
	Dec 31, 2015	Dec 31, 2015	Dec 31, 2014 (Restated)	Jan 1, 2015 (Restated)
<b>The statement of position</b>				
Property, plant and equipment (decrease)	(26,246)	(26,246)	(26,246)	(28,958)
Deferred tax liabilities (decrease)	(5,249)	(5,249)	(5,249)	(5,792)
Surplus on revaluation of fixed assets (decrease)	(20,966)	(20,966)	(20,966)	(23,166)
<b>The statement of comprehensive income</b>				
Depreciation of increment in assets (decrease)	-	-	(2,712)	(678)
Deferred tax relating to other components of equity	-	-	544	136

#### 5. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

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

##### 5.1 Recognition of revenues

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow the enterprise and the amount of the revenue can be measured reliably.

##### 5.1.1 Revenue from construction of solar power plant and long - term sales of goods with installation service

Revenue from long - term construction of solar power plant and installation service is recognized by the percentage of completion method which is based on comparison of actual construction costs incurred up to the end of the year and total anticipated total construction costs to be incurred to complete the project, The revenue recognized but not yet due per contract is presented as "Unbilled receivable" under current assets and the revenue not yet recognized but due per contract is presented as "Construction revenue received in advance" under current liabilities.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.1 Recognition of revenues (Con't)****5.1.2 Revenue from short - term sales of goods with installation service**

Revenue from short - term sales of goods with installation service is recognized when the installation is completed, the customer has accepted the installation service and sale invoices has been issued to the customer.

**5.1.3 Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers.****5.1.4 Proceeds from services are recognized when services are rendered.****5.1.5 Others income is recognized on an accrual basis.****5.2 Cash and cash equivalents**

Cash and cash equivalent consist of cash on hand, bank deposits, and all highly liquid investments with financial institution with an original maturities of 3 months or less, which are not restricted to any use and including call notes receivable and term notes receivable maturing within 3 months of less and not subject to withdrawal restrictions.

Time deposits with maturity exceed 3 months period but less than 12 months period are recorded as temporary investment.

Cash at bank that have restricted in use are presented separately as "Deposits at bank held as collateral" under non-current assets in the statement of financial position.

**5.3 Trade and other receivables and allowance of doubtful account**

Trade and other receivable are stated at the net realizable value.

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences, the analysis of debtor aging and its current financial position.

**5.4 Inventories**

The Company value its inventories at the lower of cost or net realizable value with the net of allowance for loss on obsolete inventories, cost are using weighted average method.

Comprises all costs of purchase, costs of conversion and other cost 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 labor and overhead based on normal operating capacity.

An allowance is made for all slow-moving or deteriorated.

**5.5 Investments**

Investments in subsidiary companies are measured at cost.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.6 Property, plant and equipment and depreciation**

Property is presented at cost amount net allowance for impairment loss (if any).

Land improvement, plant and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

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 capitalized borrowing costs.

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

Expenditure for additions, replacement and betterment are capitalized. Repair and maintenance cost are recognized as expenses when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss when the asset is derecognized.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company and its subsidiaries depreciate their cost, after deducting residual value by the straight - line method over the assets useful live at the following rates:-

Land improvement	5, 10, 20	years
Buildings and improvement	5 - 25	years
Machinery and equipment plant	5 - 20	years
Furniture, fixture, office equipment	5	years
Vehicles.	5	years

No depreciation is provided for land and assets under construction and installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**5.7 Borrowing cost**

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of the Company and its subsidiaries.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.8 Intangible asset and amortization**

Intangible assets that are acquired by the Company and have finite useful lives are present at historical cost net of accumulated amortization and net allowance for impairment (if any).

Intangible assets with finite lives are amortized on a systematic basis by the straight-line method, over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization of intangible assets are based on their economic useful lives as follows:

Software Computer	5 years
Certificates	25 years

**5.9 Employee benefits****5.9.1 Short - term employee benefits**

Short - term employee benefit obligations, which include salary, wages, bonuses, contributions to the social security fund and provident fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

**5.9.2 Defined contribution plan**

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in comprehensive income or loss.

**5.10 Provision**

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.11 Foreign currencies transaction**

Transactions in foreign currencies are converted into Baht at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on the date. Gain or loss on exchange rates are recognized as income or expenses for the reporting period.

Gains and losses from exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs.

**5.12 Income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

*Current income tax :*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

*Deferred tax :*

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. Deferred income tax is provided on temporary differences except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.12 Income tax (Con't)***Deferred tax : (Con't)*

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**5.13 Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

**5.14 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company.

They also include associate companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**5.15 Impairment of assets**

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiaries estimates the asset's recoverable amount.

The recoverable amount of assets 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.

An impairment loss is recognized in profit or loss

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exist, the Company estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.15 Impairment of assets (Con't)**

An impairment loss is recognized in profit or loss (Con't)

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 amortization, if no impairment loss had been recognized.

**5.16 Lease**

Finance lease - Lessor

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight - line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in profit or loss.

Operating lease - Lessee

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on straight - line method over the lease term.

**5.17 Segment reporting**

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment results that are reported to the Managing Director (the Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise of mainly investments assets, land, premises and equipment and deferred tax assets.

**5.18 Financial instruments**

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables and financial liabilities carried on the statement of financial position include bank overdraft, short - term loans and long - term loan from financial institutions, trade and other payable and liabilities under hire - purchase contracts. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.19 Significant accounting judgments and estimates**

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Significant accounting judgments and estimates are as follows:-

**5.19.1 Recognition and derecognition of assets and liabilities**

In considering whether to recognize or derecognized assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

**5.19.2 Allowance for doubtful accounts**

Allowance for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumption could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

**5.19.3 Allowance for obsolescence and diminution**

Allowance for obsolescence and diminution in value of inventories are intended to adjust the value of inventories for probable losses. The management uses judgment to establish allowances for estimated losses for each outstanding inventories. The allowances for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

**5.19.4 Property plant and equipment and depreciation**

In calculating depreciation on building and equipment, the management estimates useful lives and salvage values of the Company's building and equipment and reviews estimated useful lives and salvage values if there are any changes.

Fair value from revaluation is determined by independent valuation specialists using market approach. Management determined the assumptions and estimates for independent valuation specialists to use in determining fair value.



**5. SIGNIFICANT ACCOUNTING POLICIES (Con't)****5.19 Significant accounting judgments and estimates (Con't)****5.19.5 Estimation construction project costs**

The Company estimates costs of construction project by the Company's engineer to estimate the construction materials, labour cost and other miscellaneous cost to be incurred to complete to project, taking into account the tendency of fluctuation in construction material. Estimates are reviewed consistently or whenever actual costs differ significantly from the figures used in the original estimate.

**5.19.6 Impairment of assets**

The management is required to review assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**5.19.7 Deferred tax assets**

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

**5.19.8 Provision for employee benefit**

In providing retirement employee benefit, the management is required to use judgment to determine the probability that its employee will work until retired by considering the past information which will be revised annually. The assumptions applied in the annual calculation are based on cost of service in the past and terms of employment benefit.

**6. RELATED PARTY TRANSACTIONS**

The Company has certain transactions with subsidiaries, and related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

Related party except subsidiaries described in Note 2.2 to the financial statements is as follows:

	Relationship	Operation		Percentage of Holdings	
		Type of business	Location	2015	2014
Fac Rent Co., Ltd	1	Warehouse rental	Thailand	-	-

The nature of relationship among the Company with other related company

1. A director of this company is a closed member of the Company's director

**6. RELATED PARTY TRANSACTIONS (Con't)**

6.1 The significant transactions with related company are as follows :

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
Pricing policies				
<b>Subsidiaries</b>				
Interest income	7% per annum	-	255,068	-
Interest expense	7% per annum	-	1,801,973	-
<b>Related company</b>				
Warehouse rental fee	Contract rate at Baht 46,410 per month	556,920	556,920	556,920

**Management's benefit expenses**

The Company and its subsidiaries had salaries, bonus, meeting allowances, contributions to the social security fund, provident funds, other welfare and post-employment benefits to their directors and management recognized as expenses as follows :

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
Short - term benefits		30,104,356	30,104,356	34,373,420
Post - employment benefits		705,520	705,520	1,372,604
Total		30,809,876	30,809,876	35,746,024

6.2 The outstanding balances of accounts with related companies are as follows :

		Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
<b>Trade accounts and other - receivables</b>				
Subsidiary		-	255,068	-
<b>Trade accounts and other payables</b>				
Subsidiary		-	1,801,973	-

**6. RELATED PARTY TRANSACTIONS (Con't)****Short - term loans to subsidiary**

The movement of short-term loans to subsidiary are as follow:-

	Unit : Baht		
	Separate		
	Dec 31, 2014	Movement during the year	Dec 31, 2015
		Increase      Receive	
Subsidiary	-	5,000,000      -	5,000,000

The Company has granted a loan to a subsidiary in respect of loan agreement charging interest at the rate of 7% per annum. The loan was due on April 10, 2016.

**Short-term loans from subsidiary**

The movement of short-term loans from subsidiary are as follow:-

	Unit : Baht		
	Separate		
	Dec 31, 2014	Movement during the year	Dec 31, 2015
		Increase      Repayment	
Subsidiary	-	108,000,000      -	108,000,000

In October 2015, the Company was granted loans from 4 subsidiaries by issuing promissory notes to each subsidiary amounting to Baht 27 million bearing interest at the rate of 7% per annum. The loans were due on April 5, 2016.

**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, consist of:-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Cash in hand	1,259,347	1,234,347	110,125
Deposits at banks - current account	54,213	57,468	3,305,986
- savings account	73,049,803	49,744,368	19,881,474
- 2 - 3 months fixed deposits	-	-	25,160,544
Total	74,363,363	51,036,183	48,458,129

The above-mentioned fixed accounts received interest at the rates of 1.125% - 2.10% per annum.

**8. TRADE ACCOUNTS AND OTHER RECEIVABLE - NET**

Trade accounts and other receivable- net, consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
<u>Trade accounts receivable</u>			
Trade accounts receivable - Domestic	148,204,352	148,204,352	65,593,627
Trade accounts receivable - Foreign	75,448,653	75,448,653	5,841,212
Total trade accounts - net	223,653,005	223,653,005	71,434,839
<u>Less</u> allowances for doubtful accounts	(20,271,540)	(20,271,540)	(20,690,644)
Trade accounts receivable - net	203,381,465	203,381,465	50,744,195
<u>Other receivables</u>			
Advance	7,197,499	7,197,499	1,961,259
Accrued interest receipt	1,173,502	1,428,570	144,219
Accrued receivable	368,067	368,067	368,067
Advance payments	11,076,448	11,076,448	7,536,726
Project receivable	27,554,032	27,554,032	-
Prepaid expenses	4,202,746	4,202,746	3,204,678
Total other receivable	51,572,294	51,827,362	13,214,949
Total trade accounts and other receivable - net	254,953,759	255,208,827	63,959,144

Trade account receivables aged by number of days are as follows:

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Accounts receivable not yet due	40,481,888	40,481,888	13,361,683
Accounts receivable over due :			
Under or equal to 3 months	129,335,709	129,335,709	3,934,893
Over 3 months to 6 months	5,951,822	5,951,822	26,978,493
Over 6 months to 12 months	4,104,000	4,104,000	6,712,950
Over 12 months	43,779,586	43,779,586	20,446,820
Total	223,653,005	223,653,005	71,434,839
<u>Less</u> Allowances for doubtful accounts	(20,271,540)	(20,271,540)	(20,690,644)
Net	203,381,465	203,381,465	50,744,195

Movements of allowance for doubtful accounts are as follows:

Beginning balance for the year	20,690,644	20,690,644	21,358,853
<u>Add</u> Increase during year	1,623	1,623	299,631
<u>Less</u> Reversal	(420,727)	(420,727)	(967,840)
Ending balance for the year	20,271,540	20,271,540	20,690,644

**9. UNBILLED RECEIVABLES AND CONSTRUCTION REVENUE RECEIVED IN ADVANCE**

Unbilled receivable and construction revenue received in advance, consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Total long-term construction contract value which the Company is entitled to received	275,856,894	275,856,894	135,185,650
Retentions as per contract	1,174,172	1,174,172	710,951
<b>Unbilled Receivables</b>			
Revenue recognize on percentage of completion basis	194,129,305	194,129,305	60,902,459
<u>Less</u> Value of contract billed	(78,488,675)	(78,488,675)	(36,817,757)
Receivables not yet billed	115,640,630	115,640,630	24,084,702
<b>Construction revenue received in advance</b>			
Value of contract billed	31,444,206	31,444,206	6,998,475
<u>Less</u> Revenue recognized on percentage of completion basis	(13,733,063)	(13,733,063)	(5,514,325)
Construction revenue received in advance	17,711,143	17,711,143	1,484,150

**10. INVENTORIES - NET**

Inventories - net, consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Finished goods	597,542,792	597,542,792	317,355,440
Raw materials	276,887,156	276,887,156	150,623,307
Spare part and supplies	40,807,093	40,807,093	25,739,958
Goods in transit	6,350,831	6,350,831	9,913,982
Total	921,587,872	921,587,872	503,632,687
<u>Less</u> Allowance for diminution in value and obsolete of inventories	(5,859)	(5,859)	(5,859)
Net	921,582,013	921,582,013	503,626,828

**11. DEPOSITS AT BANKS HELD ON COLLATERAL**

Deposits at banks held on collateral, consist of.-

Type of deposits	Collateral for	Unit : Baht		
		Consolidated	Separate	
		2015	2015	2014
3 - 36 months fixed deposits	credit facilities	131,409,900	131,409,900	131,409,900
Saving account	the utilization to electricity	115,000	115,000	222,187
Total		131,524,900	131,524,900	131,632,087

The above-mentioned fixed accounts received interest at the rates of 0.75% - 2.55% per annum.

**12. INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries consist of.-

	Share Capital			Unit : Thousand Baht		
	Authorized	Paid-up share	Percentage of holding (%)	Consolidated	Separate	
	Share	(Thousand Baht)		Equity method	Cost method	Dividend
	(Thousand Baht)					for period
	2015	2015	2015	2015	2015	2015
Solartron Energy 1 Co., Ltd.	1,000	1,000	99.96	271	998	-
Solartron Energy 2 Co., Ltd.	100,000	33,250	100.00	33,053	33,250	-
Solartron Energy 3 Co., Ltd.	100,000	33,250	100.00	33,053	33,250	-
Solartron Energy 4 Co., Ltd.	100,000	33,250	100.00	33,053	33,250	-
Solartron Energy 5 Co., Ltd.	100,000	33,250	100.00	33,053	33,250	-
Total				132,483	133,998	-

*Significant investment in 2015 :*

At the Company's Board of Directors' meeting No. 6/2015 held on November 13, 2014, it was approved to invest in 5 newly incorporated subsidiaries which were registered on January 5, 2015 with authorized share capital of Baht 1 million each (100,000 common shares at par value of Baht 1.-) and the main objective is to operate in solar power plant.

At the Board of Directors' meeting of 4 subsidiaries No. 2/2015 held on July 1, 2015, it was resolved to increase authorized share capital for Baht 10 million each company by issuing 100,000 common shares at par value of Baht 100 each. The Company has acquired common shares of the subsidiaries amounting of Baht 10 million each totaling Baht 40 million resulted in change in the percentage of shareholding in these subsidiaries from 99.96% to 100% of the subsidiaries' authorized share capital. The subsidiaries have registered the increase of share capital with the Ministry of Commerce on July 7, 2015.

At the Board of Directors' meetings of 4 subsidiaries No.3/2015 held on September 14, 2015, it was resolved to increase their authorized capital for another Baht 89 million by issuing 890,000 common shares at par value of Baht 100 and called for paid up capital at 25% of the authorized share capital. The Company had acquired common shares of the subsidiaries amounting each of Baht 22.25 million each totaling Baht 89 million resulted the Company's percentage of shareholding to be unchanged. The subsidiaries have registered the increase of share capital with the Ministry of Commerce on September 21, 2015.

**13. PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment - net, consist of:-

	Unit : Baht						
	Consolidated						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and Equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
As at January 1, 2015	48,741,254	191,340,496	1,069,266,748	12,851,242	35,289,333	78,790,472	1,436,279,545
Purchase during the year	598,650	442,540	17,862,316	2,101,764	-	705,598,605	726,603,875
Transfer in (out) during the year	-	75,000	17,629,083	-	-	(17,704,083)	-
As at December 31, 2015	49,339,904	191,858,036	1,104,758,147	14,953,006	35,289,333	766,684,994	2,162,883,420
<b>Accumulated depreciation</b>							
As at January 1, 2015	18,087,214	29,318,429	118,848,022	5,845,380	21,725,457	-	193,824,502
Depreciation for the year	1,939,191	9,088,375	73,191,928	2,545,679	4,749,514	-	91,514,687
As at December 31, 2015	20,026,405	38,406,804	192,039,950	8,391,059	26,474,971	-	285,339,189
<b>Allowance for impairments loss</b>							
As at January 1, 2015	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2015	10,524,186	1,060,559	-	-	-	-	11,584,745
<b>Net book value</b>							
As at January 1, 2015	20,129,854	160,961,508	950,418,726	7,005,862	13,563,876	78,790,472	1,230,870,298
As at December 31, 2015	18,789,313	152,390,673	912,718,197	6,561,947	8,814,362	766,684,994	1,865,959,486
<b>Depreciation for the year ended December 31, consist of:-</b>							2015
Production cost and cost of goods sold							82,155,612
Administrative expense							9,359,075
Total							91,514,687

## 13. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

	Unit : Baht						
	Separate						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
As at January 1, 2014	48,741,254	182,661,566	1,018,994,634	29,870,052	37,189,637	1,565,329	1,319,022,472
Purchase during the year	-	8,402,050	31,703,465	1,583,519	860,000	98,564,172	141,113,206
Disposal during the year	-	-	(2,493,500)	(18,602,329)	(2,760,304)	-	(23,856,133)
Transfer in (out) during the year	-	276,880	21,062,149	-	-	(21,339,029)	-
As at December 31, 2014	48,741,254	191,340,496	1,069,266,748	12,851,242	35,289,333	78,790,472	1,436,279,545
<b>Accumulated depreciation</b>							
As at January 1, 2014	16,165,971	21,149,180	55,187,927	21,063,180	19,687,094	-	133,253,352
Depreciation for the year	1,921,243	8,169,249	66,153,512	3,384,130	4,797,933	-	84,426,067
Disposal during the year	-	-	(2,493,417)	(18,601,930)	(2,759,570)	-	(23,854,917)
As at December 31, 2014	18,087,214	29,318,429	118,848,022	5,845,380	21,725,457	-	193,824,502
<b>Allowance for impairments loss</b>							
As at January 1, 2014	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2014	15,524,186	1,060,559	-	-	-	-	11,584,745
<b>Net book value</b>							
As at January 1, 2014	22,051,097	160,451,827	963,806,707	8,806,872	17,502,543	1,565,329	1,174,184,375
As at December 31, 2014	20,129,854	160,961,508	950,418,726	7,005,862	13,563,876	78,790,472	1,230,870,298



## 13. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

	Unit : Baht						
	Separate						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
As at January 1, 2015	48,741,254	191,340,496	1,069,266,748	12,851,242	35,289,333	78,790,472	1,436,279,545
Purchase during the year	598,650	442,540	17,862,316	2,101,764	-	701,098,605	722,103,875
Transfer in (out) during the year	-	75,000	17,629,083	-	-	(17,704,083)	-
As at December 31, 2015	49,339,904	191,858,036	1,104,758,147	14,953,006	35,289,333	762,184,994	2,158,383,420
<b>Accumulated depreciation</b>							
As at January 1, 2015	18,087,214	29,318,429	118,848,022	5,845,380	21,725,457	-	193,824,502
Depreciation for the year	1,939,191	9,088,375	73,191,928	2,545,679	4,749,514	-	91,514,687
As at December 31, 2015	20,026,405	38,406,804	192,039,950	8,391,059	26,474,971	-	285,339,189
<b>Allowance for impairments loss</b>							
As at January 1, 2015	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2015	10,524,186	1,060,559	-	-	-	-	11,584,745
<b>Net book value</b>							
As at January 1, 2015	20,129,854	160,961,508	950,418,726	7,005,862	13,563,876	78,790,472	1,230,870,298
As at December 31, 2015	18,789,313	152,390,673	912,718,197	6,561,947	8,814,362	762,184,994	1,861,459,456
<b>Depreciation for the year ended December 31, consist of:-</b>						2015	2014
Production cost and cost of goods sold						82,155,612	80,111,495
Administrative expense						9,359,075	4,314,572
Total						91,514,687	84,426,067

**13. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)**

As at December 31, 2015 the Company had additional information of property, plant and equipment as follows:-

- 1) Work in progress of the Company was mainly the expansion of solar cell production line.
- 2) Lands and land improvement, factory and machinery had net book value amounting to Baht 738.38 million 2014 : Baht 723.66 million), have been mortgaged as collateral under a credit facility agreement with two local bank (See Note 16 to the financial statement).
- 3) The Company had fully depreciated fixed assets but still in active use at the cost value totaling Baht 69.95 million (2014 : Baht 64.50 million).
- 4) In 2015, the borrowing costs of Baht 24.65 million, incurred from borrowings for the investment in solar cell factory are recorded as cost of construction in progress. The rate of the capitalization of assets equal to 4%-5% per annum.

**14. INTANGIBLE ASSETS - NET**

Intangible asset, consist of.-

	Unit : Baht		
	Consolidated		
	Software Computer	Industrial Standard Certificates	Total
As at January 1, 2015	3,136,745	5,801,022	8,937,767
Purchase during the year	3,019,961	-	3,019,961
Amortization for the year	(954,483)	(276,020)	(1,230,503)
As at December 31, 2015	5,202,223	5,525,002	10,727,225

	Unit : Baht		
	Separate		
	Software Computer	Industrial Standard Certificates	Total
As at January 1, 2014	3,753,880	6,077,041	9,830,921
Amortization for the year	(617,135)	(276,019)	(893,154)
As at December 31, 2014	3,136,745	5,801,022	8,937,767
Purchase during the year	3,019,961	-	3,019,961
Amortization for the year	(954,483)	(276,020)	(1,230,503)
As at December 31, 2015	5,202,223	5,525,002	10,727,225

**15. DEFERRED TAX ASSETS**

Deferred tax assets consist of :-

	Unit : Thousand Baht		
	Consolidated	Separate	
	2015	2015	2014 (Restated)
Deferred tax assets	16,525,680	16,525,680	7,922,142

**15.1 Movements in deferred tax assets and liability during the year were as follows:**

	Unit : Baht		
	Consolidated and Separate		
	As at Jan 1, 2015 (Restated)	(Charged) Credited to Profit or loss Other comprehensive income	As at Dec 31, 2015
<u>Deferred tax assets</u>			
Trade account receivable	2,966,107	(83,849)	2,882,258
Inventory	1,172	-	1,172
Property, plant and equipment	2,316,949	-	2,316,949
Employee benefit obligation	2,637,914	380,962	3,131,743
Tax loss carry forward up to 5 years	-	8,193,558	8,193,558
<b>Total</b>	<b>7,922,142</b>	<b>8,490,671</b>	<b>16,525,680</b>

	Unit : Baht		
	Separate		
	As at Jan 1, 2014	(Charged) Credited to Profit or loss Other comprehensive income	As at Dec 31, 2014
<u>Deferred tax assets</u>			
Trade account receivable	3,111,827	(145,720)	2,966,107
Inventory	1,172	-	1,172
Property, plant and equipment	2,316,949	-	2,316,949
Employee benefit obligation	2,098,872	539,042	2,637,914
<b>Total</b>	<b>7,528,820</b>	<b>393,322</b>	<b>7,922,142</b>

**15. DEFERRED TAX ASSETS (Con't)**

15.2 Income tax expenses for the period are as follows.-

Income tax recognized in profit or loss

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014 (Restated)
<u>Current income tax</u>			
Corporate income tax charge	-	-	10,457,678
<u>Deferred tax</u>			
Deferred tax expense relating to the original and reversal of temporary differences	(8,490,671)	(8,490,671)	(393,322)
Income tax expenses (income)	(8,490,671)	(8,490,671)	10,064,356

Income tax recognized in other comprehensive income

	Unit : Baht		
	Consolidated and Separate		
	Before tax	Tax (expense) income	Net tax
Deferred tax for :			
Defined benefit plan actuarial gains	564,335	(112,867)	451,468

15.3 Reconciliation for effective tax rate

	Unit : Baht	
	Separate	
	2014	
	Tax rate %	Tax amount (Baht)
Profit before income tax		46,173,433
Tax expense	20%	9,234,686
Tax effect of expenses that are not deductible for tax purposes		829,670
Tax expense (effective rate)	22%	10,064,356

**15. DEFERRED TAX ASSETS (Con't)****15.4 Tax rate**Current tax

The Company and its subsidiaries calculated income tax from net profit for the period after adjust nontaxable expenses and revenue in accordance with the Revenue Code.

By the royal Decree No. 530 B.E. 2554 dated December 21, 2011 it was granted a reduction in the corporate income tax rate for three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after January 1, 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after January 1, 2013 and 2014, respectively. By the royal Decree No. 577 B.E. 2557 dated November 10, 2014 extends the reduction to 20 % for the accounting period 2015 which begins on or after January 1, 2015.

On January 22, 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate form 30% to 20% of net taxable profit for the accounting period which begins on or after January 1, 2016.

Deferred tax

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

**16. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdraft and short-term loans from financial institutions, consist of.-

	Interest rate %	Unit : Baht		
	Consolidated and Separate	Consolidated	Separate	
	2015	2015	2015	2014
Bank overdraft	3.00 - 3.75	24,965,567	24,965,567	4,809,802
Trust receipts and promissory notes	3.00 - 5.75	351,901,361	351,901,361	155,668,873
Total		376,866,928	376,866,928	160,478,675

The Company and its subsidiary had overdrafts and other credit facilities with several banks totaling Baht 736.70 million secured by the mortgage of its land, building, certain part of machinery and equipment and pledge its withdrawal right of fixed deposit in bank.

**17. TRADE ACCOUNTS AND OTHER PAYABLES**

Trade accounts and other payables, consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
<u>Trade accounts payables</u>			
Trade accounts payables	201,087,118	201,087,118	131,811,084
<u>Other payable</u>			
Asset payable	131,480,337	131,480,337	4,963,855
Accrued expenses	8,953,893	10,530,866	12,662,329
Advanced received from customers	6,583,665	6,583,665	121,522
Retention	364,206	364,206	2,205,716
Others	4,200	4,200	4,200
Total other payable	147,386,301	148,963,274	19,957,622
Total trade accounts and other payable	348,473,419	350,050,392	151,768,706

**18. DISCOUNTED BILLS OF EXCHANGE**

In April 2015 and July 2015, the Company had issue two bills of exchange to 2 security companies at value of Baht 200 million each amounting to Baht 400 million at discount rates of 4.00% - 4.10% per annum which were due on January 14, 2016 and April 5, 2016.

**19. LONG - TERM LOAN FROM FINANCIAL INSTITUTION - NET**

Long - term loan from financial institution - net, consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Long - term loan	350,000,000	350,000,000	-
<u>Add</u> Increase during the period / year	-	-	350,000,000
<u>Less</u> Paid during the period / year	(36,460,000)	(36,460,000)	-
Long - term loan balance	313,540,000	313,540,000	350,000,000
<u>Less</u> Current portion due within one year - net	(87,504,000)	(87,504,000)	(43,752,000)
Net	226,036,000	226,036,000	306,248,000

**19. LONG - TERM LOAN FROM FINANCIAL INSTITUTION - NET (Con't)**

In 2015, the Company has entered into a loan agreement with a commercial bank. The details are as follows:-

Loan facility (Million Baht)	Interest rate per annum	Terms of payment of principal and interest	Unit : Baht	
			Consolidated and Separate 2015	Separate 2014
350	BIBOR + 2.91	Grace period from July 2014 to June 2015. Subsequently, repay loan principal on monthly installment at Baht 7.29 million with interest and the performance shall be completed within five years from the contract date.	313,540,000	350,000,000
Total			313,540,000	350,000,000

The above-mentioned loan was secured by mortgage its land, building, machinery and equipment and pledge its withdrawal right of deposit in bank of Baht 1 million.

Under the abovementioned loan agreement, the Company shall comply with covenant including maintaining Debt to Equity Ratio not over 2 : 1 and maintaining Debt Service Coverage Ratio (DSCR) not less than 1.20 times.

**20. LIABILITIES UNDER HIRE - PURCHASE CONTRACTS - NET**

Liabilities under hire - purchase contracts - net, consist of.-

	Unit : Baht		
	Consolidated 2015	Separate 2015      2014	
Liabilities under hire-purchase contract	5,549,003	5,549,003	10,638,966
<u>Less</u> Deferred interest	(229,722)	(229,722)	(631,984)
Present value of minimum lease payments	5,319,281	5,319,281	10,006,982
<u>Less</u> Current portion due within one year - net	(3,464,419)	(3,464,419)	(4,687,698)
Net	1,854,862	1,854,862	5,319,284

**21. EMPLOYEE BENEFIT OBLIGATIONS - NET**

The Company and its subsidiaries operates post - employment benefit and pension based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long term benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the employee benefits obligations consist of.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Employee benefit as at January 1	13,189,564	13,189,564	10,494,362
Current service cost	1,767,649	1,767,649	2,045,865
Interest cost	527,583	527,583	419,774
Employment benefit paid during the year	(390,414)	(390,414)	(36,000)
Remeasurement of defined loss plan	564,335	564,335	265,563
Employee benefit as at December 31	15,658,717	15,658,717	13,189,564
<u>Less</u> Current portion of employee benefit obligation	(1,992,450)	(1,992,450)	(1,843,330)
Employee benefit obligations - net	13,666,267	13,666,267	11,346,234

Remeasurement of defined loss plan recognized in other comprehensive income arising from:

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Financial assumptions	(690,554)	(690,554)	-
Experience adjustment	1,254,889	1,254,889	-
Total	564,335	564,335	-

The expense is recognized in the following line items in the profit or loss:

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
<u>Profit or loss</u>			
Cost of sales and services	577,993	577,993	519,801
Sales expense	193,128	193,128	125,092
Administrative expenses	818,591	818,591	677,705
Management's benefit expenses	705,520	705,520	1,372,604
Total	2,295,232	2,295,232	2,695,202
<u>Other comprehensive income</u>			
Remeasurement of defined loss plan			
Employee benefit - net from income tax	451,468	451,468	-



**21. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)**

Remeasurement of defined benefit plan recognized in other comprehensive income are as follows :

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Included in retained earnings			
At January 1,	1,874,232	1,874,232	1,874,232
Recognised during the year	451,468	451,468	-
At December 31,	2,325,700	2,325,700	1,874,232

Principal actuarial assumptions at the reporting date.-

	2015	2014
* Discounted rate	4.00%	4.00%
Salary increase rate	7.50%	7.89
Employee turnover rate	5.00%	5.00%
** Mortality rate	100% TMO2008	100% TMO2008
* Reference from long-term government bonds		
** Reference from TMO2008: Thai Mortality Ordinary Table of 2008		

Amounts of defined benefit obligation for the current and previous three-periods are as follows.

	Unit : Baht	
	Consolidated	Separate
Year 2015	15,658,717	15,658,717
Year 2014	-	13,189,564
Year 2013	-	10,494,362
Year 2012	-	6,179,379
Year 2011	-	4,458,800

**22. SHARE CAPITAL**

- 22.1 At the Shareholders' Annual General Meeting of 2015 held on April 30, 2015, it was approved to issue and offer increased common shares by general mandate by issuing and offering 49,500,000 common shares at the price of Baht 12 to existing shareholders at the proportion of 10 existing common share to 1 newly common share which resulted in increase in premium of Baht 542.61 million (after deducting cost of issuing share of Baht 1.89 million).

**22. SHARE CAPITAL (Con't)**

- 22.2 At the Shareholders' Annual General Meeting of 2015 held on April 30, 2015, it was approved to decrease authorized shares of 247,273,000 shares by reducing authorized common shares previously issued for the increase of capital for general mandate which the authorized fully paid-up capital shall be 544,124,723 shares at par value of Baht 1.00 totaling Baht 544,124,723.

The Company has registered the decrease and increase of share capital with the Ministry of Commerce on July 28, 2015.

**23. LEGAL RESERVE**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve of at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

**24. DIVIDEND PAYMENT**

At the Annual General Shareholders' Meeting of 2015 held on April 30, 2015, it was approved to pay the dividend at Baht 0.025 per share amounting to Baht 12.37 million and required to set aside to a statutory reserve of Baht 1.70 million which was paid in May 2015.

**25. EARNINGS (LOSS) PER SHARE**

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to shareholders of the Company (excluding other comprehensive income) by the weighted average number of common shares issued during the year

	Consolidated	Separate	
	2015	2015	2014
Profit (loss) attributable to ordinary shareholder of the Company (Baht)	(39,434,083)	(37,919,474)	36,109,077
Number of outstanding at the beginning of the period (Share)	525,816,504	525,816,504	494,624,723
Basic earnings (loss) per share (Baht : Share)	(0.07)	(0.07)	0.07

## 26. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

Segment information is presented in respect of the Company and its subsidiaries operating segments. The primary format, business segments, is based on the Company and its subsidiaries management and the internal reporting structure provided to the chief operating decision maker.

Segment assets and revenues include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments: Segment 1 : Selling and installation of solar - cell systems

Segment 2 : Distribution solar - cell

Segment 3 : Other

Geographical segments : Management considers that Company and its subsidiaries operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

The Company and its subsidiaries operate businesses in Thailand and oversea with significant segments as follows :

	Unit : Million Baht					
	Consolidated					
	For the year ended December 31, 2015					
	Segment 1	Segment 2		Segment 3	Elimination	Total
	Domestic	Domestic	Foreign	Domestic		
Revenue from sales of goods which installation services and construction of solar power plants	241.45	67.63	335.50	38.78	-	683.36
Operating loss						(70.01)
Unallocated income						39.24
Finance cost						(17.15)
Income tax						8.49
Income of non - controlling interest						-
Net loss attributable shareholders of the parent						(39.43)
Property plant and equipment - net						
As at December 31, 2015						
Allocated						-
Unallocate						1,865.96
Total property plant and equipment						1,865.96
Total assets as at December 31, 2015						3,521.16

**26. OPERATING SEGMENT (Con't)**Information of major customer

For the year ended December 31, 2015 and 2014, the Company had revenue from construction of solar power plant from a major customer which the value is more than 10% of total income amounting to Baht 19.16 million and Baht 773.20 million respectively.

**27. EXPENSES BY NATURE**

Significant expenses classified by nature consist of:-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Changes in inventories of finished goods and work in process	(279,117,937)	(279,117,937)	271,522,740
Raw material and supplies used	648,738,834	648,738,834	126,095,953
Management's benefit expenses	30,809,876	30,809,876	35,746,024
Employee expenses	98,550,016	98,550,016	82,625,641
Depreciation expenses	92,745,190	92,745,190	85,319,221
Finance cost	17,152,022	18,953,995	10,192,269

**28. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION**

By virtue of the provision of Investment Promotion Acts B.E. 2520, the Company has granted certain rights and privileges for the production of stainless steel pipes as follows:

Descriptions	Rights and privileges	
1. Certificate's number	2181(9)/2548(B.E)	2523(1)/2557(B.E)
2. Promoted business	Manufacture of construction material in stainless steel	Manufacture of construction material in stainless steel
3. Date of promoted	December 23, 2005	December 11, 2014
4. Date of first sales generated	January 29, 2014	No operations
5. The rights and privileges of the promotion include:-		
5.1 Exemption of import duty for machinery and equipment that are approved by the Board of Investment.	Granted	Granted
5.2 Exemption of corporate income tax derived from the profit of the promoted activities effective from the first sale generated.	8 years	8 years

**28. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION (Con't)**

Descriptions	Rights and privileges	
5.3 Exemption of import duty for raw materials and necessary supplies used in production process of exported goods for the period stated in the certificate.	Due date in November 7, 2020	5 years from first imported
5.4 Exemption from income tax on dividend of promotional investments through out the promoted period.	Granted	Granted
5.5 Permission of deduction of investment in installation or construction of facilities excess of its usual depreciation.	25%	25%

Results of the Company operations under promoted business are classified under promoted and non-promoted business as follows:

	Unit : Baht					
	Separate					
	2015			2014		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues	541,717,732	181,041,075	722,758,807	63,324,231	884,091,029	947,415,260
Cost and expenses	(570,138,902)	(190,539,379)	(760,678,281)	(81,168,404)	(830,137,779)	(911,306,183)
Net profit(loss) for the year	<u>(28,421,170)</u>	<u>(9,498,304)</u>	<u>(37,919,474)</u>	<u>(17,844,173)</u>	<u>53,953,250</u>	<u>36,109,077</u>

The classification of results of the Company's operations was applied with 2 basis as following:-

1. Costs and expenses identifiable to each category were directly charged to each of them.
2. Costs and expenses unidentifiable to each category were allocated to each of them based on the proportion of their revenues.

**29. PROVIDENT FUND**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contributed to the fund monthly at the rate of 2% of employee basic salary. The fund manager will be paid to employees upon termination in accordance with the fund rules. For the year 2015 and 2014 the Company contributed to the fund amounting to Baht 3.04 million and 2.57 million respectively.

**30. FINANCIAL INSTRUMENT**

The Company and its subsidiaries complied with the Thai Accounting Standard No. 107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows:-

**30. FINANCIAL INSTRUMENT (Con't)****30.1 Accounting policies**

The related accounting policies are disclosed in Note 5.18 to the financial statements.

**30.2 Financial risk management**

The Company and its subsidiaries are 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 Company did not speculate or engage in the trading of any derivative financial instrument.

**30.3 Credit risk**

The Company is exposed to credit risk from non performance of contractual obligations by counter parties resulting in a financial loss to the Company. To prevent the risk, the Company has credits control and regularly, review debtors' financial status. The Company do not expect significant losses from non performance contractual obligation as their customers are diverse.

For the financial assets, the carrying amount of assets recorded in the statements of financial position, net of an allowance for doubtful accounts, represents the Company's maximum exposure to credit risk.

**30.4 Interest rate risk**

The Company and its subsidiaries exposure to interest rate risk relates primarily to its deposits with financial institutions, bank overdrafts and short - terms and long - term loan changed with interest and liability under lease agreement. However, since interest rates of the majority of these financial assets and liabilities very according to market rates or are fixed and closed to market rates, the Company and its subsidiaries management deemed their interest risk at low level. The Company and its subsidiaries thus do not use derivative financial instruments to hedge such risk.

Financial assets and financial liabilities of the Company and its subsidiaries had Interest rate risk as follows:

Unit : Thousand Baht							
Consolidated							
Fixed interest rates			Floating	Non-	Total	Interest	
Within	1 - 5	Over	Interest	Interest		Rate	
1 year	years	5 years	rate	bearing		(% p.a.)	
<b>As at December 31, 2015</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	73,050	1,313	74,363	0.125-0.55
Trade accounts and other receivable	-	-	-	-	254,954	254,954	-
Cash at bank held on collateral	-	-	-	131,525	-	131,525	0.75-2.55
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	376,867	-	376,867	3.00-7.375
Trade accounts and other payable	-	-	-	-	348,473	348,473	-
Discounted bill of exchange	400,000	-	-	-	-	400,000	4.00-4.10
Long-term loan from financial institution	-	-	-	313,540	-	313,540	BIBOR+2.91 (5.00)
Liabilities under hire-purchase contracts	3,464	1,855	-	-	-	5,319	4.55-7.125

**30. FINANCIAL INSTRUMENT (Con't)****30.4 Interest rate risk (Con't)**

Unit : Thousand Baht							
Separate							
Fixed interest rates			Floating	Non-	Total	Interest	
Within	1 - 5	Over	Interest	Interest		Rate	
1 year	years	5 years	rate	bearing		(% p.a.)	
<b>As at December 31, 2015</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	49,744	1,292	51,036	0.125-0.55
Trade accounts and other receivable	-	-	-	-	255,209	255,209	-
Short - term loan to subsidiaries	5,000	-	-	-	-	5,000	7.00
Cash at bank held on collateral	-	-	-	131,525	-	131,525	0.75-2.55
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	376,867	-	376,867	3.00-7.375
Trade accounts and other payable	-	-	-	-	350,050	350,050	-
Discounted bill of exchange	400,000	-	-	-	-	400,000	4.00-4.10
Short - term loan from subsidiaries	108,000	-	-	-	-	108,000	7.00
Long-term loan from financial institution	-	-	-	313,540	-	313,540	BIBOR+2.91 (5.00)
Liabilities under hire-purchase contracts	3,464	1,855	-	-	-	5,319	4.55-7.125

Unit : Thousand Baht							
Separate							
Fixed interest rates			Floating	Non-	Total	Interest	
Within	1 - 5	Over	Interest	Interest		Rate	
1 year	years	5 years	rate	bearing		(% p.a.)	
<b>As at December 31, 2014</b>							
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	45,042	3,416	48,458	1.125-2.10
Trade accounts and other receivable	-	-	-	-	63,959	63,959	-
Cash at bank held on collateral	-	-	-	131,632	-	131,632	0.75-2.75
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	160,479	-	160,479	2.75-7.375
Trade accounts and other payable	-	-	-	-	151,768	151,768	-
Long-term loan from financial institution	-	-	-	350,000	-	350,000	BIBOR+2.91 (5.00)
Liabilities under hire-purchase contracts	4,688	5,319	-	-	-	10,007	4.55-7.125

**30. FINANCIAL INSTRUMENT (Con't)****30.5 Currency risk**

The Company purchased raw material and major machinery from foreign supplier with foreign currency. So the Company has risk that incurred from fluctuation of foreign currencies from such transactions. The Company has entered into the currency forward contract and the life of which is not more than 6 months compatible to purchasing agreement. In addition, the Company had certain foreign assets and liabilities which were not hedged foreign exchange risk. However, the Company' management believe that they will not against have any significant impact on the Company' financial statements.

The Company had significant assets and liabilities which were not hedged against foreign exchange risk as follows:

	Consolidated	Separate	
	2015	2015	2014
<b>Liabilities</b>			
US dollar	14,626,247	14,626,247	3,300,000
Euro	1,300,490	1,300,490	-

The Company had not significant assets and liabilities which were not hedged against foreign exchange risk as follows:

	Consolidated	Separate	
	2015	2015	2014
<b>Assets</b>			
US dollar	1,958,599	1,958,599	21,274
Euro	80,072	80,072	80,072
<b>Liabilities</b>			
US dollar	5,807,777	5,807,777	5,307,838
Euro	1,782,109	1,782,109	1,303,543
Yen	-	-	10,688,500
Franc	65,700	65,700	-
SGD	18,523	18,523	-

**31. CREDIT FACILITIES**

The Company had credit facilities with commercial banks as follows.-

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Bank overdraft	60,000,000	60,000,000	60,000,000
Letter of credit and trust receipt	676,696,500	676,696,500	546,699,500
Long - term loan	350,000,000	350,000,000	350,000,000
Issuance of letter of guarantee	438,000,000	438,000,000	438,000,000
Total	1,524,696,500	1,524,696,500	1,394,699,500



**31. CREDIT FACILITIES (Con't)**

Forward contracts

	Consolidated	Separate	
	2015	2015	2014
<u>Currency</u>			
US dollar	2,000,000	2,000,000	2,000,000

The abovementioned credit facilities were secured by the collateral as described in Note 16 and 19 to the financial statements.

**32. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2015 and 2014, the Company and its subsidiaries have commitments and contingent Liabilities as follow:

*Contingent liabilities:*

- 32.1 The Company has letter of guarantee issued by several banks to government and private organizations of amounting to Baht 167.34 million (2014 : Baht 252.96 million) in the consolidated and separate financial statements

*Commitments:*

- 32.2 The Company was in possession of unutilized letters of credit as follows:

	Unit : Million		
	Consolidated	Separate	
	2015	2015	2014
<u>Currency</u>			
US Dollar	4.32	4.32	6.88
Euro	1.93	1.93	1.35
Yen	-	-	9.26

**32. COMMITMENTS AND CONTINGENT LIABILITIES (Con't)**

*Commitments of expenditure for addition, renewals and betterment:*

- 32.3 The Company had commitment to pay for the information system development fee and consulting fees for the improvement of production system in the future as follows:

	Unit : Million		
	Consolidated	Separate	
	2015	2015	2014
<u>Currency</u>			
Baht	1.10	1.10	53.66
US Dollar	-	-	0.32
Euro	0.90	0.90	7.96
Franc	0.13	0.13	0.15

- 32.4 A subsidiary has paid for consulting fee for project amounting to Baht 4.5 million recorded as work in progress and had future commitment to pay for consulting of Baht 25.5 million.

- 32.5 The Company has entered into long-term lease agreements for their office sites and stores for the period of 3 years commencing from the agreement date.

	Unit : Baht		
	Consolidated	Separate	
	2015	2015	2014
Less than 1 year	2,594,722	2,594,722	1,056,977
More than 1 year but less than 5 years	3,285,905	3,285,905	858,585
Total	5,880,627	5,880,627	1,915,562

**33. CAPITAL MANAGEMENT**

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2015, debt-to-equity ratio in the consolidated financial statements was 0.73 : 1 and as at December 31, 2015 and 2014 debt-to-equity ratio in the consolidated and separate financial statements was 0.78 : 1 and 0.46 : 1 respectively.

**34. APPROVAL OF FINANCIAL STATEMENT**

These financial statements have been approved by the Company's Board of Directors on February 26, 2016.