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รายงานประจำปี 2556 Annual Report 2013

**The Leading
Solar Farm & Solar Roof Developer in ASEAN**

• Best Value • Best Design • Best Output





CONTENT

Financial Highlights.....	004
Vision.....	006
Mission.....	008
Message from the chairperson.....	010
Message from the chairman of the Audit committee.....	012
General Information.....	014
Corporate Structure chart.....	016
Organization Chart.....	018
Board of Directors Executive Officers and Company Secretary.....	020
Board of Directors Executive Officers and Company Secretary Profiles.....	022
01. Policy and Overall Business Operations.....	038
02. Nature of Business.....	054
03. Risk Factor.....	061

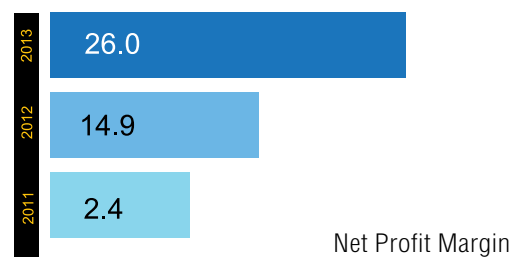
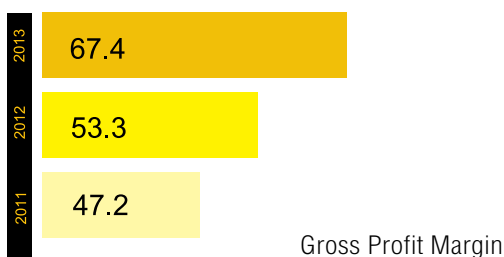
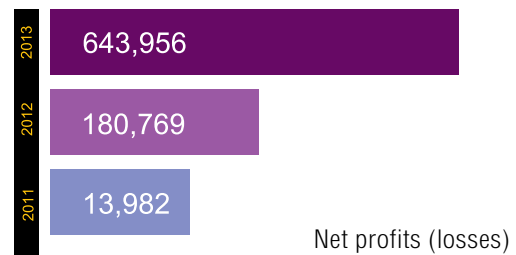
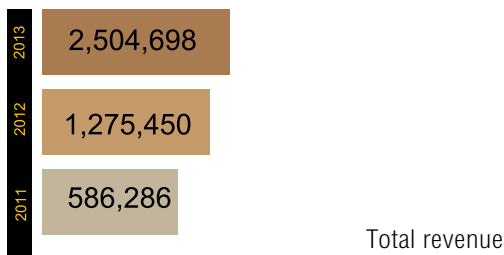
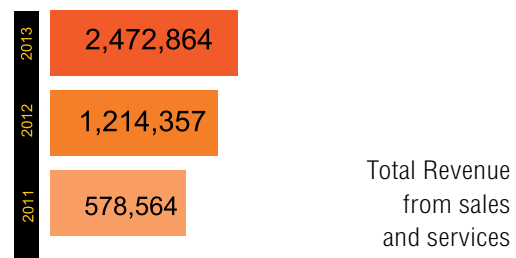
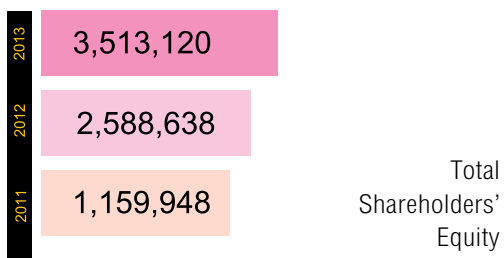
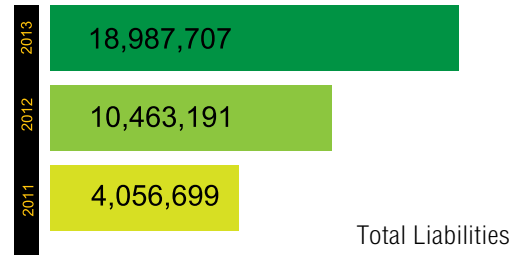
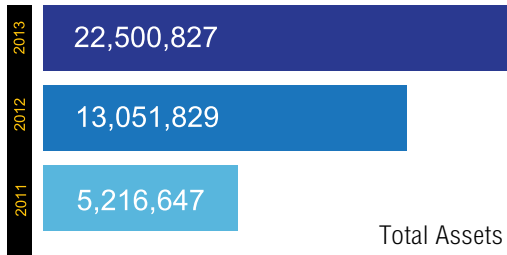


04. Capital Information and List of shareholders.....	073
05. Management Structure	076
06. Internal Control.....	099
07. Related Transaction.....	102
08. Consolidated Financial Statements and Operating Performance.....	113
09. Management Discussion and Analysis (MD&A).....	122
10. Financial Statements.....	132
11. SPCG Social Responsibilities(CSR).....	202

Financial Highlights

Unit : thousand Baht

	2013	2012	2011
Consolidated Statements of Financial Position			
Current Assets	2,188,442	1,295,426	723,996
Property, plant and equipment	18,937,045	11,147,901	4,070,894
Total Assets	22,500,827	13,051,829	5,216,647
Current Liabilities	3,657,672	4,046,411	1,638,946
Total Liabilities	18,987,707	10,463,191	4,056,699
Issued and Paid-Up share capital	839,991	560,000	500,000
Total Shareholders' Equity	3,513,120	2,588,638	1,159,948
Consolidated Statements of Comprehensive Income			
Revenue from electricity distribution	2,063,331	809,676	312,739
Sales revenues	201,930	191,636	138,241
Service revenues	151,051	109,597	127,584
Revenue from construction contracts	56,552	103,448	-
Total Revenue from sales and services	2,472,864	1,214,357	578,564
Total revenue	2,504,698	1,275,450	586,286
Total expense	1,860,742	1,094,681	572,304
Net profits (losses)	643,956	180,769	13,982
Net profits (losses) attributable to owners of the parent	499,321	54,067	(11,787)
Earnings (losses) per share (Baht)	0.763	0.098	(0.024)
Key Financial Ratios			
Gross Profit Margin	67.4	53.3	47.2
Net Profit Margin	26.0	14.9	2.4
EBITDA Margin	67.2	49.5	38.9



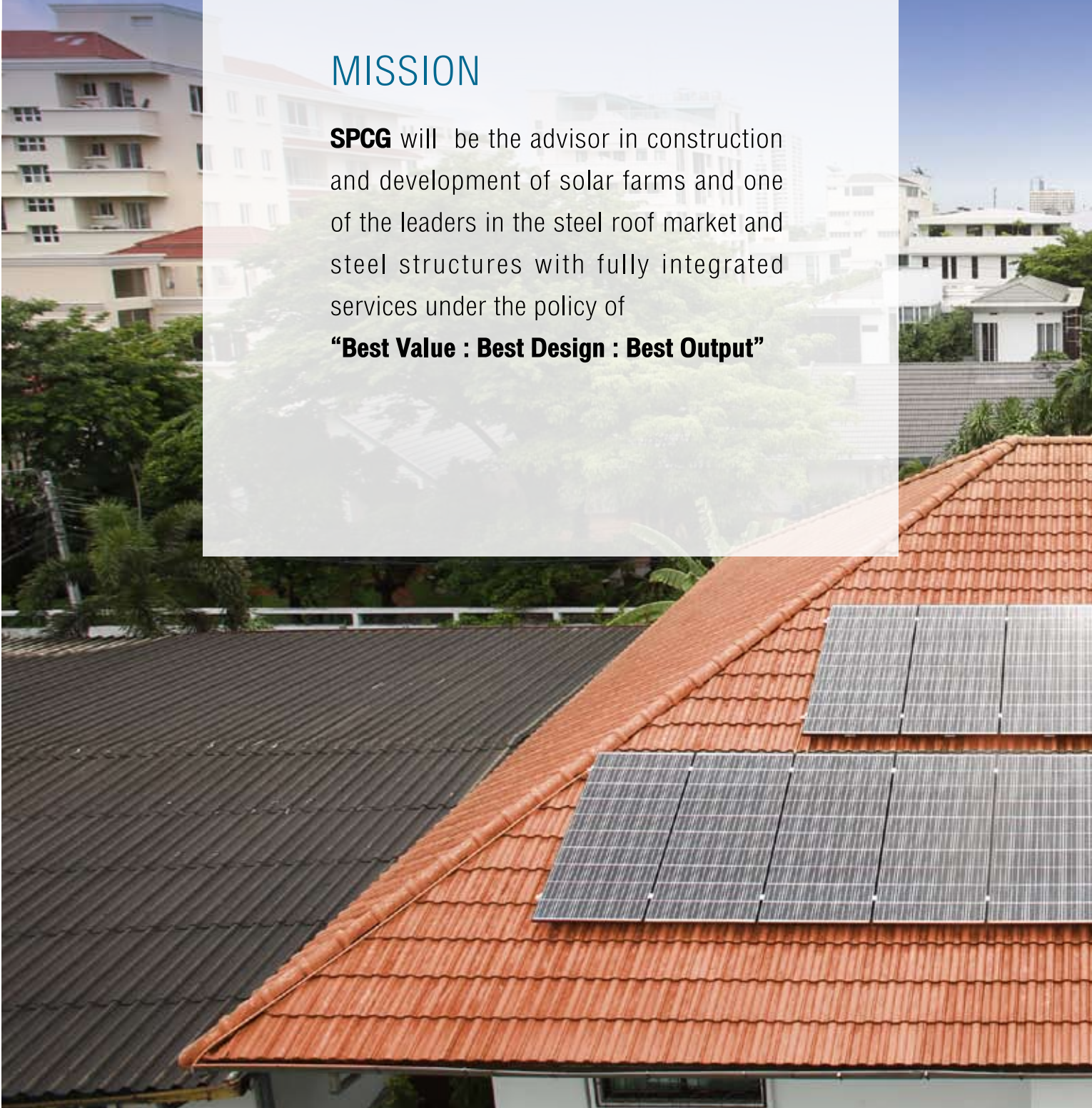


VISION

SPCG is the leader in solar farm development with the highest efficiency in power production by means of the best investment costs in Thailand and Southeast Asia, and is one of the market leaders in steel roof and steel structures with fully integrated services.

MISSION

SPCG will be the advisor in construction and development of solar farms and one of the leaders in the steel roof market and steel structures with fully integrated services under the policy of
“Best Value : Best Design : Best Output”





Message from the chairperson

2013 was an exceptional year for SPCG Public Company Limited (“SPCG”). The company successfully developed 36 solar farm projects, production capacity totaling 260.1 MW, with 22,000 million Baht investments. Given the original investment budget of 24,000 million Baht, this means the company was able to hit investment targets with 2 billion Baht under the budget.

The company's first solar farm project originated in 2010 under the name Solar Power (Korat 1) Limited, which began producing power commercially through the grid for the Provincial Electricity Authority (PEA) on April 21, 2010. At the time, this was the largest solar farm in Thailand and ASEAN region. SPCG further developed and launched four additional solar farms in 2011 and another four solar farms in 2012. Most recently in 2013, SPCG was able to develop and launch as many as 14 solar farms, bringing the total number of operational solar farms to 23 projects. In addition, the company finished developing a further 13 solar farms and is in the process of applying for electricity generation permit in order to connect these farms to PEA's grid. The company expects the process to be complete by the end of quarter 2, 2014.

SPCG's success in 2013 reflects the company's commitment to cement its solar power generation leadership, as well as attests to the team's readiness both in terms of management and operation; the company is staffed with experts in advanced engineering. SPCG is committed to expanding its business overseas: ASEAN, the Middle East, as well as other regions that offer business opportunities.

All 36 solar farm projects are spread across 10 provinces, nine of which lay in the northeast region of Thailand (Nakhon Ratchasima, Khon Kaen, Sakon Nakhon, Nakhon Panom, Udonthani, Buriram, Nongkai, Surin, and Loei), and one in the central region (Lopburi). These projects span over 5,000 Rais of land, and are owned by SPCG's subsidiaries, one per project. Furthermore, over 70 percent of the project's land lies next to major national highways, which helps facilitate the connection between the farm and PEA's grid to be both convenient and efficient.

SPCG is Thailand's and ASEAN's foremost pioneer in solar energy generation. The company helped boost the economy by creating over 20,000 over the past 5 years, resulting in over

5,000 million Baht worth of economic activities in the region, as well as helping to enhance skills, knowledge, and the quality of life of rural Thais.

SPCG is well aware of the company's social role and social responsibility. The company regularly gives scholarships to students in the communities surrounding all solar farms, and opened a solar farm learning center in Nakhon Ratchasima. At this learning center, students and members of the public can visit and explore solar farm's operations. This helps increase awareness of solar farm as clean energy which produces zero pollution, zero noise, zero dust, zero fuel costs in electricity generation, as well as help reduce global warming from climate change.

SCPG would like to thank the company's shareholders, lenders, suppliers, as well as other stakeholders, for placing trust in the company and supporting its business. Your support is integral in the company's ability to develop solar farms as planned, rising to be solar energy leader. SPCG shall not rest on its laurels; it will continue to grow, to become a strong institution that can repay both the shareholders and the society in which it operates.



A handwritten signature in blue ink, which appears to read 'Wandee Khunchornyakong'. The signature is fluid and cursive.

Miss Wandee Khunchornyakong
Chairperson

Message from the Chairman of the Audit Committee



Mr. Kiaticchai Pongpanich
Chairman of the Audit Committee

Throughout the year 2013, Solar Power Plant Business has been growing by leaps and bounds successively, SPCG was so proud that we are the leader of that succeed from operating Solar Farms to achieves its goals. Then we are capable of enlarging the potentiality into the international economics of its region in the future. Moreover we are the leading in Solar Roof developer for small households, small and medium businesses, and industries in Thailand and ASEAN.

The task of the Audit Committee of SPCG is to significantly oversee in the matter of operational processes towards the righteousness as well as good governance. Furthermore, they are responsible for supervising the compliance with laws and regulations of the Securities Exchanges and considering the utmost benefit for its investors. Throughout the year 2012, they have considerably provided the intensive monitoring, contributed to ensure the smooth business operations of SPCG, and successfully achieved its goals.

The Audit Committee well realizes those duties and responsibilities, and will steadily adhere to the good governance principles of SPCG continuously in order to make the sustainable progress of SPCG in the future. In addition, they provide assurance to both the financial institutions that provide assistance and the investors giving support to SPCG consistently.



BEST
VALUE



BEST
DESIGN



BEST
OUTPUT



General Information

COMPANY NAME SPCG PUBLIC COMPANY LIMITED

ENGLISH NAME SPCG PUBLIC COMPANY LIMITED

TYPE OF BUSINESS: Run business in investment by holding shares in subsidiary companies and associates to operate 3 type of business, which are as follow:

- (1) Investment and Development of Solar Farm Engineering, Procurement and Construction (EPC) and Operation, Maintenance and Monitoring (OMM)
- (2) Manufacturing, distribute and installation of Roll forming Metal Sheet including other related roof and wall cladding materials.
- (3) Supply and installation of Solar Rooftop for residence, small building and medium-large building.

HEAD OFFICE 333/20 Soi Sukhumvit 55 (Thonglor) Sukhumvit Rd., Klongton-Nua, Wattana, Bangkok 10110

FACTORY LOCATION

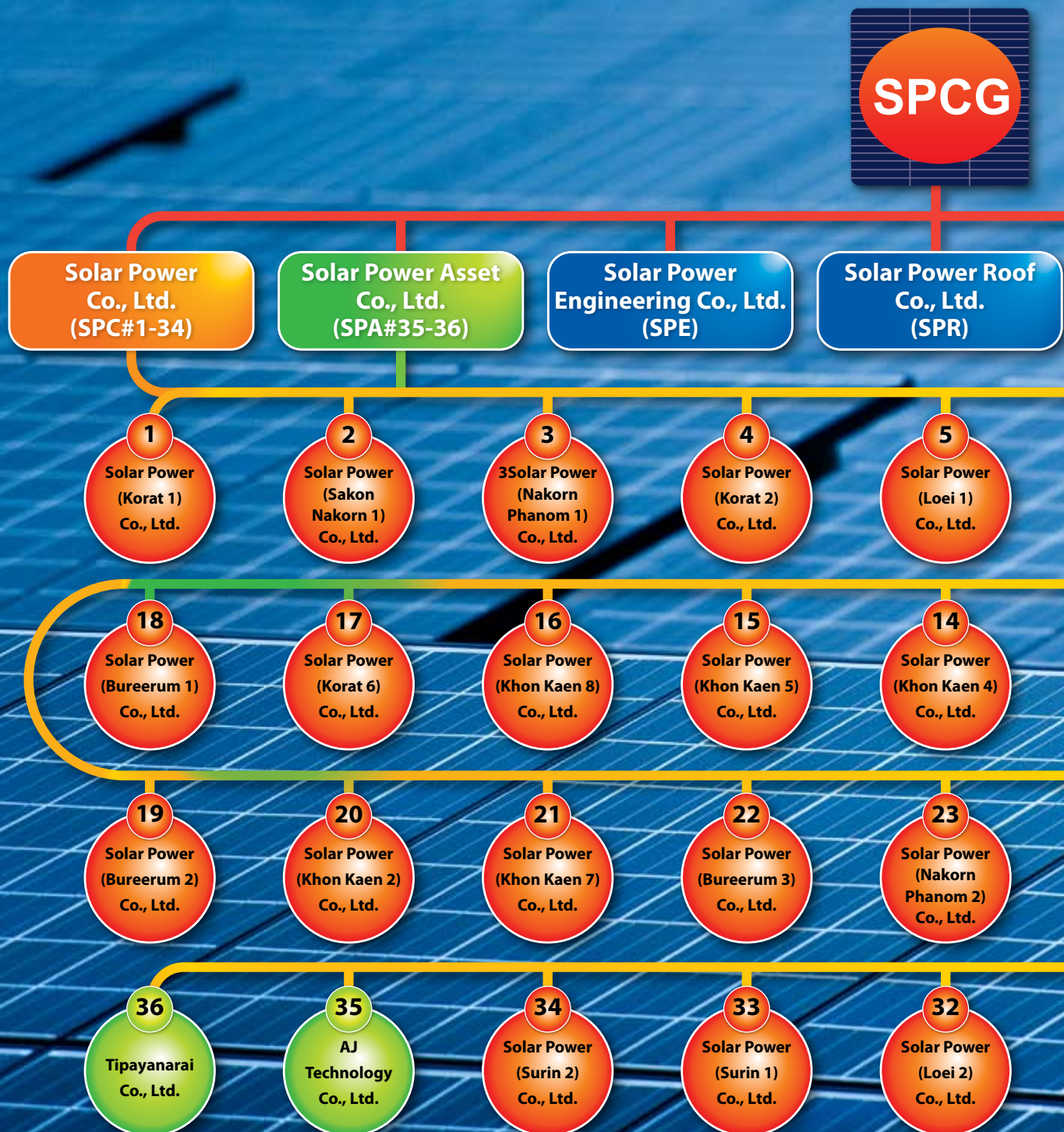
- (1) Solar Farm Business of Corporation Group are located in 10 provinces with the total of 36 projects.
- (2) Coated Corrugated Steel Roof and Structure Business are located on 8 Moo 15, Bangplee Yai, Bangplee, Samutprakarn 10540
- (3) Solar Roof Business is located on 333/22 Soi Sukhumvit 55 (Thonglor) Sukhumvit Rd., Klongton-Nua, Wattana, Bangkok 10110



REGISTRATION NUMBER	0107574800137
Home Page	www.spcg.co.th
TELEPHONE	0-2712-9501-5
FACSIMILIE	0-2712-7383-4
REGISTERED CAPITAL	840,000,000 THB
PAID-UP CAPITAL	560,000,000 THB
PAR VALUE	1 THB per share
REGISTRAR	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 4th and 7th Floor 62 Rachadapisek Rd., Klongtoey, Bangkok 10110 Telephone: 0-2229-2800 Fax: 0-2359-1259
COMPANY'S AUDITORS	Mrs. Unakorn Phruthithada, Certified Public Accountant No. 3257 or Miss Sakuna Yamsakul Certified Public Account No. 4906 or Mr. Paiboon Tunkoon Certified Public Account No. 4298 PricewaterhouseCooper ABAS Limited Bangkok City Tower 15th Floor 179/74-80 South Sathorn Road, Thung Maha mek Sathorn, Bangkok 10130 Telephone: 0-2286-9999

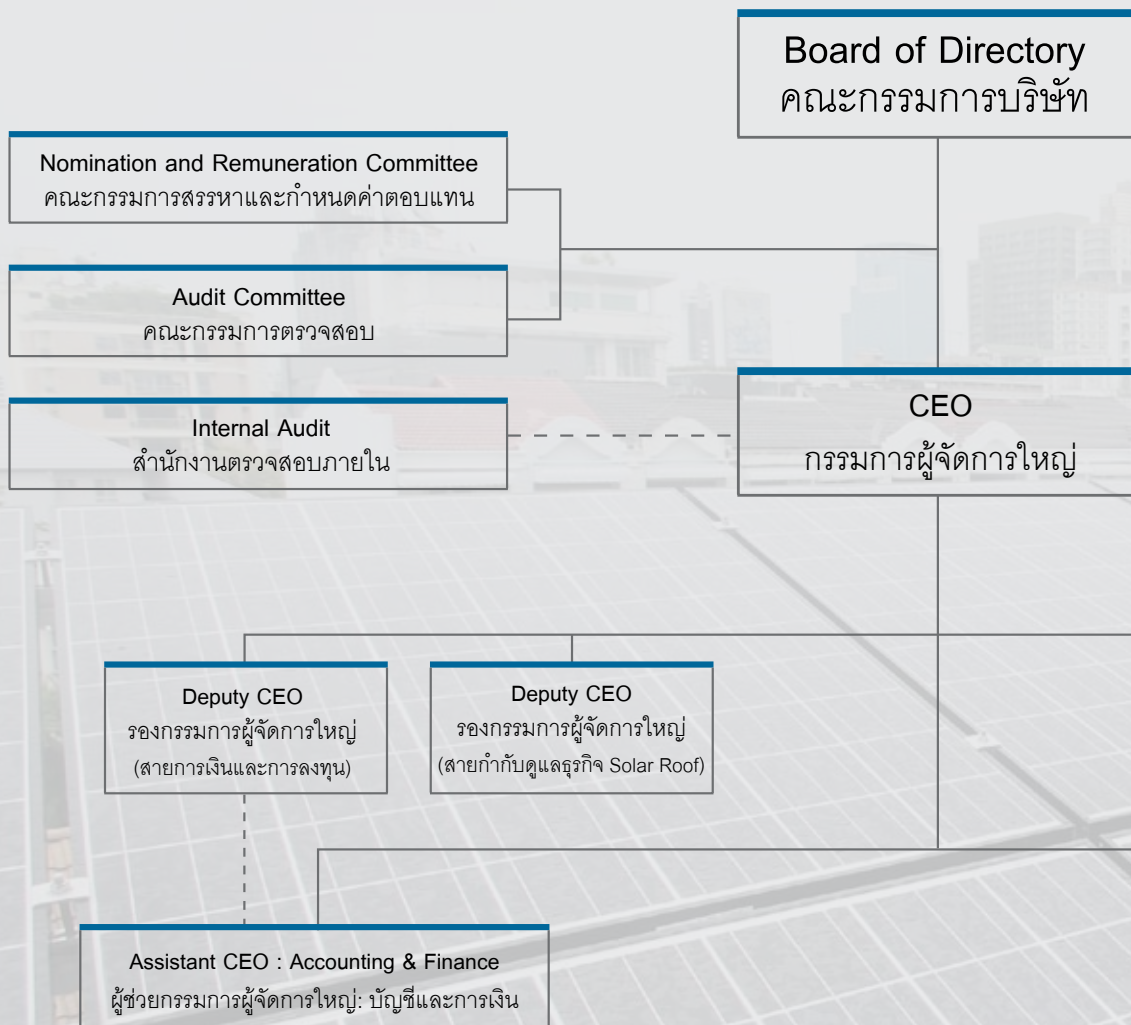


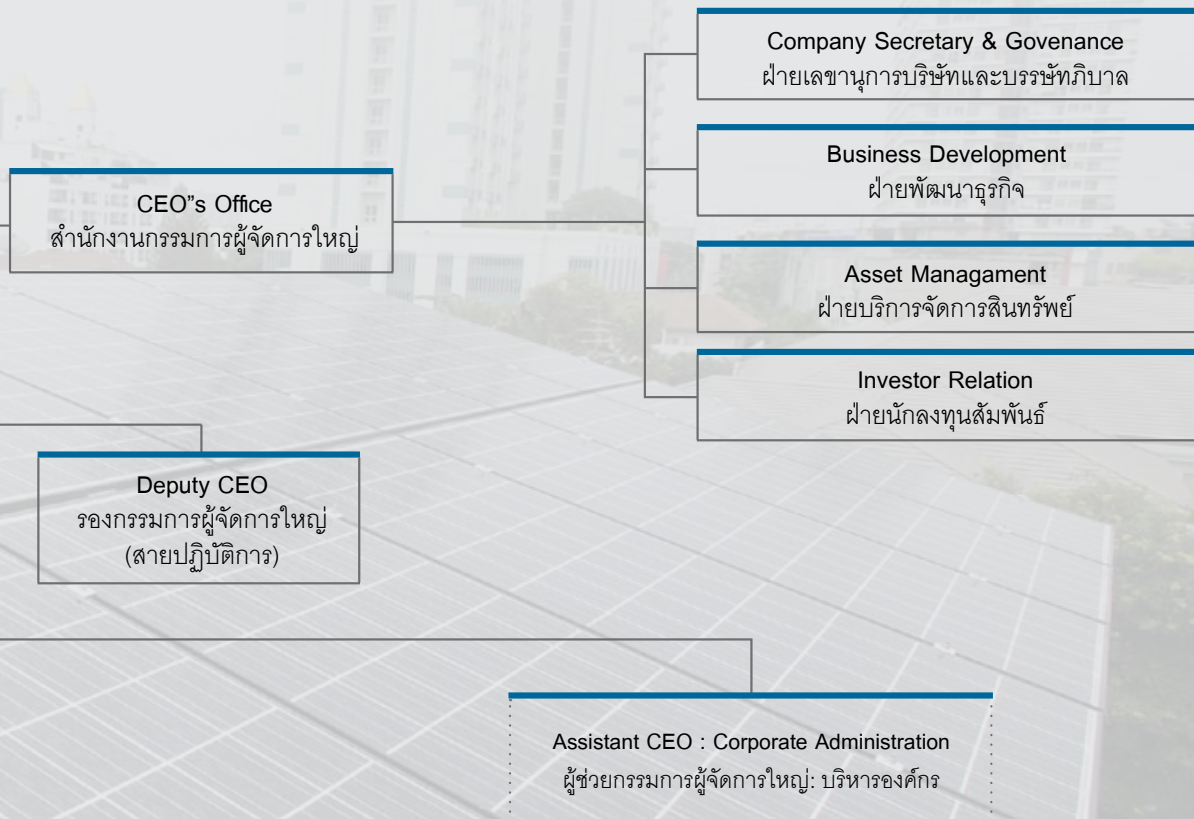
Corporate Structure chart





Organization Chart





Board of Directors Executive Officers and Company Secretary



Miss Wandee Khunchornyakong

Chairperson & Chief Executive
Officer

Mr. Somsak Khunchornyakong

Director & Deputy Chief Executive
Officer

Mr. Jirakom Padumanon

Director

Mr. Withoon Manomaikul

Director

Mr. Kevin Gerald Parnell

Director



Mr. Kiaticchai Pongpanich

Chairman of Audit Committee &
Independent Director

Mr. Wanchai Lawattanatrakul

Audit Committee &
Independent Director

Asst. Prof. Dr. Siripong Preutthipan

Audit Committee & Independent Director

Miss Omsin Siri

Director & Deputy Chief
Executive Officer

Mrs. Prapatsorn Kantawong

Company Secretary

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
1. Ms. Wandee Kunchornyakong • Chairperson of Board of Directors • Chief Executive Officer • Member of Recruitment and Remuneration Committee	56	47.05	Elder Sister of Mr. Somsak Kunchornyakong	Education <ul style="list-style-type: none"> • Doctor of Philosophy (Ph.D.) Suan Dusit Rajabhat University • Honorary Doctor of Philosophy (Ph.D.) Western University • Honorary Doctor of Philosophy (Ph.D.) Sripatum University • Master of Science, Renewable Energy Technology, Naresuan University • Bachelor of Law, Kasem Bundit University Training <ul style="list-style-type: none"> • IOD's Director Accreditation Program (DAP), class 26 of year 2004 • IOD's Director Certification Program (DCP), class 51 of year 2005 • National Defence Joint Public/Private Sector Course 19 year 2006 National Defence Collage, the Royal Thai Armed Forces of The Thai Ministry of Defence (NDC 49) • Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, class 9, King Prajadhipok's Institute • Thailand Energy Academy, class 2 (TEA 2) • Capital Market Academy for Executives, Class 12 (CMA 12) • Marketing Management Course, Connecticut University, USA. • Mini MBA 13, Thammasat University • Renewable Energy Development and Utilization for Global Environmental Protection (DEDP), Thailand and New Energy Foundation (NEF), Japan 	1977 - 2008	Chief Executive Officer	Solartron Public Co., Ltd.
					2008 - 2013	Board of Director	Thonglor Home Officer Co., Ltd.
					2011 - present	Chief Executive Officer	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> • Chief Executive Offices of SPCG Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> • Chairperson of Board of Directors of Solar Power Co., Ltd. • Chairperson of Board of Directors of all 34 subsidiaries of Solar Power Co., Ltd. • Chairperson of Board of Directors of Solar Power Asset Co., Ltd. • Chairperson of Board of Directors of all 2 subsidiaries of Solar Power Asset Co., Ltd. • Chairperson of Board of Directors of Capital Residence Co., Ltd. • Chairperson of Board of Directors of Solar Power Engineering Co., Ltd. • Chairperson of Board of Directors of Steel and Solar Roof Co., Ltd. • Chairperson of Board of Directors of Solar Power Roof Co., Ltd. • Chairperson of Board of Directors of SPCG Capital Co., Ltd. • Chairperson of Board of Directors of Datron Thai Co., Ltd. • Director of ENERGE (THAILAND) Co., Ltd. • Director of Smart Energy Management System Co., Ltd. Special Activity (Present) <ul style="list-style-type: none"> • President of Saraburi Red Cross Chapter • President of Ministry of Interior's Ladies Association 		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
2. Mr. Somsak Kunchornyakong <ul style="list-style-type: none"> • Director • Deputy CEO • Member of Recruitment and Remuneration Committee 	53	1.61	Younger Brother of Ms. Wandee Kunchornyakong	Education <ul style="list-style-type: none"> • Master of Science, Renewable Energy Technology, Naresuan University • Bachelor of Education, Chandrakasem Rajabhat University Training <ul style="list-style-type: none"> • IOD's Director Accreditation Program (DAP), class 25 of year 2004 • IOD's Director Certification Program (DCP), class 66 of year 2005 • Safety Officer in Management Level Training, Thai-Nichi Institute of Technology • Quality-Control in Management Level Training, ISO9001:2000 • Solar Technology and Design Program 1990, ArcoSolar, Singapore • Technology and Design Solar Pumping System Program 1991, Mono Pump, Australia • Photovoltaic System and Application Program 1995, Solarex, Australia • Photovoltaic Design Program 1997, BP Solar, Australia • Solar Technology Program 1998 Showa shell, Phuket, Thailand • Solar Technology System Program 2004, SMA Solar Academy and KMUTT, Bangkok, Thailand • Solar Technology for Off Grid & On Grid Program 2008 • Solar Modules and Process Control Program 2008 • Solar Modules Technology Program 2009, Siemens AG, Germany • Solar and Application Design Program 2009 • Solar System and Quality Control Program 2010 • Solar Technology and Long Term Reliability of System Program 2011, Kyocera Corporation, Tokyo, Japan 	1977 - 2008	Chief Operating Officer	Solartron Public Co., Ltd.
					2008 - present	Managing Director	Solar Power Co., Ltd.
					2008 - present	Deputy CEO	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> • Director of SPCG Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> • Managing Director of Solar Power Co., Ltd. • Director of all 34 subsidiaries of Solar Power Co., Ltd • Director of Solar Power Asset Co., Ltd. • Director of all 2 subsidiaries of Solar Power Asset Co., Ltd. • Director of Solar Power Engineering Co., Ltd. • Director of Steel and Solar Roof Co., Ltd. • Director of Solar Power Roof Co., Ltd. • Director of SPCG Capital Co., Ltd. Special Activity (Present) <ul style="list-style-type: none"> - 		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
3. Mr. Jirakom Padumanon • Director	61	0.18	None	Education <ul style="list-style-type: none"> Bachelor of Engineering (Electrical), Chulalongkorn University Training <ul style="list-style-type: none"> IOD's Director Accreditation Program (DAP), class 92 of year 2011 	2009 - 2010	Deputy CEO	Solar Power Co., Ltd.
					2008 - 2009	Engineering Advisor	Sanguan Wongse Industries Co., Ltd.
					1990 - 2008	Electrical Engineering	Power Line Engineering Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> Director of SPCG Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> Senior Deputy Managing Director of Solar Power Co., Ltd. Project Director of JPEN Co., Ltd. Special Activity (Present) <ul style="list-style-type: none"> - 		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
4. Mr. Withoon Manonaiikul • Director	58	2.3	None	Education <ul style="list-style-type: none"> Bachelor of Business Administration, Suan Sunandha Rajabhat University Training <ul style="list-style-type: none"> There is no information about Thai Institute of Directors (IOD) Training Program. 	2003 - present	Director and Managing Director	General Record International Industry Co., Ltd.
					2008 - present	Director	Mangpong 1989 Public Co., Ltd.
					2012 - present	Director	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> Director of SPCG Public Co., Ltd. Director of Mangpong 1989 Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> Director General Record International Industry Co., Ltd. Special Activity (Present) .		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
5. Mr. Kevin Gerald Parnell • Director	65	1.57	None	Education <ul style="list-style-type: none"> Diploma in Electrical Mechanics, Caulfield Institute of Technology, Melbourne, Australia Training <ul style="list-style-type: none"> There is no information about Thai Institute of Directors (IOD) Training Program. 	1996 - 2007	President & CEO	Singulus Technologies Asia Pacific, Singapore
					2007 - 2009	Vice President	Leybold Optics Singapore
					2011 - present	Director	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> Director of SPCG Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> Director of SPCG Public Co., Ltd. Special Activity (Present)		

*Mr. Kevin Gerald Parnell has an intention to retire from his position as Director of SPCG Public Co., Ltd. Effective from April 25, 2014

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
6. Mr. Kiatchai Pongpanich • Independent Director • Chairman of Audit Committee	72	None	None	Education <ul style="list-style-type: none"> • M.A. in Development Education, Stamford University, California U.S.A. • M.A. Political Science (Public Admin), Chulalongkorn University • B.A.(Hons) in Political Science, Chulalongkorn University Training <ul style="list-style-type: none"> • IOD's Director Accreditation Program (DAP), class 15 of Year 2004 • IOD's Audit Committee Program (ACP), class 38 of year 2012 	1998 - 2006	Chief Editor	Khao Sod and Matichon Newspapers
					2006 - present	Adviser	Matichon Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> • Chairman of Audit Committee and Independent Director of SPCG Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> - Special Activity (Present) <ul style="list-style-type: none"> - 		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
7. Mr. Wanchai Lawattanantrakul • Independent Director • Chairperson of Recruitment and Remuneration Committee • Member of Audit Committee	58	None	None	Education <ul style="list-style-type: none"> • Master of Engineering (Water Resources Engineering), Asian Institute of Technology (AIT) • Bachelor of Engineer (Civil Engineering), Chulalongkorn University Training <ul style="list-style-type: none"> • IOD's Finance for Non- Finance Directors (FND), class 1 of year 2003 • IOD's Director Certification Program (DCP), class 43 of year 2004 • Curriculum Political and Public Administration of Democracy: Class 6 , King Prajadhipok's Institute • National Defence joint Public /Private Sector Course 19 year 2006 National Defence College, the Royal Thai Armed Forces of the Thai Ministry of Defence 	2013 - present	Chief Executive Officer	Eastern Water Resources Development and Management Public Co., Ltd.
					2008 - 2009	Director	Metropolitan Waterworks Authority (Thailand)
					2009 - 2010	Director	Industrial Estate Authority of Thailand
					present	Director	Thai Waterwork Association
					Any Positions of Committee holding in Listed Company (Present) <ul style="list-style-type: none"> • Independent Director, Chairperson of Recruitment and Remuneration , Member of Audit Committee, Committee of SPCG Public Co., Ltd. • Director of Eastern Water Resources Development and Management Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> • Director of Chachoengsao Water Supply Co., Ltd. • Director of Bangkokong Water Supply Co., Ltd. • Director of Nakhonsawan Water Supply Co., Ltd. Special Activity (Present)		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
8. Mr. Siripong Preuthiphan • Independent Director • Member of Recruitment and Remuneration Committee	52	0.11	None	Education • Doctor of Business Administration : JDBA, Chulalongkorn University • Master of Business Administration, Carlson School of Management ,University Of Minnesota • Transportation & Logistics , B.S.B.A. Ohio State University (Honor) Summa Award, Dean's List Training • IOD's Director Accreditation Program (DAP), class 55 of Year 2006 • IOD's Director Certification Program (DCP), class 76 of Year 2006 • IOD's Audit Committee Program (ACP) , class 16 of year 2007 • National Defence Joint Public/Private Sector Course 25 Year 2012 National Defence College, the Royal Thai Armed Forces of The Thai Ministry of Defence (NDC 55) • Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 9, King Prajadhipok' s Institute • Advanced Certificate Course in Public Administration and Law for Executives, Class 3, King Prajadhipok's Institute • Advanced Security Management Program, Class 3 (ASMP 3) • Advanced Political and Electrical Development program, class 3, Political and Electoral Development Institute	2008-2012	Assistant Governor	State Railway of Thailand
					2011-2012	Independent Director and Audit Committee	Steel Intertech Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) • Independent Director and Member of Recruitment and Remuneration Committee of SPCG Public Co., Ltd • Independent Director and Audit Committee of M Link Asia Corporation Public Co., Ltd. Any Positions of Committee holding in Company Limited (Present) • Director of SRT Electrified Train Co., Ltd. Special Activity (Present) -		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
9. Mr. Prasit Ounvorawong <ul style="list-style-type: none"> • Director • Managing Director of steel Business 	55	None	None	Education <ul style="list-style-type: none"> • Master of Business Administration, National Institute of Development Administration • Bachelor of Science in Industrial Education in Mechanical Engineering, King Mongkut's Institute of Technology, North Bangkok Training <ul style="list-style-type: none"> • IOD's Director Certification Program (DCP), class 31 of Year 2005 • Advanced Certificate Course in Public Administration and Law for Executive, Class 7, King Mongkut's Institute • Capital Market Academy for Executives, Class 9 (CMA 9) • Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 14, King Prajadhipok's Institute 	1995 - 2011	Executive Director	Steel Intertech Public Co., Ltd.
					2012 - 2013	Director	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) -		
					Any Positions of Committee holding in Company Limited (Present) -		
					Special Activity (Present) -		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
10. Ms.Omsin Siri <ul style="list-style-type: none">• Director• Deputy CEO	47	None	None	Education <ul style="list-style-type: none">• Master of Business Administration, Chulalongkorn University• Bachelor of Accountancy, Chulalongkorn University Training <ul style="list-style-type: none">• IOD's Director Certification Program (DCP), class 140 of year 2011• Capital Market Academy, Class 2 (CMA 2)• TLCA Executive Development Program, Class 5 (EDP 5)	1900 - 2012	Manager	The Stock Exchange of Thailand
					2012 - 2014	Director and Deputy CEO	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present)		
					-		
					Any Positions of Committee holding in Company Limited (Present)		
					-		
					Special Activity (Present)		
					-		

* Ms. Omsin Siri has resigned from her position as Director of SPCG Public Co., Ltd. Effective from February 7, 2014

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
11. Mr. Chaiwat Tangsuwanphanit • Director • (Acting) Vice President of Accounting and Finance	54	None	None	Education <ul style="list-style-type: none"> • Master of Business Administration, Thammasat University • Bachelor of Accountancy, Chulalongkorn Business School Training <ul style="list-style-type: none"> • IOD's Director Accreditation Program (DAP), class 31 of year 2005 	1995 - 2011	Executive Director	Steel Intertech Public Co.,Ltd.
					2012 - 2013	Director	SPCG Public Co.,Ltd.
					Any Positions of Committee holding in Listed Company (Present)		
					-		
					Any Positions of Committee holding in Company Limited (Present)		
					-		
					Special Activity (Present)		
					-		

* Mr.Chaiwat Tangsuwanphanit has moved to be an employee of Steel and Solar Roof Co., Ltd. (SSR) Effective From March 12,2014

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
12. Mr. Prachitpol Himathongkam • Deputy CEO	38	None	None	Education <ul style="list-style-type: none"> • Master of International Business (Honor) Thunderbird, The American Graduate School of International Management • Bachelor of Accountancy, Chulalongkorn University Training <ul style="list-style-type: none"> • There is no information about Thai Institute of Directors (IOD) Training Program. • CFA charter holder, Certified Financial Analyst Program • Financial Advisor license from Securities and Exchange Commission (SEC) 	2007 -2013	Assistant Managing Director	Kasikorn Securities Public Co., Ltd.
					2001 - 2007	Vice President	SCB Securities Co., Ltd.
					2006	Consultant	Goldman Sach Asia L.L.C.
					Any Positions of Committee holding in Listed Company (Present)		
					- Any Positions of Committee holding in Company Limited (Present) <ul style="list-style-type: none"> • Director of Steel and Solar Roof Co., Ltd. Special Activity (Present) -		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
13. Ms. Busaraporn Chanchucherd • Deputy CEO	39	None	None	Education <ul style="list-style-type: none"> • Master of Administration, Business and Managerial Economics, Chulalongkorn University • Bachelor degree of Accounting, Thammasart Business School, Thammasart University Training <ul style="list-style-type: none"> • There is no information about Thai Institute of Directors (IOD) Training Program. • Financial Advisor license from Securities and Exchange Commission (SEC) 	2007 - 2013	Head of Department - Investment banking Department	Kasikorn Securities Public Co., Ltd.
					2003 - 2007	Assist Vice President- Capital Markets Department	SCB Securities Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present)		
					-		
					Any Positions of Committee holding in Company Limited (Present)		
					-		
					Special Activity (Present)		
					-		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
14. Mr. Kowit Nuangsuk • Assistant CEO	33	None	None	Education <ul style="list-style-type: none"> Bachelor degree of Accountancy (Honor), Faculty of Commerce and Accountancy, Thammasat University Certified Public Accountant (CPA) Training <ul style="list-style-type: none"> There is no information about Thai Institute of Directors (IOD) Training Program. Financial Reporting Update 2013, PricewaterhouseCoopers ABAS Ltd. Maximize Shareholder Value through Effective Tax Planning 2014, PricewaterhouseCoopers Legal & Tax Consultants Ltd. 	2009 - 2013	Senior Audit Manager	Pricewaterhouse Coopers ABAS Ltd.
					Any Positions of Committee holding in Listed Company (Present)		
					Any Positions of Committee holding in Company Limited (Present)		
					Special Activity (Present)		

Name – Surname	Age	Proportion of Total Shares Held (%)	Family Relation to Executive Members	Education and Training	Work Experience in the Past 5 Years		
					Duration	Position	Organization/ Company
15. Mrs. Prapatsorn Kantawong • Company Secretary	36	None	None	Education <ul style="list-style-type: none"> • Master of Business Studies/Administration/ Management Ramkhamhang University • Bachelor Of Laws, Thammasat University Training <ul style="list-style-type: none"> • IOD's Company Secretary Program (CSP), Class 6, Year 2004 • Certificate Course in Aspects of Intellectual Property Rights, Office of Course of Justice • Advanced Certificate Course for Lawyer, Taxation Studies • Corporate Secretary Development Program, Class 12, Year 2005, Chulalongkorn University • IOD's Effective Minute Taking (EMT), Class 4, Year 2006 	2003 - 2008	Legal Department Manager & Company Secretary	Yarnapund Public Co., Ltd.
					2008 - present	Company Secretary	SPCG Public Co., Ltd.
					Any Positions of Committee holding in Listed Company (Present) - Any Positions of Committee holding in Company Limited (Present) - Special Activity (Present) -		

- 
- Policy and Overall Business Operations
 - Nature of Business
 - Risk Factor

1 Policy and Overall Business Operations



SPCG Public Company Limited (“SPCG”) is a listed company on the Stock Exchange of Thailand under the Energy sector. SPCG is a holding company with the main purpose to own other companies through holding total/majority shares. SPCG has registered capital totaling THB 840,000,000.

SPCG has developed 36 Solar Farm Projects in Thailand in total of about 260 Mw. in 10 provinces throughout the Northeast of Thailand and Lopburi Province with total land area about 5000 Rais (2000 Acres)

SPCG is a Pioneer in Solar Roof business in Thailand by implementing Solar Roof Brand Ambassador since May 2013

SPCG and its subsidiaries are total 44 companies.

Solar Power Company Limited (“SPC”), the first and the largest solar farm developer in Thailand, has in total 34 solar farms in 9 provinces of the Northeast.

Solar Power Asset Company Limited (“SPA”) is a developer of 2 solar farms in Lopburi province.

Solar Power Engineering Company Limited (“SPE”) is the leading company in Engineering, Procurement and Construction (EPC) Service as well as provides Operation, Maintenance and Monitoring (OMM) Service of solar farms both domestically and internationally.

Solar Power Roof Company Limited (“SPR”) is the pioneer in Solar Roof developer in Thailand and ASEAN as well as the leading solar roof developer for residence, small building and medium-large building.

SPCG Capital Company Limited (“SPCGC”) is a vehicle to invest in Solar Power projects and other related business.

ENEGATE (THAILAND) Company Limited (“ENEGATE”) is a joint venture company among SPCG Public Company Limited, ENEGATE Co., Ltd. (sub-business of Kansai Electric Power Co., Inc. (KANSAI), and Thai Aichi Denki Co., Ltd. to manufacture High Voltage Electricity products such as High Voltage Cubicles under 33kV and Main Distribution Boards (MDBs) to be used in solar farms and other projects, and also develop Smart Grid Systems.

Steel and Solar Roof Company Limited (“SSR”) provides manufacturing, distribution and installation services for steel or metal roofing sheets. The products have been designed under research and development in order to be easy to use, save and prompt installing.

1.1 Operation Policies of SPCG and subsidiaries

Vision: SPCG is the leader in solar farm development with the highest efficiency in power production by means of the best investment costs in Thailand and Southeast Asia, and is one of the market leaders in steel roof and steel structures with fully integrated services.

Mission: SPCG will be the advisor in construction and development of solar farms and one of the leaders in the steel roof market and steel structures with fully integrated services under the policy of “Best Value : Best Design : Best Output”

Business Goals: SPCG currently operates three types of businesses; investment and development solar farms, coated corrugated steel roof and installation of solar power system on the rooftop, details as follows:

1.1.1 Investment and Development Solar Farms

Solar Farms are the main business of SPCG Group which conducts by SPCG’s subsidiaries: SPC, SPA and SPE which including of management teams who are expert in solar plant business. Business goals as follows:

(1) To successfully develop all 36 solar power plant projects of its subsidiary companies within the year 2013, as well as to develop solar farms to other domestic and international commercial businesses in the future.

(2) To be the leader in Engineering, Procurement, and Construction (EPC) service of solar farms

(3) To become the leader in Operation, Maintenance and Monitoring (OMM) service of solar power plants

(4) To provide knowledge to the community about solar power and its impact on the environment through the Solar Farm Education Center with over 1,000 square meters space in Nakorn Ratchasima. The

Education Center contains an exhibition to demonstrate facts and information about solar farms and a lecture theatre for students and interested individuals and

(5) To find an opportunity to expand the solar power business which is the company's expertise both domestic and international as well as investment and procurement in order to increase the business growth in the future

For the year 2013, SPCG has developed 23 Solar Farm to the Commercial Operation Date (COD) and purchase all to Provincial Electricity Authority ("PEA") and until the first quarter of 2014 SPCG has COD 27 projects. The delay of COD caused by process for acquisition of land and the process of issuing licenses from the relevant authorities with many departments and multiple steps. However, SPCG expects to COD all Solar Farm within the end of April 2014.

1.1.2 Coated Corrugated Steel Roof and Structure Business

Over 16 years of operation, the mission of SSR is to be the leader in the production, distribution and installation of metal sheets roofs under the same policies and standard. Meanwhile the company has development continuously for customer to get high quality of goods and services and to achieve high customer satisfaction. The company has a goal to enhance the marketing shares in the field of roofing been developing its projects and services with goals to enhance its competitive position, especially in the field of roofing materials. SSR believes that it can increase such shares in the market from 3.00 percent in 2004 to 7.00 percent in 2012 by initiating the following missions:

(1) To focus on expansion in the areas related to Solar Farm to straighten the company's own affiliations. For example; panel rack and solar rooftop etc.

(2) To develop in the company's product presentation from single "product selling" to "concept selling" in order to satisfy customer's needs; For example, building a garage with metal framing and using ribbed metal sheet roofing for the cover etc; which is able to facilitate customers via "one-stop service"

(3) To expand the customer base especially the Japanese market as Japanese customers are more open to the Australian metal standards, by presenting ribbed sheets that are popular among Japanese manufacturers.

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

(5) To concentrate on civil services as the company was given the TISI mark in end of a year 2009, allowing the company to increase its product potential to meet the standards that is accepted by a broader customer while at the same time allows for the expansion of customer base in the future.

1.1.3 Business of Supply and installation of Solar Rooftop for residence, small building and medium-large building.

The company sees opportunities to be the leading supplier and service provider to install a photovoltaic system on the roof (Solar Rooftop) under the same policies and standards, the company has developed

steadily. To provide our customers with products and services which are quality and customer satisfaction, the Company's business goals to increase market share for sales and service of installation of electric blue solar roof on May 1, 2013, the Company has established Solar Power Roof company limited ("SPR") to operate separately from SPCG for clarity in the implementation and flexibility. The goal of the business: focusing on leadership, sales and installation of turnkey solar electric systems on the roofs of houses building a small business and medium businesses to the roofing industry and government agencies to be strengt support of SPCG group.

1.2 Significant Changes

1.2.1 SPCG Public Company Limited

Company Background

SPCG Public Company Limited, formerly known as Steel Intertech Public Company Limited, was established on 6 August 1993. Due to the government incentive policy of power generation from renewable energy, the company foresaw the potential growth of solar power plant business and believed that to merge with Solar Power Company Limited would create the overall image of the company's stability and sustainability and also increased in market capitalization of the company. Not only could this be beneficial to its shareholders, but also it would increase the liquidity in SET. In addition, it would expand the product category and new services relating to the steel support structures which helped diversify the risk of its corrugated metal roofing business. Consequently, the Extraordinary General Meeting of shareholders No. 2/2010 held on 6 October 2010 unanimously resolved to approve the

acquisition of SPC's ordinary shares that operates the business of developing Solar Power Plants and has Power Purchase Agreement (PPA) with the Provincial Electricity Authority (PEA) for 34 projects and later it is expanded to 36 Solar Farms projects at present.

SPC was established on 20 August 1996 with a registered capital of THB 10 million. The company objective is to generate renewable electricity with solar energy systems. Therefore, the company asked for the permission from PEA and received the approval to have PPA with PEA for a total of 34 projects. The company commenced the business operations of Engineering, Procurement, and Construction (EPC) for the solar power plants which were developed by SPC and also the business of Operation, Maintenance, and Monitoring (OMM) to the solar power plants developed by SPC. In the future,

the company has planned to provide EPC to serve SPC's clients. Additionally, on 28 March 2011 the company acquired 45,000,000 ordinary shares of SPC, at the par value of THB 10 per share and the offering price of THB 10 per share, totaling THB 450,000,000 and paid those shares by issuing 450,000,000 new ordinary shares of the company, at the par value of THB 1 per share and the offering price of THB 1 per share, totaling THB 450,000,000 in order to reward SPC's shareholders who acknowledged the acceptance of the company's tender offer by means of taking the shares of SPC to pay those shares instead of paying in cash. Such transaction is regarded as the Backdoor Listing in accordance with the rules and regulations of SET which resulted in the change in control of the

company that there are the majority shareholders consisted of Miss Wandee Khunchornyakong , Mrs. Prakong Khunchornyakong , Mr. Somsak Khunchornyakong, Miss Sompong Khunchornyakong, Mrs. Kanokporn Khunchornyakong, and Mr. Jirakom Padumanon (collectively called “the Majority Shareholders).

Moreover, the Board of Directors’ meeting No. 9/ 2011 held on June 3, 2011 resolved to establish Steel Solutions Company Limited changing its name to Steel and Solar Roof Company Limited (SSR) with

a registered capital of THB 10,000,000 in order to transfer the former steel industry of STEEL to SSR as a Holding Company and also resolved to establish Solar Power Engineering Company Limited (SPE) with a registered capital of THB 10,000,000 for providing EPC and OMM services of solar power plants. SPCG also has subsidiary company, SPE, for doing EPC and OMM services from both domestic and international customers who are outside the company.

Significant Changes and Milestones of SPCG

6 August 1993	Established Steel Intertech Public Company Limited with a registered capital of THB 2 million for 20,000 shares, at the par value of THB 100 per share
16 March 2005	Converted to a public limited company and changed the par value to THB 1 per share
6 May 2005	Increased a registered capital from THB 35 million to THB 50 million through the issuance of shares and the initial public offering of 15 million shares and listed the company's ordinary shares on SET under an approval No. BorChor 897/2548 on November 30, 2005 and its first day of trading on December 20, 2005.
28 March 2011	Complete the first Commercial Operation Date (COD) to PEA of solar farm in the name of Solar Power (Korat 1), the first and largest Commercial Solar Farm in ASEAN
28 March 2011	Raised a registered capital from THB 50 million to THB 500 million as a remuneration to the existing shareholders who acquired 45 million shares of SPC's ordinary shares, at the par value of THB 10 per share and rewarded the existing shareholders of SPC by issuing 450 million shares of its new ordinary shares, at the par value of THB 1 per share or at a ratio of 1 SPC's shares for 10 new its shares. Such transaction is considered as a Reverse Listing according to the Rules and Regulations of SET.
28 April 2011	The Board of Directors' meeting No. 6/2011 resolved to increase a registered capital from THB 500 million to THB 515 million through allocation in the private placement.
11 May 2011	A Memorandum of Understanding (MOU) was signed between the company and PEA ENCOM International Company Limited in order to study on business opportunities in the investment of development of solar power plants including EPC and OMM services.
19 May 2011	The company endorsed MOU to appoint Kasikornbank Public Company Limited (KBank) as the Mandated Lead Arranger of 34 projects of the solar power plant projects with a total investment cost of around THB 24,000 million.
3 June 2011	The Board of Directors' meeting No. 9/2011 resolved to establish Steel Solutions Company Limited with a registered capital of THB 10 million in order to spin off the steel industry from SPCG and established Solar Power Engineering Company Limited (SPE) with a registered capital of THB 10 million for providing advisory services and developing the solar power plant construction. However, SPE is commercially inactive.
14 June 2011	The Board of Directors' meeting No. 10/2011 resolved to terminate the share purchase agreement of the private placement as the company had a plan to issue shares to raise capital through an initial public offering in the future.
16 June 2011	The company changed its name to SPCG Public Company Limited (SPCG)

4 August 2011	The Board of Directors' meeting No. 13/2011 resolved to change the name of Steel Solutions Company Limited, an unregistered company at that time, to Steel and Solar Roof Company Limited (SSR) in order to be consistent with the nature of SSR. In addition, the company spun off the steel industry to SSR in October 2011.
6 September 2011	The General Meeting of Shareholders No. 2/2011 resolved to issue new ordinary shares of THB 340 million divided into the new ordinary shares of THB 60 million for an initial public offering and the other THB 280 million for reserving the issuance of warrants to the existing shareholders and public by the total number of 280 million units. The company spent such capital, the loan from financial institutions, and other sources of funding on the development of the projects of Korat 3, Korat 4, Korat 7, Korat 8, and other its projects.
6 February 2012	The company developed 5 projects of the solar farm projects which were, namely, Solar Power Korat 5, KhonKaen 3, KhonKaen 4, KhonKaen 5, and Korat 9 Company through SPC.
13 February 2012	Issued and offered the warrants to purchase the ordinary shares to its existing shareholders in proportion to their existing holdings (Right Offering).
25 April 2012	The Board of Directors' meeting No. 7/2012 resolved to approve in principles and methods of establishing Infrastructure Fund (IFF) for solar farm project No. 1-16.
10 May 2012	The Securities exchange shifted its securities trading from MAI to SET. The company developed 4 more solar farm projects that were, namely, Solar Power Buriram 1, Buriram 2, Korat 6, KhonKaen 2 Company through SPC
17 May 2012	Signed a joint venture agreement with Enegate (Japan) Company Limited and Thai Aichi Denkin Company Limited which there were the purpose of research in the control system of high voltage equipments and development of Smart Technology project including designing, manufacturing, and distributing such products. The company held 30,000 shares or 30 percent of the total number of joint venture companies' shares, namely Enegate (Thailand) Co., Ltd. ("ENERGATE")
20 June 2012	In order to expand channels of its business operations, the company reached an agreement to purchase ordinary shares of Thai Solar Future Company Limited (TSF) whose business is to install the roof-mounted solar power systems and Solar Power Assets, (SPA) who manages the business of solar farm is consisted of 2 subsidiaries, namely, AJ Technology Company Limited (AJ) and Tipnarai Company Limited who has PPA with each PEA of 3 megawatts. The company is received adder at the rate of 8 Baht/kWh for 10 years resulting in having its 36 solar farm projects: 34 projects of SPC and 2 projects of SPA.
22 June 2012	The company developed 6 more solar farm projects which were Project No. 21-26, namely, Nong Khai 1, Udon Thani 1, Khon Kaen 7, Buriram 3, Nakhon Phanom 2, Khon Kaen 6 through SPC.

31 August 2012	The company developed 2 more solar farm projects which were Project No. 27-28, namely, Surin 2, Nakhon Phanom 3 through SPC.
9 October 2012	The Board of Directors resolved the expansion of 1-9 projects with capital about BTH 145.87 Million. The company developed 4 more solar farm projects which were Project No. 29-32, namely, Surin 3, Loei 2, Khon Kaen 9, Khon Kaen 10 through SPC.
28 December 2012	The Company acquired the shares in Solar Power (Korat 1) Co., Ltd. from Energy for Environment Foundation ("EforE") according agreement between the shareholders of 2,000,000 shares at a price of Baht 11.39 per share, representing a total value. THB 27,860,219.18 via the SPC
25 February 2013	The company develops solar farms remaining 2 projects are 33 and 34, namely (Surin 1) and (Surin 2) Co., Ltd. Passing of SPC by initially acquiring land under the area as specified in the contract.
1 May 2013	Company Established Solar Power Roof ("SPR") to expand its business in the sale and installation of solar electric system on the roof (Solar Rooftop).
9 May 2013	Company's investment in the ordinary shares of Solar Power Roof Company limited of 0.30 million shares. Value of the payment of Baht 25 per share for a total investment of 7.50 million baht.
14 May 2013	The Board of Directors approved the acquisition of shares of Solar Power Roof Company limit 0.30 million shares of the total share of 1 million shares traded value par share price of 100 baht worth of shares to be traded. a total of 30 million baht, representing 30 percent of all shares of Solar Power Roof limit.
15 July 2013	<p>The Extraordinary General Meeting of Shareholders No. 1/ 2556 and the Warrants representing the right to purchase ordinary shares No. 1/2556 , Approval of amendments regarding the date of claim of right ,based on warrants, from the previously assigned date to exercise the right to purchase the shares of SPCG Public Company Limited no.1 (SPCG-W1) ("Warrant") of 279,999,581 units. The date of exercise, which was previously scheduled as the date of the third anniversary of the issuance of the warrants (March 2nd, 2015), is to be moved to the following 3 time periods.</p> <p>1st Period: 25th – 31st July 2013</p> <p>2nd Period: 26th – 30th August 2013</p> <p>3rd Period: 24th – 30th September 2013</p> <p>and in case the exercise date is the holiday of the Stock of Exchange of Thailand, the date is to be moved to the last working day before the exercise date.</p> <p>When exercise 3rd Period in September 2013 showed that the warrants were exercised totaled 279,991,048 The Company has received funding from the exercise of the 279,991,048 baht to repay the loan in . Solar Farm development</p>

26 July 2013	Company's Board of Directors' Meeting No. 5/2013 on 26 July 2013 the newly established subsidiaries. To support business growth The company is 100 percent owned by the company's initial registered capital of 1 million baht is SPCG Capital Limited ("SPCGC") is intended as the mechanism of the company for investment, both domestic and foreign.
31 October 2013	Solar Power Roof Co.,Ltd (SPR) which is a subsidiary. Increased its registered capital from Baht 100,000,000 to Baht 400,000,000.
8 November 2013	The Company has purchased shares of Solar Power Assets Limited (SPA) from the Thonglor Home Office Limited and other shareholders in the amount of 4.5 million shares valued at 90 million baht , which SPA is developing solar . Farm size 3.73 MW 2 project in Lopburi by Adder 8 baht per unit for a period of 10 years and commercial power distribution from 25 June 2013 onwards.
8 November 2013	Company's Board of Directors' Meeting No. 8/2013 to approve the purchase of ordinary shares of Steel & Solar Roof Co. (SSR), which increased its registered capital in the amount of 2,737,334 shares at 10 baht worth 27,373,340 baht in total. a registered capital of Baht 57,373,340 to finance the restructuring of holding assets and support the growth of the company in the future.
18 November 2013	The Company's acquisition of Solar Power (Korat 1) Co., Ltd. from Energy for Environment Foundation (EforE) by the Shareholders Agreement. Through Solar Power Limited 2,000,000 shares, with a value. THB 21,265,753.42
6 December 2013	The Minutes of Board of Directors' Meeting No. 9/2013 has purchased Shares in Solar Power Roof Company limited from Ms. Wandee Khunchornyakong amount 1,840,000 share, purchase price of the par value of THB 100 per share shares paid 25 percent of the total value , net of transaction is 46 million baht after the transaction will result in the company. SPR shares in total 3,040,000 shares, representing 76 percent of the registered capital.

1.2.2 Solar Power Company Limited

Company Background

Solar Power Company Limited (SPC) was established on 20 August 1996 with a registered capital of THB 10 million. Currently, the company is engaged in the development of 34 projects of solar power plants and provides Engineering, Procurement, and Construction service (EPC) for the solar power plants developed by SPC as well as the business of Operation, Maintenance, and Monitoring service (OMM) to solar power plants developed by SPC. In this regard, SPC currently provides EPC and OMM services for its subsidiaries only.

SPC started the business operation on 1 June 2008 and signed 34 Power Purchase Agreements

(PPA) with 6 megawatts of solar panel systems with the total capacity of power generation of 240 megawatts and sought the authorization to sell electricity to power system as a renewable energy power producer in accordance with PEA's announcement, date 20 May 2008 Re: Determination of Adder for Renewable Energy Power Producer. SPC as a Very Small Power Producer (VSPP) of solar power systems has been entitled adder for electricity at the rate of 8 Baht/kWh for 10 years since a Date of Commencement of Commercial Operations (COD) without any requirements for guarantee. Present, SPC and SPA have COD 27 solar power plant projects with about 181.93 Mkh.

Project	Commercial Operations Date (COD)	Share (%)
1. Solar Power (Korat 1) Co., Ltd.	21 April 2010	65
2. Solar Power (Sakon Nakorn 1) Co., Ltd.	9 February 2011	51
3. Solar Power (Nakorn Phanom 1) Co., Ltd.	22 April 2011	51
4. Solar Power (Korat 2) Co., Ltd.	13 August 2011	56
5. Solar Power (Loei 1) Co., Ltd.	15 August 2011	56
6. Solar Power (Khon Kean 1) Co., Ltd.	15 February 2012	70
7. Solar Power (Korat 3) Co., Ltd.	9 March 2012	60
8. Solar Power (Korat 4) Co., Ltd.	14 May 2012	60
9. Solar Power (Korat 7)	30 May 2012	60
10. Solar Power (Korat 5) Co., Ltd.	15 January 2013	100
11. Solar Power (Korat 8) Co., Ltd.	15 January 2013	100
12. Solar Power (Korat 9) Co., Ltd.	16 January 2013	100
13. Solar Power (Khon Kean 3) Co., Ltd.	17 January 2013	100

Project	Commercial Operations Date (COD)	Share (%)
14. Solar Power (Khon Kean 4) Co., Ltd.	17 January 2013	100
15. Solar Power (Khon Kean 5) Co., Ltd.	18 January 2013	100
16. Solar Power (Khon Kean 8) Co., Ltd.	18 January 2013	100
17. Solar Power (Korat 6) Co., Ltd.	26 June 2013	100
18. Solar Power (Burirum 1) Co., Ltd.	26 June 2013	100
19. Solar Power (Burirum 2) Co., Ltd.	26 June 2013	100
20. Solar Power (Khon Kean 2) Co., Ltd.	29 July 2013	100
21. Solar Power (Khon Kean 7) Co., Ltd.	1 October 2013	100
22. Solar Power (Nakorn Phanom 2) Co., Ltd.	27 February 2014	100
23. Solar Power (Nong Khai 1) Co., Ltd.	28 February 2014	100
24. Solar Power (Burirum 3) Co., Ltd.	6 March 2014	100
25. Solar Power (Nakorn Phanom 3) Co., Ltd.	10 March 2014	100
26. Solar Power (Udon Thani 1) Co., Ltd.	1 April 2014	100
27. Solar Power (Sakon Nakorn 2) Co., Ltd.	under construction	100
28. Solar Power (Surin 3) Co., Ltd.	under construction	100
29. Solar Power (Khon Kean 6) Co., Ltd.	under construction	100
30. Solar Power (Khon Kean 9) Co., Ltd.	under construction	100
31. Solar Power (Khon Kean 10) Co., Ltd.	under construction	100
32. Solar Power (Loei 2) Co., Ltd.	under construction	100
33. Solar Power (Surin 1) Co., Ltd.	under construction	100
34. Solar Power (Surin 2) Co., Ltd.	under construction	100
35. AJ Technology Company Limited (AJ)	25 June 2013	75
36. Tipayanarai Company Limited (TP)	25 June 2013	100

Significant Changes and Milestones of SPC

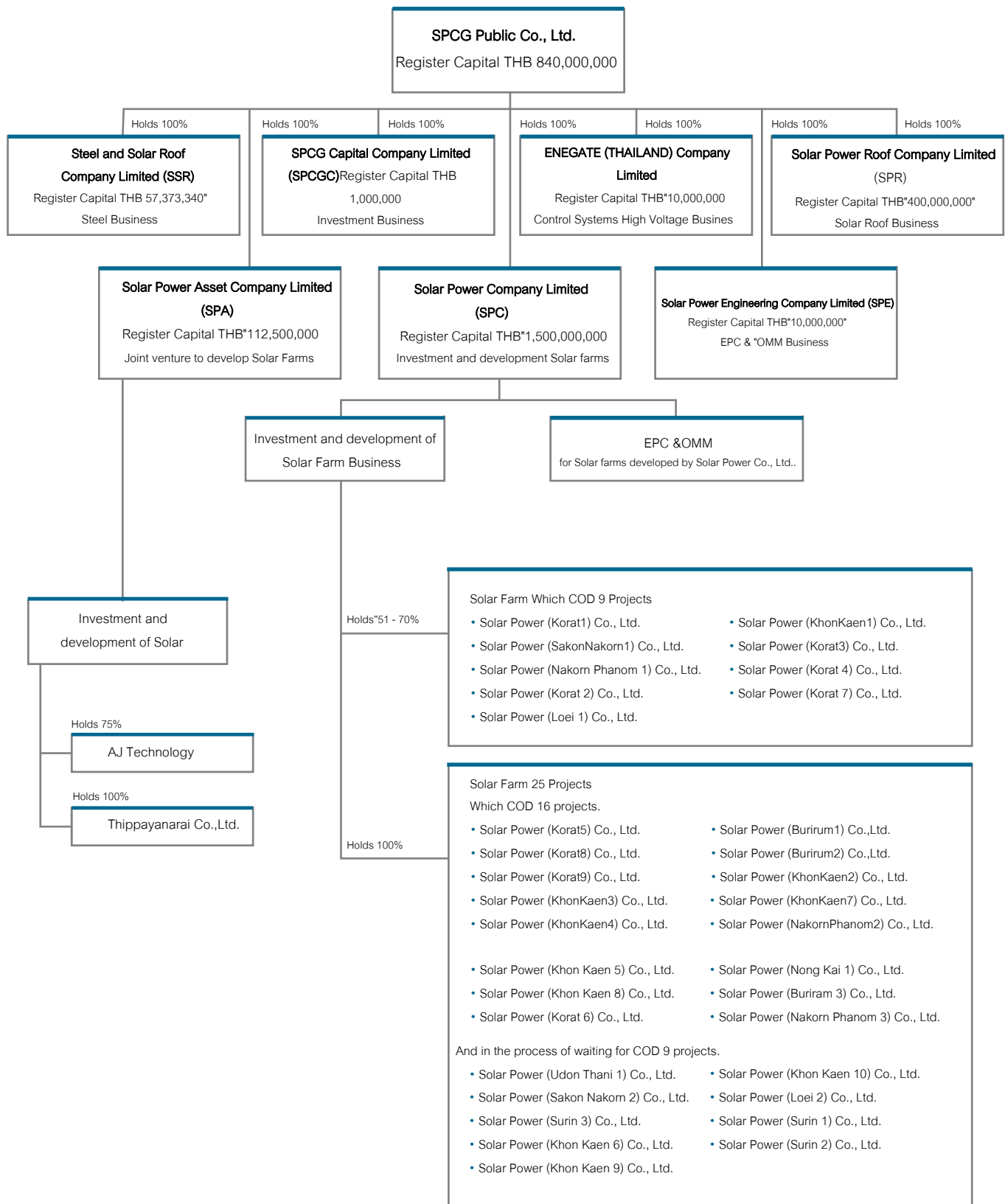
20 August 1996	SPC was registered under the Civil and Commercial code No. (2)3539/2539 with a registered capital of THB 10,000,000 with 1,000,000 shares, at the par value of THB 10 per share. The office was located at 38 Soi Saleenimitr, Sukhumvit 69 Road, Prakanong Nua, Klongtoey BKK.
15 May 2009	SPC was granted Power Purchase Agreement (PPA) with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Korat 1) Company Limited.
18 June 2009	SPC was granted another PPA with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Nakhon Phanom 1) Company Limited.
19 June 2009	SPC was granted another PPA with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Sakon Nakhon 1) Company Limited.
27 July 2009	Mr. Somsak Khunchornyakong, Mrs. Prakong Khunchornyakong, and Mrs. Kanokporn Khunchornyakong held 99.6 percent of the total issued shares of SPC
27 July 2009	SPC was granted another PPA with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Korat 2) Company Limited.
28 July 2009	SPC was granted another PPA with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Khon Kaen 1) Company Limited.
29 July 2009	SPC was granted another PPA with a capacity of 6 megawatts from PEA. Afterwards, SPC proceeded with the construction of solar power plants under Solar Power (Loei 1) Company Limited.
19 August 2009	Relocated its head office to 946/7 Soi Sukhumvit 55, Sukhumvit Road, Klongton Nua, Wattana BKK.
28 September 2009	Increased a registered capital from THB 10,000,000 to THB 250,000,000 with the objective of investment in the solar power plants projects. Additionally, Miss Wandee Khunchornyakong holding a majority of shares held 50.8 percent of the total number of its issued shares and Mr. Somsak Khunchornyakong, Mrs. Prakong Khunchornyakong, and Mrs. Kanokporn Khunchornyakong collectively held 14.4 percent of the total number of its issued shares.
19 November 2009	Co-signed the joint venture agreement with Energy for Environment Foundation (EforE) in order to invest with SPC
19 November 2009	Kasikornbank Public Company Limited approved a loan in the form of Project Financing to the construction projects of solar power plants of Solar Power (Korat 1) Company Limited considered as the first project under the development of SPC's solar power plant projects.
9 December 2009	The Extraordinary General Meeting of shareholders of SPC No. 3/2009 resolved to increase a registered capital from THB 250,000,000 to THB 350,000,000 with the objective of investment in the solar power plant projects as Miss Wandee Khunchornyakong holding a majority shares held 39.3 percent of its shares and the other Khunchornyakongs held 27.5 percent of its shares, namely, Mr. Somsak Khunchornyakong, Mrs. Prakong Khunchornyakong, Miss Sompong Khunchornyakong, and Mrs. Kanokporn Khunchornyakong.

11 December 2009	The Board of Directors of SPC resolved to approve having the company listed on SET by means of the reverse listing through Steel Intertech Public Company Limited.
3 January 2010	SPC was granted 25 PPAs with a capacity of 6 megawatts from PEA.
11 March 2010	SPC was granted 3 PPAs with a capacity of 6 megawatts from PEA as the following information in accordance with Part 2 Section 5.4 the significant information of a corporate group.
21 April 2010	Operated the first solar power plant projects commercially under the project development of Solar Power (Korat 1) Company Limited by means of connecting transmission lines and distributing electricity to PEA. Such project is considered as the first and largest solar power plant project in Thailand and ASEAN region.
7 June 2010	Co-signed an Investment Framework Agreement with the International Finance Corporation (IFC) in order to offer opportunities to IFC to become a strategic partner of SPC's subsidiaries.
29 July 2010	The Extraordinary General Meeting of shareholders of SPC No. 2/2010 resolved to increase a registered capital from THB 350,000,000 to 450,000,000 with the objective of investment in the solar power plant projects with Miss Wandee Khunchornyakong holding a majority shares held 58.5 percent of its shares and the Khunchornyakongs held 9.1 percent of its shares consisted of Mr. Somsak Khunchornyakong, Mrs. Prakong Khunchornyakong, Miss Sompong Khunchornyakong, and Mrs. Kanokporn Khunchornyakong.
9 February 2011	Operated the second solar power plant projects commercially under the project development of Solar Power (Sakon Nakhon 1) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
18 March 2011	Officially Inaugurated the Solar Farm Education Center of SPC as a distribution and training center of the solar power plants and solar power to students and the interested public located at Donchompoo subdistrict, None Soong district, Nakhon Ratchasima.
28 March 2011	SET approved the company's securities request as listed securities and the reverse listing of SPC through the company.
1 April 2011	The first day of trading 450,000,000 new ordinary shares of Steel Intertech Public Company Limited in SET from the successful reverse listing of SPC through the company.
22 April 2011	Operated the third solar power plant projects commercially under the project development of Solar Power (Nakhon Phanom 1) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
22 July 2011	Co-signed an agreement between the shareholders of Solar Power (Korat 2) Company Limited with Solar Power (Loei 1) Company Limited and Thai Fah Power Company Limited.
4 August 2011	Co-signed a joint venture agreement of Solar Power (Korat 3) Company Limited, Solar Power (Korat 4) Company Limited, and Solar Power (Korat 7) Company Limited with Ratchaburi Electricity Generating Holding Public Company Limited.

13 September 2011	Operated the fourth solar power plant projects commercially under the project development of Solar Power (Korat 2) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
15 September 2011	Operated the fifth solar power plant projects commercially under the project development of Solar Power (Loei 1) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
15 February 2012	Operated the sixth solar power plant projects commercially under the project development of Solar Power (Khon Kaen 1) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
9 March 2012	Operated the seventh solar power plant projects commercially under the project development of Solar Power (Korat 3) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
14 May 2012	Operated the eighth solar power plant projects commercially under the project development of Solar Power (Korat 4) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
30 May 2012	Operated the ninth solar power plant projects commercially under the project development of Solar Power (Korat 7) Company Limited by means of connecting transmission lines and distributing electricity to PEA.
15 January 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Korat 5) and (Korat 8) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
16 January 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Korat 9) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
17 January 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Khon Kean 3) and (Khon Kean 4) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
18 January 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Khon Kean 5) and (Khon Kean 8) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
25 June 2013	Commercial Operation Date (COD) solar farm, developed under the name AJ Technology Company Limited (AJ) and Thippayanarai (TP) Company Limited by means of connecting transmission lines and distributing electricity to PEA.

26 June 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Korat 6), (Bureerum 1) and (Bureerum 2) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
29 July 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Khon Kean 2) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
1 October 2013	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Khon Kean 7) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
18 November 2013	SPC had purchased shares Solar Power (Korat 1) Co., Ltd. from Energy for Environment Foundation (EforE) 2,000,000 shares totaling THB 21,265,753.42, making shareholding of the Company increased to 65 percent and has increased investment in the expansion project is 13 million baht 1-9.
27 February 2014	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Nakorn Phanom 2) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
28 February 2014	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Nong Kai 1) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
6 March 2014	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Burirum 3) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.
10 March 2014	Commercial Operation Date (COD) solar farm, developed under the name Solar Power (Nakorn Phanom 3) Co., Ltd. Company Limited by means of connecting transmission lines and distributing electricity to PEA.

1.3 Business structure and overview of the holding subsidiaries of SPCG



2 Nature of Business



2.1 SPCG Public Company Limited

SPCG Public Company Limited (“SPCG”) is a listed company on the Stock Exchange of Thailand under the Energy sector. SPCG is a holding company with the main purpose to own other companies through holding total/majority shares. SPCG has registered capital totaling THB 840,000,000.

SPCG has developed 36 Solar Farm Projects in Thailand in total of about 260 Mw. in 10 provinces throughout the Northeast of Thailand and Lopburi Province with total land area about 5000 Rais (2000 Acres)

SPCG is a Pioneer in Solar Roof business in Thailand by implementing Solar Roof Brand Ambassador since May 2013

SPCG and its subsidiaries are total 44 companies.

2.2 Solar Power Company Limited

SPCG holds 100 percent in Solar Power Company Limited (“SPC”) incorporated on 20 August 1996 with registered capital of 10 million baht , the current development of solar farms 34 projects , business services , construction of solar Farm (“Engineering, Procurement and Construction” or “EPC”) services and business operations. Maintenance Solar farms and processing (“Operation, Maintenance and Monitoring” or “OMM”) ,SPC services to companies in the group.

SPC Commenced operations on June 1, 2008 by SPC acquired PPAs with solar farm size is approximately 6 MW of 34 projects total power capacity of the power purchase agreement of

approximately 204 MW and has requested to sell power system for renewable energy power generation . Announced by the Electricity Authority dated 20 May 2008 regarding the pricing of the increased purchase price for electricity as the SPC is the production of very small electricity with solar power has been a price increase . power purchase (Adder) at 8 baht per kilowatt for 10 years from the commercial start trading . Without a deposit .

2.3 Solar Power Engineering Company Limited

Solar Power Engineering Company Limited ("SPE") is registered on August 3, 2011 with capital 10 Million, doing business in Engineering, Procurement and Construction (EPC) Service as well as provides Operation, Maintenance and Monitoring (OMM) Service of solar farms both domestically and internationally. SPCG holds 100% shares.

2.4 Steel and Solar Roof Company Limited

SPCG holds 100% shares of Steel and Solar Roof Co.,Ltd (SSR), it was incorporated on 5th of September, 2011. It was established in order to support business transferring after merger and acquisition of Steel Intetech Public Company Limited.

SSR has a registered capital of THB 57,373,340, it provides manufacturing, distribution and installation services of steel or metal roofing sheets under the trademark metal roofing sheets under the trademark of ROLLFORM which is certified by Thai industrial standard (TIS) 1128-2535 metal roofing sheets. With the company's commitment to research and development, the products have been designed to be

modern, colorful and affordable. The preferred base metal thickness (BMT) is available within the range of 0.30 – 0.55 mm.

2.5 ENEGATE (THAILAND) Company Limited

ENEGATE (THAILAND) Company Limited ("ENEGATE") is a joint venture company with register capital BTH 10 Million among SPCG Public Company Limited (30% shares), ENEGATE Co., Ltd. (60% shares) (sub-business of Kansai Electric Power Co., Inc. (KANSAI), and Thai Aichi Denki Co., Ltd. (10% shares) to manufacture High Voltage Electricity products such as High Voltage Cubicles under 33kV and Main Distribution Boards (MDBs) to be used in solar farms and other projects, and also develop Smart Grid Systems.

2.6 Solar Power Assets Company Limited

SPCG holds 100% shares of Solar Power Asset Co., Ltd. (SPA), it was incorporated on 4th of May, 2012 with a registered capital of THB 112.5 Million. It is the joint venture between SPCG Public Company Limited and Thonglor Home Office Co., Ltd. with other shareholders. SPA has 2 subsidiary companies, is AJ Technology Co., Ltd. and which has the Power Purchase Agreement to sell the Solar energy with the capacity of 3 MW, the other one is Tipayanarai Co., Ltd. which has the Power Purchase Agreement to sell the Solar energy with the capacity of 3 MW. Both companies are located in Lopburi Province. SPA has a plan to develop both of the solar farms to be completed the Commercial Operation Date (COD) within the 2nd Quarter of year 2013.

SPCG acquired the remaining shares of SPA from Thonglor Home Office Company Limited and other shareholders, Resulting SPCG holding shares in SPA 100 percent.

2.7 Solar Power Roof Company Limited

Solar Power Roof Company Limited (“SPR”) is registered on May 1, 2013 with register BTH 400 Million to be a leader in Solar Roof developer in

Thailand and ASEAN as well as the leading solar roof developer for residence, small building and medium-large building. SPCG holds 76% shares.

2.8 Overview of the Company business

Business structure and overview about affiliates of SPCG.

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

No.	Name of Solar Farm	Capacity under the PPA. (Mk)	The Province	registered Capital	The proportion of investment SPC	Agreement dated	COD
1	Solar Power (Korat 1) Co., Ltd.	5.88	Nakhon Ratchasima	280,000,000	65%	15 May 2009	21 April 2010
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	5.88	Sakon Nakhon	189,000,000	51%	19 Jun 2009	9 February 2011
3	Solar Power (Nakhon Phanom 1) Co., Ltd.	5.88	Nakhon Phanom	189,000,000	51%	18 Jun 2009	22 April 2011
4	Solar Power (Korat 2) Co., Ltd.	5.88	Nakhon Ratchasima	189,000,000	56. %	27 July 2009	13 August 2011
5	Solar Power (Loei 1) Co., Ltd.	5.88	Loei	189,000,000	56%	29 July 2009	15 August 2011
6	Solar Power (Khon Kean 1) Co., Ltd.	5.88	Khon Kaen	195,000,000	70%	28 July 2009	15 February 2012
7	Solar Power (Korat 3) Co., Ltd.	5.88	Nakhon Ratchasima	162,500,000	60%	8 Jan 2010	9 March 2012
8	Solar Power (Korat 4) Co., Ltd.	5.88	Nakhon Ratchasima	175,000,000	60%	8 Jan 2010	14 May 2012
9	Solar Power (Korat 7) Co., Ltd.	5.88	Nakhon Ratchasima	162,500,000	60%	8 Jan 2010	30 May 2012
10	Solar Power (Korat 5) Co., Ltd.4	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 January 2013
11	Solar Power (Korat 8) Co., Ltd.4	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 January 2013
12	Solar Power (Korat 9) Co., Ltd.4	5.88	Nakhon Ratchasima	160,000,000	100%	8 Jan 2010	16 January 2013

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

2.9 Revenue Structure

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

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

1.1 Revenue from investment and development of Solar power plants

1.2 Revenue from Engineering Procurement Construction (EPC) services

1.3 Revenue from Operation Maintenance and Monitoring (OMM) services

2.9.2 Revenue from Steel business is divided into 2 parts

2.1 Revenue from Sales

2.2 Revenue from Installation

2.9.3 Revenue from Solar power roof is divided into 2 parts

3.1 Revenue from Sales

3.2 Revenue from Installation

The Company's revenue structures for the year ended 31st December 2011, 2012 and 2013 are summarized as below;

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

	Company financial statement						Consolidated financial statement ***					
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31-Dec-11		31-Dec-12		31-Dec-13		31-Dec-11 **		31-Dec-12		31-Dec-13	
	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*
	-	-	-	-	-	-	312.7	53.3	809.7	63.5	2,063.3	82.4
	-	-	45.4	49.2	34.5	47.4	-	-	103.4	8.1	56.5	2.3
	-	-	-	-	-	-	-	-	-	-	6.6	0.3
	-	-	45.4	49.2	34.5	47.4	312.7	53.3	913.1	71.6	2,126.4	85.0
	175.9	52.9	2.3	2.5	0.1	0.1	138.3	23.6	191.6	15.0	200.9	8.0
	148.5	44.6	21.1	22.9	0.5	0.7	127.6	21.8	109.6	8.6	113.5	4.5
	324.4	97.5	23.4	25.4	0.6	0.8	265.9	45.4	301.2	23.6	314.4	12.5
	-	-	-	-	-	-	-	-	-	-	1.0	-
	-	-	-	-	-	-	-	-	-	-	31.1	1.2
	-	-	-	-	-	-	-	-	-	-	32.1	1.2
	8.2	2.5	23.4	25.4	37.7	51.8	7.7	1.3	61.1	4.8	31.8	1.3
	332.6	100.0	92.2	100.0	72.8	100.0	586.3	100.0	1,275.4	100.0	2,504.7	100.0

Remark: * Percentage of the total revenues

** The consolidated financial statement for the year ended 31 December 2011 included revenue from steel business after SPC was listed in the Stock Exchange through reverse takeover on 28 March 2011. However, such financial statement does not include the performance of steel business from 28 March 2011 to 31 March 2011 as the Company's management evaluated that such amount did not materiality to the consolidated financial statement.

*** Solar Power Company Limited was listed on the Stock Exchange of Thailand via Reverse Takeover on 28 March 2011 and has prepared the consolidated financial statement since the aforementioned date.

**** Revenue from Solar Power Roof Company Limited (SPR) which was established and just had revenue since 2013. Therefore, such amount was not significant to the Company's revenue structure yet.

2.10 Revenue structure of solar power plant business

The Company's revenue structures of the solar power plant business that was operated through SPC for the year ended 31st December 2011, 2012 and 2013 are summarized as below

Revenue structure		For the year ended		For the year ended		For the year ended	
		31-Dec-11		31-Dec-12		31-Dec-13	
		Amount (฿Million)	%*	Amount (฿Million)	%*	Amount (฿Million)	%*
Consolidated financial statement	1. Solar Power Company Limited (Korat1)	103.1	33.0	106.8	11.7	107.3	5.0
	2. Solar Power Company Limited (Sakonnakorn1)	86.1	27.5	101.1	11.1	103.4	4.9
	3. Solar Power Company Limited (Nakhonpranom1)	63.9	20.4	99.8	10.9	101.7	4.8
	4. Solar Power Company Limited (Korat2)	32.3	10.3	107.1	11.7	107.8	5.1
	5. Solar Power Company Limited (Loei1)	27.3	8.8	97.2	10.6	99.3	4.7
	6. Solar Power Company Limited (Khonkean1)	-	-	89.4	9.8	102.7	4.8
	7. Solar Power Company Limited (Korat3)	-	-	85.2	9.3	107.3	5.0
	8. Solar Power Company Limited (Korat4)	-	-	63.5	7.0	103.2	4.9
	9. Solar Power Company Limited (Korat7)	-	-	59.6	6.5	104.7	4.9
	10. Solar Power Company Limited (Korat5)	-	-	-	-	125.3	5.9
	11. Solar Power Company Limited (Korat8)	-	-	-	-	124.5	5.9
	12. Solar Power Company Limited (Korat9)	-	-	-	-	119.7	5.6
	13. Solar Power Company Limited (Khonkean3)	-	-	-	-	119.5	5.6
	14. Solar Power Company Limited (Khonkean4)	-	-	-	-	113.0	5.3
	15. Solar Power Company Limited (Khonkean5)	-	-	-	-	122.4	5.8
	16. Solar Power Company Limited (Khonkean8)	-	-	-	-	122.8	5.8
	17. Solar Power Company Limited (Korat6)	-	-	-	-	63.9	3.0
	18. Solar Power Company Limited (Burirum1)	-	-	-	-	64.5	3.0
	19. Solar Power Company Limited (Burirum2)	-	-	-	-	63.3	3.0
	20. Solar Power Company Limited (Khonkean2)	-	-	-	-	53.3	2.5
	21. Solar Power Company Limited (Khonkean7)	-	-	-	-	33.7	1.6
	Total revenue from sales of electricity	312.7	100.0	809.7	88.6	2,063.3	97.1
	Revenue from Engineering Procurement Construction ("EPC") ***	-	-	103.4	11.4	56.5	2.7
	Revenue from Operation, Maintenance and Monitoring ("OMM") **	-	-	-	-	6.6	0.2
Company financial statement - SPC ***	Total revenue from solar power plant business	312.7	100.0	913.1	100.0	2,126.4	100.0
	Revenue from Engineering Procurement Construction ("EPC")	603.2	-	1,551.2	-	2,632.4	-
	Revenue from Operation, Maintenance and Monitoring ("OMM")	27.9	-	72.0	-	169.3	-

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

** Revenue from EPC and OMM in the consolidated financial statement came from the services provided to AJ Technology Company Limited and Thipayay Narai Company Limited which were an associate companies. Therefore, such revenues are not eliminated and included in the consolidated financial statement.

*** EPC and OMM are provided to the affiliated companies of SPC. Therefore, the revenue from EPC and OMM does not include in the consolidated financial statement.

3 Risk Factors



SPCG Public Company Limited is currently operated in three major areas of businesses:

(1) A solar farm operates under SPC, SPA, and SPE which are the subsidiaries of the company separated into three business units:

- 1.1 Development and Investment of a Solar Farm.
- 1.2 Engineering, Procurement, and Construction Services for the Solar Farm Projects.
- 1.3 Operation, Maintenance, and Monitoring Services.

(2) Solar roof business under “Solar Power Roof Co., Ltd.”

(3) Steel business under “Steel and Solar roof Co., Ltd.”

3.1 RISKS of Solar Farm Business

3.1.1 Risks of Development and Investment of a Solar Farm

(1) Risk from Factor that causes of Future Project Delay

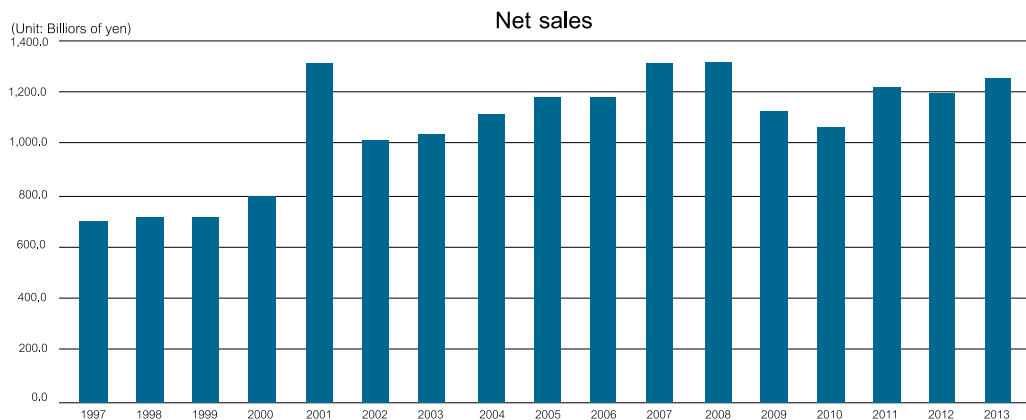
The core business of SPC and SPA, which are the SPCG’s subsidiaries, is to develop and invest in solar farm. SPC and SPA together have completely

signed on 36 of Power Purchase Agreement (PPA) for solar farm projects consisting of the project that has operated commercially (COD Dec 2013 = 23 projects), the remaining 13 project are undergoing, and during document preparation is underway. In case the delay in the commercial operation dates (COD), it may affect to revenue record of the solar farm to fall behind schedule of commencement of commercial operations under PPAs.

However, SPCG already extended COD date from PEA for all remaining 13 projects and able to COD within April 2014 and there is no negative effect to the company regarding to this extension.

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

Due to Solar Farm project, each of SPC and SPA’s projects is ordered solar PV panels from Kyocera Asia Pacific Pte., Ltd. (Kyocera) and inverters from SMA Solar Technology AG (SMA) only (except AJ Technology which is an affiliate of SPA has used solar panels of REC, Singapore.) SPC engaged in long-term procurement contract with the manufacturers and distributors of these two companies. The important details of the contract are shown in Part 1: Section 5



แหล่งที่มา : website ของบริษัท Kyocera Corporation <http://global.kyocera.com/ir/financial/data.htm>

Property for Business. In the event that Kyocera and SMA discontinue their operations, this will effect on the construction of each remaining Solar Farm project.

However, Kyocera Asia Pacific Pte., Ltd. is a subsidiary of Kyocera Corporation, Japan whose stocks are listed on the New York Stock Exchange and the Tokyo Stock Exchange with managing the multi-business corporation which is diversified the business. Moreover, Kyocera Corporation has been operating for over 50 years generating strong financial status which had a paid-up capital of 115,703million YEN and the total sales volume of 1,190,870 million YEN with robust turnover on 31 March 2012. In addition, PV Eye magazine in Japan based on the information of Bloomberg revealed that Kyocera was classified as the level of Safety Zone. To calculate financial ratios of its company according to the Altman Z-Score formula shows that the chance of Kyocera Corporation to discontinue its business or confront problems is slim. Therefore, Kyocera Corporation is considered as the most powerful partnership of SPCG. In case Kyocera is unable to manufacture and distribute solar panels to SPCG on schedule, the company can purchase from other manufacturers due to multiple manufacturers at present. In the event of that may cause of the project delay.

SMA, a major manufacturer and distributor of inverters, has been running its business for over 30 years. SMA stocks are listed on the Frankfurt Stock Exchange which has strong turnover. SMA had a paid-up capital of €34.7 million on 31 December 2012 and the total sales volume of €1,700 million in 2011. Furthermore, SMA has received awards from around the world since 2000 A.D. Consequently, there is a slight possibility that SMA will discontinue or encounter problems. SMA is also considered as the strongest partnership of SPCG.

Probability Ratio of Bankruptcy (Altman Z-score)

Definition of "Altman Z-Score"
A predictive model created by Edward Altman in the 1960s.
This model combines five different financial ratios to determine the likelihood of bankruptcy among companies.

	Red Zone	Risky Zone	Safety Zone
Suntech	0.2		
China Sunergy	0.5		
Hanwha SolarOne	0.5		
Yingli	0.5		
Neo Solar Power	0.6		
Sun Power	0.9		
Gintech	1.1		
Canadian Solar	1.1		
Sunways	1.2		
Jinko Solar	1.3		
JA Solar	1.3		
Trina	1.5		
Motech	1.6		
Sharp	1.7		
KYOCERA			4.0
	1.8	3.0	

Altman-Z score = $3.3 \times A + 0.99 \times B + 0.60 \times C + 1.2 \times D + 1.4 \times E$

A : EBIT / Total Assets

B : Net Sales / Total Assets

C : Market Value of Equity / Total Liabilities

D : Working Capital / Total Assets

E : Retained Earnings / Total Assets

Red Zone : Z score under 1.80

Risky Zone : Z score between 1.81 – 2.99

Safety Zone : Z score upper 3.00

(3) Risk from Exchange Rate Fluctuations

In the construction of Solar Farm, 60 percent of the capital budget has been managed to purchase solar panels and inverters imported from Kyocera, Japan and SMA, Germany respectively where payment must be made in their currencies. As a result, the company may be vulnerable to fluctuations in the exchange rates as it falls due which makes the cost of Solar Farm change from the set-up budget.

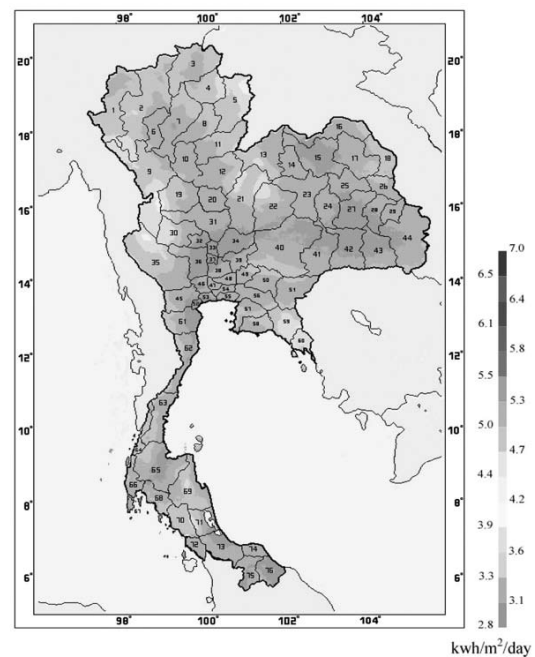
Nevertheless, the company has constantly studied the exchange rates and managed the risk by means of a FX Forward Contract and the right to exchange money through a financial instrument called FX Option in order to fully hedge fluctuations in the foreign exchange rates. The company will engage in a full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

(4) Risk from the Lower Intensity of Sunlight

As a solar farm's development and investment business depends considerably on the sunlight. In case the intensity of solar radiation is lower than average or there are more clouds in some years, these will affect the company's solar farm, as it will be unable to produce electricity at full capacity and may have an impact on the income from the sale of generating electricity.

Nonetheless, as Thailand lies near the equator, the intensity of solar radiation is high. Besides, the company has studied the intensity within each area based on data range to 10 years for the solar intensity by the National Aeronautics and Space Administration

(NASA) in order to ensure that the areas of company's solar farm have the high intensity of solar radiation.



(5) Risk from Natural Disasters.

Currently, the company's solar farm projects are comprised of the projects which are commercially operated and those that are under construction. Those as stated may have the effects of natural disasters such as floods, storms, thunderbolts etc. which may cause damage to the projects. This leads to higher construction and maintenance costs and also results in the company's profits.

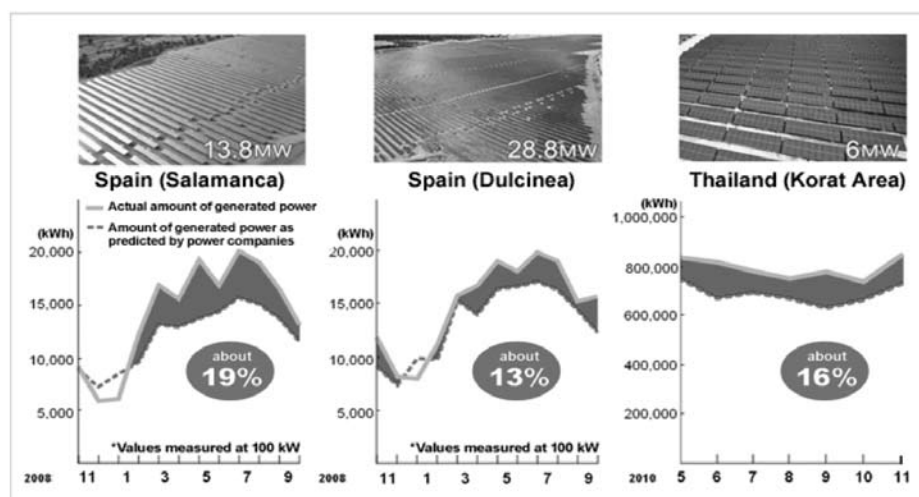
However, choosing lands for the solar farm projects, the company has studied the flood statistics in the areas developed solar farms for reducing flood risk. Moreover, this includes laying the foundation for solar panels by burying the 3 meter concrete poles in the ground which are durable according to the

engineering standards and these will withstand 80 km./hr. of wind loads. Plus, the company has the independent grounding system connected separately between the solar panels which will reduce damage from lightning. Additionally, the company has insured for All Risks insurance to all solar farms in which are under construction and the complete ones.

(6) Risk from the early Degradation of Solar Panels

The amount of electricity produced by solar farms depends on several factors. One of those factors resulting in the amount of electricity is the degradation of solar panels. If the degradation is earlier than usual, it may have the effect on the amount of electricity which is less generated and the income is less than expected.

Kyocera guarantees its solar panels for 25 years and offers a warranty of 12 years since the day of purchase that solar panels will generate not less than 90 percent of the efficiency of solar panels. In addition, solar panels will generate no less than 80 percent of the efficiency of solar panels within 25 years since the day of purchase. In case solar panels generate the electric power less than the guarantee, Kyocera will add extra solar panels in order to up the amount of generating electricity to the guarantee level, or replace solar panels, or give a refund under agreement between SPC and Kyocera. Furthermore, Kyocera has provided the information about solar farm model in Japan shown that solar panels of Kyocera in that solar farm model are able to generate up to 91.4 percent of the capacity of solar panels as well.



3.1.2 Risk from Engineering, Procurement, and Construction Services (EPC)

(1) Risk from Personnel Recruitment

In the future, SPCG will manage the Solar farm EPC business for customers outside its group operating under SPE which requires a large number of personnel. Furthermore, the solar farm construction period will last for 4-6 months. As a result, SPE has outsourced staff for the construction. There is a risk that SPE is unable to recruit enough staff if the projects of solar farms are being constructed simultaneously. This leads to the lost opportunity costs.

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

(2) Risk from un-controllable labor quality

SPC as a complete solar farm contractor of subsidiaries of SPC and SPA has hired local employees to construct the projects which need to use a lot of manpower. Each of SPC's project constructions will require up to 180 workers to be manpower in the constructions. As a result, the quality of labor is possibly unstable which leads to damages or delays in the solar farm construction and has the effect on cost of SPC.

SPC has appointed engineers and supervisors to oversee the projects. The engineers will give direction closely during the duration of the projects as well as

the company's supervisors will evaluate the operations again in order to ensure the quality of the constructions following the design standards of SPC.

3.1.3 Risk from Operation, Maintenance, and Monitoring Services (OMM)

(1) Risk from Monitoring System Failure

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

Notwithstanding, SPC has recorded 2 sources of monitoring data i.e. at each of solar farms' control centers and SPC office. Recording 2 sources reduces the risk of data loss in case of such error of a data system.

(2) Risk of the Accident during Maintenance

Due to maintenance and cleaning solar panels, SPC doesn't have personnel in charge of duties as states above particularly. On the contrary, the company has outsourced local labors that are not proficient instead. There is a chance of an accident causing the solar panel or important tool damages.

Nevertheless, SPC has held the training course and educated local labors before taking up work in order to understand their responsibilities. Moreover, the company's engineers are stationed at the project sites for supervision. As a result, those labors perform more efficiently and reduce accident risks. There hasn't been any accident under these operations yet.

3.2 RISKS from Solar roof business

3.2.1 Risk from industry competition

Solar roof business is becoming one of high competition business in the market due to supporting policy from ministry of energy on renewable energy which is including solar energy. Energy regulatory commission (ERC) an organization under ministry of energy already approve to buy electricity from solar rooftop in September 2013 and by the end of January 2014, there are total of 45 solar roof entrepreneurs which successfully passed criterions and successfully registered with ERC. Since solar roof business is becoming more popular in Thailand, as well as there is many solar roof manufacturers both local and import which lead to severe price competition. However, SPR's only use best quality solar panel and inverter which long track quality and safety record. Moreover, most of solar roof service provider is brand new to this market with very little experienced on solar energy business. Unlike SPCG's who is a leader solar farms developer as well as professional staff in terms of EPC, and OMM business with strategic partner of KYOCERA Inc., and RMA inverter. Hence, SPR can offer one-stop services to client from design, installation, after-sales services as well as co-operate with our financial partner to offer competitive payment plan to clients.

3.2.2 Risk from new product in the market

Solar roof is electricity generating system which is brand new in Thailand and only operated in Thailand since 2010 with all solar panel was installed on the ground and very little of them were installed on the rooftop. Hence, we need more time to educate consumers for good understanding of this business model that it is worth for long term investment as well

as it is safety enough to install solar panel on their roof.

However, aside Thailand solar rooftop system has been marketed for more than 30 years and has been well developed this technology and the efficient of this renewable energy also educated their people to understand more about the need of this clean, renewable energy. Moreover, SPR team is ready to educate all client with proven information on the efficient and safety of solar roof to expand this new business unit sustainably.

3.2.3 RISK from uncertainly of government regulations and policies

In 2012, Ministry of Energy has more concentrated and support on renewable energy by launching many supporting campaigns for Solar rooftop and Bio-energy (Ethanol from cassava, Bio-diesel from palm oil, and electricity from Napia grass). Especially for solar energy, ERC approved a strong support by buying electricity generating from solar rooftop from Sep 23-Oct 11, 2013. During this period there is overwhelmed interesting entrepreneurs more than expected and some of them unable to registered within the period.

Moreover, Solar rooftop also ineligible under restrictions of department of industrial works (DIW) for energy producer industrial license (Ror Ngor 4) which stated that any solar roof with production capacity more than 5HP or 3.7KWh is needed an industrial license from DIW before COD as well as some residential clients which located in green zone is also unable to retrieve any industrial license under restrictions of department of public works and town& country planning (DPT).

However, ERC and DIW acknowledged this restriction already and they are during consideration of approval period on waiver of energy producer industrial license (Ror Ngor 4) for residence with solar rooftop with production capacity under 10KWh which can unlock all residential clients to install solar rooftop without any restrictions from DIW and DPT.

3.3 RISKS From Steel Industry

3.3.1 Risk from Relying on a Leading Manufacturer for Raw Materials

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

BlueScope Steel is a major manufacturer of cold rolled steel sheet plated with zinc on aluminum that has invested to build factories in Thailand. Furthermore, BlueScope Steel is a subsidiary of BlueScope Steel Limited listed on the Australia Securities Exchange. SSR and BlueScope Steel have been business partners for over 10 years. Plus, SSR has consistently been well-supported by BlueScope Steel. Hence, the company believes that the risk of the business termination or discontinuing distribution of BlueScope Steel to SSR is low.

3.3.2 Risk from a Business Competitor Relating to BlueScope Steel

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

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

3.3.3 Risk from Fluctuations in the Price of Raw Materials

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

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

3.3.4 Risk from Hiring Subcontractors to Project Installation

SSR has no its own installation team for services, but it has hired subcontractors to install products in those projects. If SSR is unable to hire the subcontractors promptly and to control the installation quality or causes delay in the installation, these may cause a bad reputation and lose some customers.

In spite of the increasing sales and installations, SSR has a way to manage the project installations which is able to control the expenditure and the quality of projects through the key management factors as follows:

The Selection of Subcontractors: Generally, companies in the industry of roofing manufacturing and distribution have no their own installation teams, but they will hire subcontractors in an outside source which is easier to control the cost as they don't have to supply wages for full-time employees. SSR selects the subcontractors from both the company's clients who install the products and the companies who particularly engage in the roofing installation through

the consideration based on past performances yearly, the financial status, the quantity of workforce, the quality of work, and the potential of installation. Currently, SSR has the skilled subcontractors who have ability to install in the various size projects. Those have been working with SSR for over 5 years and over 20 of them have been passed the quality evaluation. Therefore, the company doesn't have to depend on a small number of subcontractors and never experiences the shortage of subcontractors or abandoning the projects.

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

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

3.3.5 Risk of Competition in Substitute Products

The main product of the company which is manufactured and distributed is waved metal sheets coated with zinc-aluminum used as materials for shingling roofs and walls. There is a variety of

substitute products in the market such as tiles and corrugated steel sheets coated with zinc etc. Those substitute products allow customers more choices. Besides, the company's products have a higher price compared with the price of tiles or corrugated steel sheets coated with zinc. If consumers are in favor of using other materials of roofs and walls instead of the company's products, this may cause the decline in SSR income in the future.

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

3.3.6 Risk on Giving Trade Credit

Generally, in the business transaction, SSR has accounts receivable as it distributes to domestic customers under payment terms which customers pay off the amount due within the agreement period. The debtor collection period is 50-65 days, therefore SSR is vulnerable to the accounts receivable who is unable to pay off the amount due within the collection period or a deferred payment period.

However, SSR has a collection policy through the progress of work. A partial payment must be made as the projects start. Next, the company collects the other part after the delivery. Afterwards, the payment will be made via the work progress. Then, the final amount of payment will be made once the work is completed. SSR always collects the debt gradually and is able to

manage the accounts receivable in the appropriate level which results in managing the cash flow from the operations to pay off the amount of due to the account payables on time.

3.3.7 Risk from the Operation of Factory

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

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

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

The company has realized and placed importance on the risk of manufacturing process which may have the effect on social and communities including the impact on the environment, safety, or the economic and social. The company tries to avoid

engaging in the activities which cause problems to social and the communities around them, for instance, any manufacturing processes that create loud noise and cause a disturbance in social and surrounding areas will be outsourced by SSR. Then, the complete products will be sent back to SSR. However, SSR has never had any complaints so far from the social and communities nearby.

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

3.4 Other RISKS

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

A group of majority shareholders of the company, namely, the Khunchornyakongs consisted of Miss Wandee Khunchornyakong, Mrs. Prakong Khunchornyakong, Mr. Somsak Khunchornyakong, Miss Sompong Khunchornyakong, Mrs. Ka-nokporn Khunchornyakong, and Mr. Jirakom Padumanon (collectively called “the Majority Shareholders”) who have collective intentions to cast the majority of votes in the same direction in order to control the voting rights or to supervise the business together. In addition, they hold the mutual relationship and behaviors in accordance with the Notification of Capital Market Supervisory Board TorChor 7/2552 Re: Acting in concert as a result of the nature of a relationship or behaviors. The majority shareholders hold 54.46 percent of the company’s total issued shares and they are the executives and directors who have signing

authority for the company’s budget. As a result, they are the authority who manages and nearly controls the crucial majority votes such as an appointment of director, or engaging in other matters requiring approval by the majority of the general meeting with the exception of laws and company’s regulations requiring three-fourth of the number of shareholders attending the meeting and having the voting rights. Therefore, the other shareholders who attend the meeting and have the voting rights may not gather the votes to counterbalance the management of the majority shareholder.

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

In addition, Kasikorn Bank Public Company Limited, Krungthai Bank Public Company Limited, other banks who provide financial support for the loan become the auditors of transaction in accordance with the business plan.


3.4.2 Risk from Exercise of Warrants

On 2 March 2012, the company issued 279,999,581 units of the warrants to purchase ordinary shares. The exercise period of such warrant is 3 years and the schedule to exercise the warrants is on 2 March 2015 in the exercise ratio: 1 unit of warrant has the right to purchase 1 new ordinary share at the value of Baht 1 per share. In case all warrant holders exercise the rights to purchase the new ordinary shares, this may have the effect on Diluted Earnings Per Share (Diluted EPS) causing a share of profits declined 33.33 percent.

3.4.3 Risk of the Loan for developing the Solar Farms

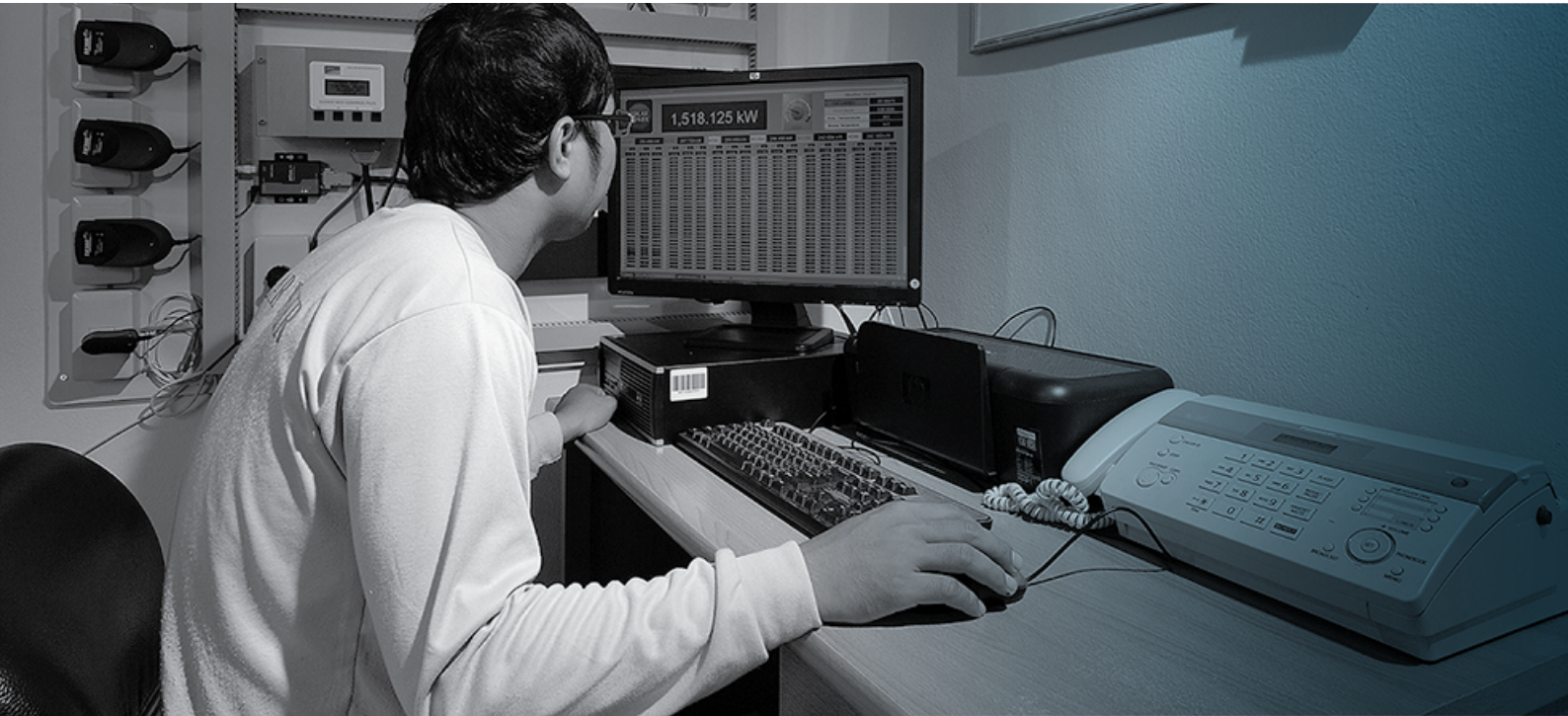
The company and its subsidiaries have the total loan of THB 8,171.38 million which is the revolving loan of THB 1,926 million. In order that the company has pledged its property, the subsidiaries' inverters, and shares of the company's group as part of a guarantee. Additionally, there is a collateral damage between its

subsidiaries under terms of financial institutions which offer floating rate loan mainly so that the effective interest rate is at 1.50-9.97 percent which is different according to type of loans and each loan agreements. In accordance with term of payment, the company has to pay off the capital on a monthly basis and to pay off the interest on a quarterly basis. Consequently, the company is vulnerable to the cash management to correspond with the obligation to repay the loan and interest. Notwithstanding, the stipulation for payment is clear, so the company is able to plan ahead and has a cash flow which is from an income on the sales of electricity that can be expected. As a result, the company has been able to manage liquidity. Plus, the investment type in solar farms is to only invest in the beginning. After the commercial operation, there are merely the maintenance and management expenses. Hence, the company and its subsidiaries are able to use the cash flow to repay the loan and interest as it has planned.

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

4

Capital Information and List of Shareholders



4.1 Registered capital and Paid-Up Capital

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

(1) Currently, SPCG has a registered capital of THB 840,000,000 which is 840,000,000 shares of common stock at the par value of THB 1 per share. SPCG has paid-up capital of THB 839,991,048.

(2) Share Transfer Restriction

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

4.2 The Shareholders of the company

4.2.1 List of Shareholders of SPCG

Here is a list of the first 10 shareholders of the company regarding the latest book closure date on 11 March 2014 as follows:

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1.	<u>The KHUNCHORNYAKONG consist of</u>	<u>456,625,050</u>	<u>54.36</u>
	Miss Wandee Khunchornyakong	395,200,050	
	Mrs. Prakhong Khunchornyakong	32,400,000	
	Miss Sompong Khunchornyakong	13,500,000	
	Mr. Somsak Khunchornyakong	13,500,000	
	Mrs. Kanokporn Khunchornyakong	2,025,000	
2.	<u>Thai NVDR Company Limited</u>	<u>64,185,350</u>	<u>7.64</u>
3.	<u>The EAK-UDOMSIN consist of</u>	<u>14,010,000</u>	<u>1.67</u>
	Mr. Cha-Reon Eak-Udomsin	7,350,000	
	Mr. Wichai Eak-Udomsin	6,660,000	
4.	<u>Mr. Withoon Manonaiikul</u>	<u>19,478,300</u>	<u>2.32</u>
5.	<u>KYOCERA CORPORATION</u>	<u>13,500,000</u>	<u>1.61</u>
6.	<u>The PARNELL consist of</u>	<u>9,081,760</u>	<u>1.08</u>
	Mr. Kevin Gerald Parnell	4,331,760	
	MR. Anthony David Parnell	4,750,000	
7.	<u>The SETHIWAN consist of</u>	<u>9,015,900</u>	<u>1.07</u>
	Mr. Suchart Sethiwan	5,276,900	
	Mr. Pongchai Sethiwan	2,233,500	
	Mr. Ponthepp Sethiwan	1,505,500	
8.	<u>Open-End Fund: MFC Energy Fund</u>	<u>7,304,300</u>	<u>0.87</u>
9.	<u>Mr. Bat Guan Teo</u>	<u>5,060,050</u>	<u>0.60</u>
10.	<u>Mrs. Salim Thanashevit</u>	<u>3,878,900</u>	<u>0.46</u>
Total		602,139,610	71.68

Remark ¹ Ref: A List of shareholders on 11 March 2014 of the book closure date
by Thailand Securities Depository Company Limited (TSD)

4.2.2 shareholders' agreement

The majority shareholders consisted of Miss Wandee Khunchornyakong, Mr. Somsak Khunchornyakong, Miss Sompong Khunchornyakong, Mrs. Kanokporn Khunchornyakong, and Mr. Jirakom Padumanon (holding 1,500,000 shares of the company or 0.18 percent) intended to exercise their rights to vote identically in order to control the voting right or supervise the business mutually. Moreover, they hold the mutual relationship and behavior regarding the Notification of Capital Market Supervisory Board TorChor 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements and the provision of Section 246 and Section 247 of the Securities and Exchange Act B.E.2535 (as amended). The shareholder mentioned above hold 54.46 percent of total shares subscribed on 11 March 2014, the majority shareholders are the directors and the board who have signing authority of the company.

4.3 Dividend Policy

The company has set the dividend policy to pay dividend to shareholders not less than 40 percent of net profit of the separate financial statement after legal reserve in compliance with the company

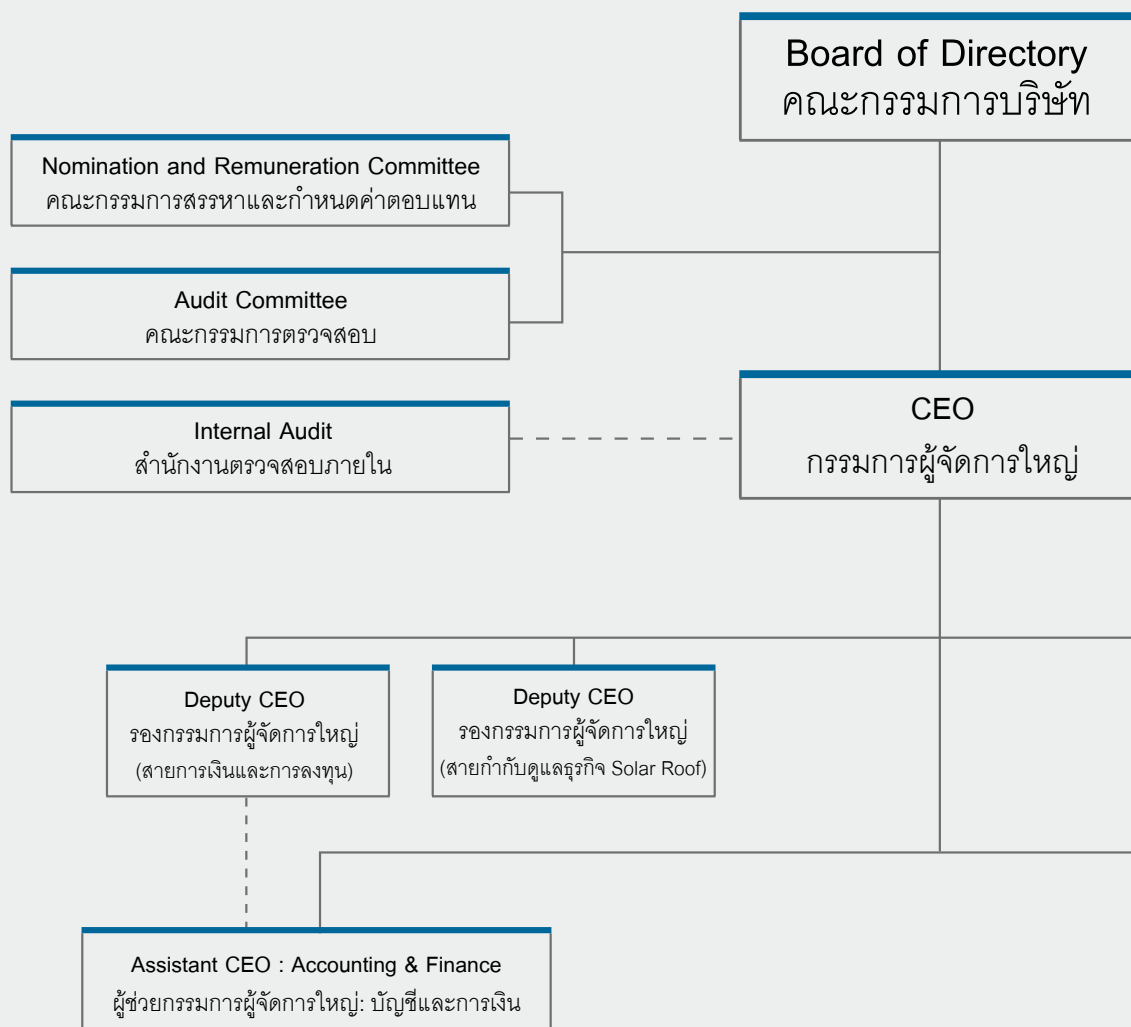
regulations and laws, if for no other reason and such dividend payment shall have no impact on the normal operations of the business significantly concerning the board's consideration. Moreover, such operations will create the maximum benefit to the shareholders. The board resolution considering such payment must be presented for approval from the general meeting unless such payment is an interim dividend which the board of directors has the authority to approve and report this issue on the next general meeting.

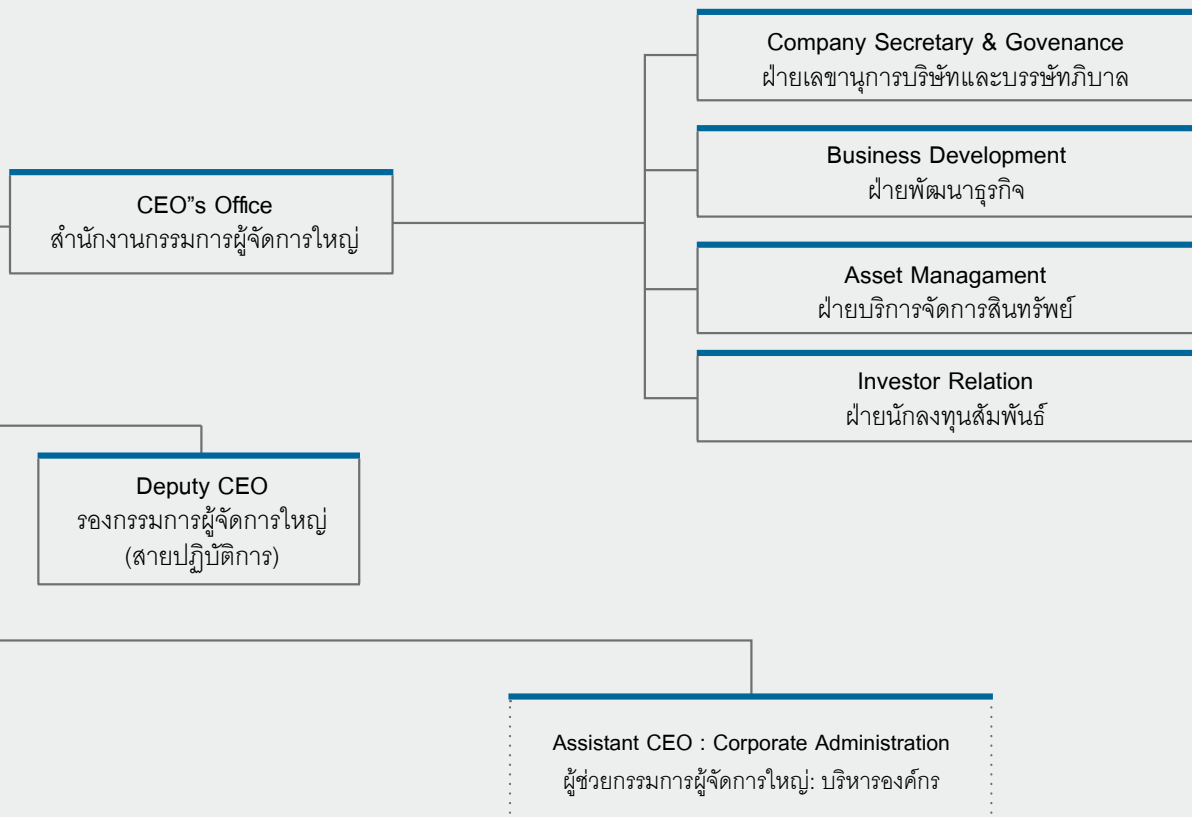
SPCG and SPCG's subsidiaries has set the dividend policy to pay dividend to shareholders regarding net profit of the separate financial statement after legal reserve in compliance with the company regulations and laws, if for no other reason and such dividend payment shall have no impact on the normal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

5 Management Structure

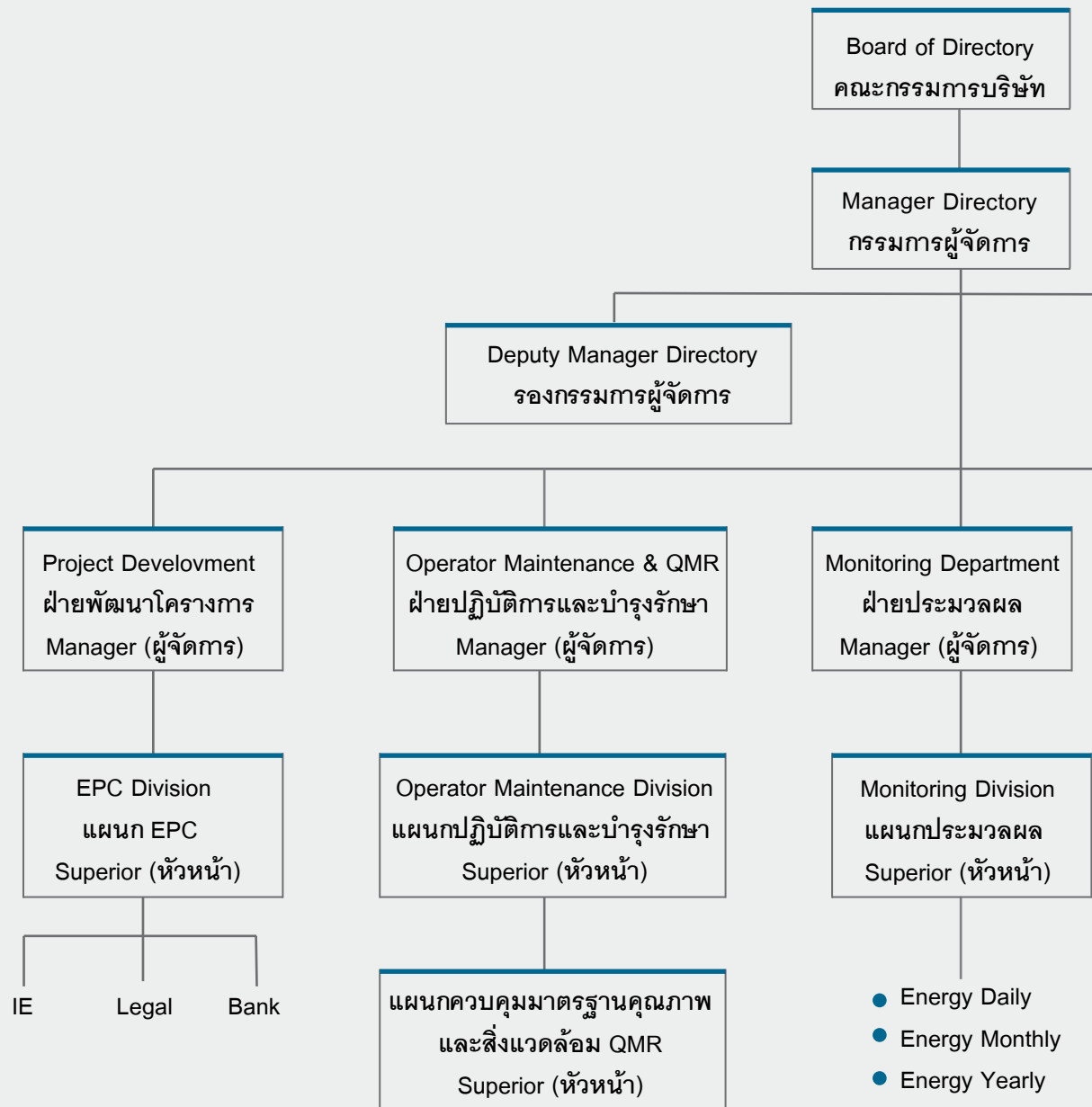
5.1 Organization Chart

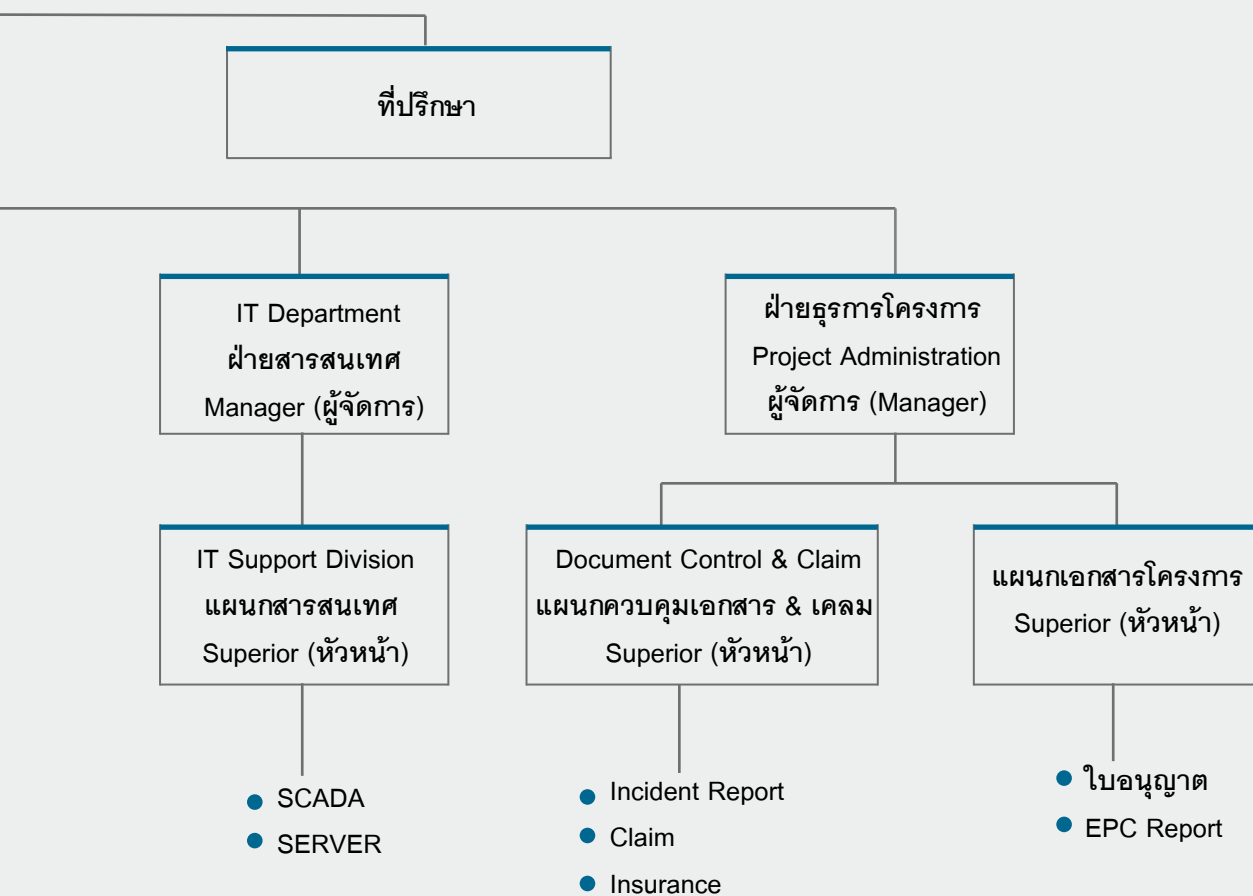
(1) SPCG Public Company Limited





(2) Solar Power Company Limited (SPC)





5.2 Management Structure

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

5.2.1 Board of Directors

As at 31 December 2013 The Company has the total of 9 Directors as listed below :

No.	Name	Position
1.	Miss Wandee Khunchornyakong	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Kevin Gerald Parnell	Director
4.	Mr. Jirakom Padumanon	Director
5.	Mr. Withoon Manomaikul	Director
6.	Miss Omsin Siri*	Director
7.	Mr. Kiatichai Pongpanich	Chairman of the Audit Committee and Independent Director
8.	Mr. Wanchai Lawatanatrakul	Independent Director
9.	Asst. Prof. Dr. Siripong Preuthipan	Independent Director

Remark * Miss Omsin Siri had resigned on 7 February 2014.

Company's authorized directors are as follows:

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

Authority and Responsibility of the Board of Director

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

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

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

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

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

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

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

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

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

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

No.	Name	Position
1.	Miss Wandee Khunchornyakong	Chairperson
2.	Mr. Somsak Khunchornyakong	Managing Director
3.	Mr. Kevin Gerald Parnell	Director

5.2.2 Audit Committee

As at 31 December 2013, The Company's Audit Committee consisted of 3 independent directors:

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

Note *Knowledgeable in accounting and/or finance

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

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

Scope of Authority and Responsibilities of Audit Committee

The audit committee has the following authority and responsibilities

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

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

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

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

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

6.4. Opinion regarding the appropriateness of auditors.

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

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

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

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

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

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

5.2.3 Recruitment and Remuneration Committee

As at 31 December 2013 The Company has 3 remuneration committee members, which are as follow:

No.	Name	Position
1	Mr. Wanchai Lawatanatrakul	Chairman of Recruitment and Remuneration Committee
2	Miss Wandee Khunchornyakong	Recruitment and Remuneration Committee
3	Mr. Somsak Khunchornyakong	Recruitment and Remuneration Committee

Scope of duties and responsibilities of recruitment and remuneration committee

The recruitment and remuneration committee has the following authorities:

1. Select and recruit individual that is suitable to be propose to the director with principles and transparent by which the individual that was proposed must have knowledge, competence, independence, perform director's duties with carefulness, faithfulness, able to fully dedicate their time, have appropriate age, healthy and perfect mind, able to attend directors' meeting regularly and prepare oneself beforehand. This is also to consider from other name list that shareholders suggested (if have).

2. Prepare in advance the name list of suitable individuals to be directors and/or in the case where there's vacant in the director or chief executive officer position.

3. Asking for opinions from Board of Director and/or other committees to include in the consideration of recruiting before propose to the committee or shareholders meeting depends upon case to consider and appoint.

4. Perform any other tasks that the committee assign that is related to recruitment of directors.

5. Evaluate performance of committee, subcommittee and chief executive officer according to the operating performance of each year.

6. Consider remuneration for committee and subcommittee, which also includes monthly allowance, meeting allowance, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable then propose to the shareholders meeting for approval.

7. Consider remuneration for the chief executive officer which includes wages, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable.

8. Reconsider remuneration for committee, subcommittee, chief executive officer by considering from performance and Company's operating performance as well as regulations in industry and top listed companies in Stock Exchange of Thailand and scope of responsibilities.

9. Perform any other action that is assign by the committee.

5.2.4 Company Secretary

To be in comply with The Securities and Exchange Act B.E. 2535 (amendment) the Board of directors' meeting no. 15/2012 on 9 October 2012 has the resolution to appoint Ms. Prapatsorn Kuntawong as Company secretary, commencing on 1 October 2012 onwards to be responsible and conduct the following:

1. Compile and store following documents

1.1. Directors; registration

1.2. Board meeting notices and minutes, committee's meeting and annual minutes

1.3. Shareholders' meeting notices and minutes

1.4. Company's documents that are related

2. Keep the report on interest reported by Directors or the Executive

3. Perform on other tasks assigned by the Securities and Exchange Commission announcement

5.2.5 Executives

Company's Executives for the year 2013 consisted of 7 persons which are as follow

No.	Name	Position
1.	Miss Wandee Khunchornyakong	Chief executive officer
2.	Mr. Somsak Khunchornyakong	Deputy Chief executive officer
3.	Miss Omsin Siri *	Deputy Chief executive officer
4.	Mr.Prachitpol Himathongkam	Deputy Chief executive officer
5.	Miss Busaraporn Chanchucherd	Deputy Chief executive officer
6.	Mr.Chaiwat Tungsuwanpanit	Deputy Chief executive officer Accounting and Finance (Act for)
7.	Mr. Pornchai Pornniwattanachai **	Deputy Chief executive officer Technology

Remark: *Miss Omsin Siri resigned on 7 February 2014

**Mr. Pornchai Pornniwattanachai resigned on 30 May 2013

Scope of duties and responsibilities of the Chief executive officer

Chief executive officer has the following authorities and responsibilities

1. Manage Company business and daily operation and administration in accordance with the business policies, plan and strategies that the Board of Director approved.

2. Has the authority to approve in doing any transaction in Company's general business operating including compile proposal in entering into procurement contract, with the amount of not more than 50 million baht for each transaction or in accordance with the authorization regulations which the Board of Director had set periodically.

3. Assign duties and responsibilities in Company's managing and operating to the management team and company's staff in line with the organization structure that the Board of Director had approved; to conform to the Company's laws and regulations.

4. Has the authorities to authorized a substituted agent and/or assigne other individual to perform one or many tasks instead of the Chief Executive under the scope of authorities that the Chief Executive was assigned to and in accordance with the regulations and laws. In authorizing a substituted agent, must be in accordance with the Company's laws and regulations, order or resolution of the Board of Director and/or what the Company had specified.

5. Have the authority to hire, appoint, transfer, lay-off and set salary for employees that are lower than the executives position, along with appoint employer representative in the Company's provident fund committee

6. Has the authority to instruct on the regulations, announcement and records regarding employees operations to be in accordance with the company's policies and to protect the company's interest as well as maintain discipline within the organization.

7. Perform duties on matters assigned by the Board of Director.

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

5.3 Recruitment for Directors and Executives

5.3.1 Recruiting Board of Director

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

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

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

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

5.3.2 Recruiting Audit Committee that are Independent

The recruitment and remuneration committee is responsible for recruiting audit committee, by which all the audit committee members must be independent director. The qualifications are being indepenence in accordance to the Securities and Exchange Commission and the Company's governance principles; at least 1 audit committee must have knowledge in accounting and/or finance to audit and governance company's operations, including overseeing financial report, internal control recruiting auditors and examine conflict of interest.

5.4 Executive Remuneration

5.4.1 Monetary Remuneration

Director Remuneration

The Board of Director remunerations are in the form of meeting allowance, travel expenses and monthly director

Unit:THB

Name	Monthly Allowance*	Meeting allowance	total
Miss Wandee Khunchornyakong	-	160,000	160,000
Mr. Somsak Khunchornyakong	-	105,000	105,000
Miss Omsin Siri**	-	75,000	75,000
Mr. Withoon Manomaikul	240,000	120,000	360,000
Mr. Kevin Gerald Parnell	240,000	75,000	315,000
Mr. Jirakom Padumanon	240,000	120,000	360,000
Mr. Kiaticchai Pongpanich	660,000	240,000	900,000
Asst.Prof.Dr.Siripong Preutthipan	600,000	180,000	780,000
Mr. Wanchai Lawatanatrakul	600,000	270,000	870,000
Mr.Prasit Ounvorawong***	20,000	-	20,000
total	2,600,000	2,020,000	3,945,000

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

** 2. Miss Omsin Siri resigned on 7 February 2014

*** 3. Mr.Prasit Ounvorawong resigned on 11 February 2013

In the year 2013, there are changes in the Board of Director to suit with the changes in company's structure, the details of changes in the Company's committee are as follow:

Name	Position	Resigned Date	Inauguration Date
Mr. Prasit Ounvorawong	Director	11 February 2013	2 May 1995
Miss Omsin Siri	Director	7 February 2014	7 June 2013

In the Company's annual ordinary shareholders meeting for the year 2013 on 25 April 2013, the resolution was to propose to the shareholders' meeting to approve the remuneration for each directors committee, the details are as follow:

Board of Director

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

	Directors' Monthly Allowance (Only for Non Executive Director)	Meeting Allowance (Only for Director who attend the meeting)
Chairperson	35,000 THB per Month	20,000 THB per Meeting
Director	20,000 THB per Month	15,000 THB per Meeting

Audit Committee

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

	Directors' Monthly Allowance	Meeting Allowance (Only for Director who attend the meeting)
Chairman of Audit Committee	35,000 THB per Month	20,000 THB per Meeting
Audit Committee	30,000 THB per Month	15,000 THB per Meeting

Recruitment and Remuneration Committee

Remuneration for recruitment committee consist of only meeting allowance, with details as follow:

	Directors' Monthly Allowance (Only for Non Executive Director)	Meeting Allowance (Only for Director who attend the meeting)
Chairman of Remuneration Committee	None	20,000 THB per Meeting
Remuneration Committee	None	15,000 THB per Meeting

Directors Bonus

Directors Bonus have the detail as follow:

Position	Bonus
Chairperson of the Board and Chairman of Audit Committee	With the maximum rate of not over than 1,200,000 THB
Executive Director and Managing Director	With the maximum rate of not over than 1,000,000 THB
Director and Audit Committee	With the maximum rate of not over than 800,000 THB

Bonus will not exceed 2% of the Company annual net profit and the remuneration committee is responsible for setting principles and allocate the mentioned bonuses.

SPCG put a halt in paying bonus to the committee for operating performance in the year 2013, ended on 31 December 2013.

Executives Remuneration

In the year 2013 the Company has a total of 6 executives, however, as at 31 December 2013, the Company has 5 Executives left (as the result from resignation of Mr. Pornchai Pornniwatchai on 30 May 2013). Therefore, the Company's executive remuneration in 2012 and 2013 are at the total of 6.1 million baht and 14.46 million baht respectively.

5.4.2 Other Remuneration

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

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

5.4.3 Category 1: Shareholder Rights

The Company specified its corporate governance policy by taking into account of shareholders rights in order to build confidence and ensure that all shareholders receive fundamental rights which are; purchasing, selling and transferring of shares, receive dividends from the company, receive efficient company's information, attend shareholder meetings, the ability to freely express their opinions at the shareholder meeting and

participate in the company's significant decision making. Regardless, every shareholder has voting rights according to the number of shares held, one vote per share. The shareholder meetings operate as follows;

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

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

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

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

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

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

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

5.4.4 Category 2: Equal treatment for all shareholders

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

1. Give shareholders the right to request for more meetings and nominate candidates to sit in the director position in the annual ordinary shareholders meeting before the shareholder meeting notice is distributed. The process and deadline of which must be reported in the Stock Market's news system.

2. Conduct the shareholder meeting according to the order that are stated in the shareholder meeting notice (without changing items) while also prohibiting the adding of items other than what is reporting in the shareholder meeting notice.

3. Present information regarding independent directors as an option for shareholders to authorize proxy/ representative and support the use of proxy forms that can determine voting direction.

4. Arrange ballot cards for each item so that shareholders can use in voting, especially for shareholder who votes against or refuse to vote. This will enable shareholders to freely vote on each item and able to check the details at the end of the meeting

5. Give shareholders the opportunities to vote for directors individually.

6. Set guidelines to maintain Company's confidential information in the Company's business ethics as a guidelines for directors, executives and employees in the organization to follow, in order to protect the Company.

7. Set guidelines for company directors, executives and personals on conflict of interest matters. Such guidelines should be in the company's business ethics, in order to protect the company's best interest.

5.4.5 Category 3 The Roles of Stakeholders

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

1. The company divides stakeholders into groups, which are; major shareholders, minor shareholders and investors, institutions, creditors, customers, trading partners and subsidiaries/ joint venture, communities and societies. In each of the groups the company must establish communication channel and response adequately to the need from the Company for each group.

2. Towards its customers and partners, the company sets prices at a reasonable rate and operates its business appropriately and neutrally, but setting the company's interest as priority and not exploit its business partners unnecessarily.

3. Towards its employees and personals, the company takes into account their welfare and not take advantage in employment contract. Set appropriate remuneration suitable with the skills to encourage work incentives. Offer training, and good environment by setting up safety standards, build work discipline and receive thorough care.

4. The company has social responsibilities, supports, assist and establish community and society benefits as a whole. Framework in conserving the environment and safety, especially environmental effects caused by the Company business. The Company also has compensation plan for accident and sustainably solving plan. This is to reciprocate to the public for considering the Company as being one with the society in environment area.

5.4.6 Category 4: Disclosure of Information and Transparency

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

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

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

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

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

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

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

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

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

5.4.7 Category 5: Directors Responsibilities

1. Committee Structure

The Company's Board of Directors consist of knowledgeable individuals who are the key players in setting company policies. Together with executive officers, who are responsible for the planning and execution of the Company's long and short term operations as well as financial policies, risk management and the overall image of the Company. Additionally they play a crucial role on the governance and evaluating the Company's operating performance as well as to freely evaluate the executive officers performance to be inline with the plan that was set freely. Currently there are 9 members of board of director, 6 of which are executive directors and the other 3 are

independent directors that are not executive and with no relations to major shareholders and is not a director or executives of the major shareholder or not the executive or representatives of shareholders or major shareholders.

2. Sub-Committees

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

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

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

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

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

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

(5) Does not hold any other quality that restrict from giving opinion freely regarding company operations. All in all, the Audit Committee is responsible for reviewing the financial statements are correct and disclose information sufficiently by coordinating with external auditors and relevant executives as well as review the Company's internal control, internal audit and Risk-Management to be concise, appropriate and effective. BK IC & AC is the Company's, the Company's internal auditor who reports directly to the audit committee.

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

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

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

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

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

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

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

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

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

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

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

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

4. Board of Directors Meeting

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

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

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

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

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

In 2013, the board of director and sub-committees that the board of director had appointed held meetings that are appropriate with nature of business and tasks that were assigned.

1. The Board of Director has 9 meetings
2. Audit Committee has 6 meetings
3. Recruitment and Remuneration Committee has 3 meetings

5. Remuneration

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

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

6. Development of Directors and Executive

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

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

7. Committee Self-Assessment

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

8. Board of Directors Selection Criteria

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

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

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

- 1 Experience
- 2 Education
- 3 Integrity
- 4 Overview understanding the of this type of industry

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

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

5.5 Governance in using Internal Information

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

1. The Company categorize stakeholders into groups, i.e. minor shareholders, major shareholders and investors, institution, account payable, customers, associates and subsidiaries/ joint venture and community

and society; for the purpose that in each aforementioned group the Company must arrange communication channel and meet the Company's requirement sufficiently.

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

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

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

5. The Company provides knowledge and understanding to directors and executives regarding tasks on reporting company assets relevant punishments in accordance with the Public Limited Company's Act B.E.2535 (with additional amendments) and the Securities and Exchange Act B.E.2535 (with additional amendments). The duties on reporting on stakes by the directors and executives and prohibitions on using significant internal information for the buying and selling of shares. As well as punishments according to the Public Limited Company Act.

6. The executives and Company's staff must sign their name in the contract to keep information as confidential, to prevent executives and staff that can access significant information from using such information as personal gain and may cause damage to the Company.

5.6 Personnel

5.6.1 Personnel

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

Number of employees at	SPCG	SPC	SSR	SPR	Total
December 31,2011	23	36	59	-	118
December 31,2012	32	25	84	-	141
December 31,2013	45	15	86	19	165

Source: PGD. 51st of each company.

As of December 31, 2013 employees of the Company And subsidiaries Received compensation from the company. A total number of 165 persons The details are as follows.

Unit : Person

The main work	SPCG	SPC	SSR	SPR	Total
Executive	4	2	3	2	11
HR	6	0	5	0	11
Account	18	0	8	0	26
Office Staff	17	11	2	0	30
Production & maintenance	0	0	34	0	34
Sale & Marketing	0	0	10	12	22
Engineering	0	0	21	2	23
IT	0	2	1	1	4
Quality	0	0	2	2	4
Total	45	15	86	19	165

Source: Registration employees.

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

5.6.2 employees compensation

The Company has paid total compensation of employees in terms of salary, commission, bonus, allowances, overtime premiums for social insurance contributions, capital amongst the substitutes. Fund and other benefits. During the year ended December 31, 2013 total of 72.0 million baht.

5.6.3 Policies in the training and development of employees.

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

Company employees are selected through a recruitment agency. By considering Branch graduated Study experience, The Company has a policy to your supervisor regularly evaluates new employees during the probationary period. To ensure that company. Procedures for effective staff to become part of the success of the company.

The Company has a policy to encourage employees to promote learning tasks such as accounting and finance personnel to train on the new accounting standard. The employees within both the trainers and trainers from outside hire.

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

6 Internal Control



6.1 Internal Control Policies

The Company places importance in organizing good internal control system, which is in accordance to the good corporate governance principle. That is to say performance in duties, transparency, fairness, reliable and checks and balances that are accountability which leads to the highest benefit of shareholders, employees and any related parties.

At present there is no internal audit sector, though the Company had hired BK IA&IC Co., Ltd. as the internal audit and to study and give advises in designing internal control system and internal audit, compile internal audit schedule as well as test the system. BK IA&IC Co., Ltd. will report directly to the Audit Committee for efficiency development and improvement. This also includes following up and evaluate the result of modification of the system according to the Audit Committee suggestions.

The Board of Director Evaluate internal control system by asking questions from the management

team and the Company's Independence auditors from BK IA&IC about the sufficiency of the Company's internal control system. Which consisted of 5 sections:

- 1) The Organization and Environment
- 2) Risk Management
- 3) Management Performance control
- 4) Information System and Data Communications
- 5) Tracking System

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

In 2013 BK IA&IC proposed plan to examine performance which are as follows:

1. Control of Inventory and Fixed Assets
2. Control of selling goods system, setting and return goods
3. Control and Record
4. Follow up with the issues that were proposed for adjustment from auditing and consider decreases in value or impairment of assets.

6.2 Roles of Audit Committee With Internal Control

The Audit Committee of SPCG Public Company Limited comprised of 3 independent directors, for the meeting No. 1-6/2012, namely, Mr. Kiatchai Pongpanich as the Chairman of the Audit Committee, Dr. Art-Ong Na Ayudhya and Asst. Prof. Dr. Siripong Preutthipan as member of the audit committee. For the meeting number 7-3/2012 change from Dr. Art-Ong Jumsai Na Ayudhya to Mr. Wanchai Lawatanatrakul. Each committee are skilled professional with experienced in accounting, finance, organization management and development of solar farm project.

The Audit Committee act in accordance with the roles and responsibilities that were assigned by the Board of Director. There are 6 Audit Committee Meetings altogether. The detail of the meeting attendance that each audit committee attend are as follows:

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

Reviewed Financial Report The Audit Committee and the Auditors had reviewed quarterly financial statements and annual financial statements for the year 2013. It was found that the Company and its subsidiaries financial report are correct, appropriate and in accordance with the generally accepted accounting standard. Accounting data and financial statements are accurate and reliable, disclosed financial report sufficiently, completely and in time with the Securities and Exchange Commission and the Stock Exchange of Thailand had set.

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

	Name-Lastname	Position	No. Of Times
1	Mr. Kiatchai Pongpanich	Independence Director and Chairman of the audit committee	6
2	Mr. Wanchai Lawatanatrakul	Independence Director and Audit Committee Member	6
3	Asst. Prof. Dr. Siripong Preutthipan	Independence Director and Audit Committee Member	5

Reviewed Internal Control System The Audit Committee had reviewed the sufficiency of the Company and its Subsidiaries internal control system for the year 2013. By considering from internal audits and auditors' reports. The Audit Committee had opinion that internal control system are sufficient and appropriate, operating of management team were conform to the policies and power to approve that are specified.

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

Internal Audit Governance: The Audit Committee had reviewed and considered the independence of internal auditors, work scope, annual audit plan, examine results of audit report and to follow up the results of the audit report amendment on the significant issues.

Reviewed and Selected Auditors and Determine Remuneration The Audit Committee had reviewed and selected auditors for the year 2013, by considering from knowledge in business, experienced, and represent international standard including suitable for remuneration. The audit committee had come to conclusion to propose to the Board of Director for approval from the major shareholders' meeting for the year 2013 to appoint PricewaterhouseCoopers ABAS Limited (PWC) as the Company's auditor for the year 2013. The list of the Auditors are as follow:

6.3 SPCG Public Company Limited and Subsidiary Companies

BK IA&IC reported results of internal control on 31 December 2013 to the Audit Committee to review previous performance. Conclusion on the main issues are as follows:

Overview results of internal control for the year 2013, shows that internal control is appropriate and sufficient. Most of the issues that were found are the results of error which have no significant impact and had notify the individual who are responsible to correct the error or has suggests appropriate guidelines. Most of the issued that was inspected has been solve or in the process of solving.

7 Related Transactions



SPCG and subsidiaries had the significant business transactions with the related companies and related parties. The company has disclosed the related transactions of SPCG and its subsidiary companies regarding to the consolidated financial statement ending on December 31st, 2013. The audit committee has approved and advised about necessity and reasonability of the related transaction of SPC, SPE and SPCG of 2013 with the following details:

Related Company	: JPEN Company Limited (“JPEN”)
Related person & details	: Mr. Jirakom Padumanon - Director and shareholder of SPCG holding 0.2% of SPCG's total shares - Shareholder of JPEN holding 10% of JPEN's total shares - Mrs. Piyarat Suksombat (related person of Mr. Jirakom Padumanon) holds 70% of JPEN's total shares

1. Description of the Related : Construction Cost
Transactions

Originate from the construction list of 7-34 Solar Farms: Korat 3 (KR3), Korat 4 (KR4), Korat 7 (KR7), Korat 8 (KR8), Korat 5 (KR5), Khon Kaen 3 (KK3), Khon Kaen 4 (KK4), Khon Kaen 5 (KK5), Korat 9 (KR9), Khon Kaen 8 (KK8), Korat 6 (KR6), Bureerum 1 (BR1), Bureerum 2 (BR2), Khon Kaen 2 (KK2), Nakorn Phanom 2 (NP2), Khon Kaen 7 (KK7), Udon Thani 1 (UD1), Nong Kai 1 (NK1), Bureerum 3 (BR3), Sakon Nakorn 2 (SN2), Surin 3 (SR3), Nakorn Phanom 3 (NP3), Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Khon Kaen 6 (KK6), Loei 2 (LO2), Surin 1 (SR1), Surin 2 (SR2), A.J. Technology (AJ) and Tipayanarai (TP) Projects, and expansion project of 1-9 solar farms; Korat 1 (KR1), Sakon Nakorn 1 (SN1), Nakorn Phanom 1 (NP1), Korat 2 (KR2), Loei 1 (LO1), Khon Kean 1 (KK1), Korat 3 (KR3), Korat 4 (KR4) and Korat 7 (KR)

Transaction Value : Baht 1,514.27 Million

Transaction Date : Most of the transactions have been continuingly since the year 2012 after approved by the Audit Committee meeting. All purchase orders have been issued after being approved by CEO and the Audit Committee Meeting No.3/2013, held on June 7, 2013. (Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Khon Kaen 6 (KK6) and Loei 2 (LO2)) and No.4/2013, held on August 13, 2013. (Surin 1 (SR1) and Surin 2 (SR2)) Purchasing order which have been approved by CEO dated June 12, 2013
 No.PO5606008 (For the KK6 Project)
 No.PO5606009 (For the KK9 Project)
 No.PO5606010 (For the KK10 Project)
 No.PO5606011 (For the LO2 Project)
 dated August 16, 2013
 No.PO5608007 (For the SR1 Project)
 No.PO5608008 (For the SR2 Project)
 No.PO5610024 (For the expansion of LO1 Project)
 No.PO5610026 (For the expansion of KR3 Project)

Rationales and Appropriateness : JPEN executive and working team have strong experience in developing Solar Power system for SPC in many projects so the selection of sub-contractors has been evaluated and negotiate the offer prices by the assessment committee and the Audit committee has approve in hiring JPEN as the sub-contractors.

2. Description of the Related Transactions	<p>Operation, Maintenance & Monitoring (O&MM) fee</p> <p>SPC hired JPEN for O&MM service of 22 Solar Farm projects; Korat 1 (KR1), Sakon Nakorn 1 (SN1), Nakorn Phanom 1 (NP1), Korat 2 (KR2), Loei 1 (LO1), Khon Kaen 1 (KK1), Korat 3 (KR3), Korat 4 (KR4), Korat 7 (KR7), Korat 5 (KR5), Korat 8 (KR8), Korat 9 (KR9), Khon Kaen 3 (KK3), Khon Kaen 4 (KK4), Khon Kaen 5 (KK5), Khon Kaen 8 (KK8), Korat 6 (KR6), Bureerum 1 (BR1), Bureerum 2 (BR2), Khon Kaen 2 (KK2), A.J. Technology (AJ) and Tipayanarai (TP)</p>
Transaction Value	: Baht 88.51 Million
Transaction Date	<p>: Most of the transactions have been continuingly since the year 2012 and have been approved by the Audit Committee Meeting. The purchasing orders were issued after being approved by CEO during the year 2012, according to the define procedure. However some additional purchase orders have occurred in the year 2013 for the projects namely, Korat 5 (KR5), Korat 8 (KR8), Korat 9 (KR9), Khon Kaen 3 (KK3), Khon Kaen 4 (KK4), Khon Kaen 5 (KK5), and Khon Kaen 8 (KK8). The rest purchase order of the projects have been approved by the Audit Committee No.3/2013, held on June 7, 2013, and was issued after being approved by CEO during the year 2013 namely; Korat 6 (KR6), Bureerum 1 (BR1) and Bureerum 2 (BR2) Khon Kaen 2 (KK2), Khon Kaen 7 (KK7), AJ Technology (AJ) and Tipayanarai (TP) Purchase Order that has been approved by the CEO dated on January 28, 2013 : No.PO5601031 (For the KR5 Project) No.PO5601032 (For the KR8 Project) No.PO5601033 (For the KR9 Project) No.PO5601034 (For the KK3 Project) No.PO5601035 (For the KK4 Project) No.PO5601036 (For the KK5 Project) No.PO5601037 (For the KK8 Project) dated on July 17, 2013 : No.PO5607019 (For the KR6 Project) No.PO5607020 (For the BR1 Project) No.PO5607021 (For the BR2 Project) No.PO5608020 (For the KK2 Project) No.PO5607001 (For the AJ Project) No.PO5607002 (For the TP Project) dated on October 18, 2013 : No.PO5608020 (For the KK7 Project)</p>
Price Policy	<p>: SPC announced the contest via the Company's website which is open for public proposal. The hiring price of O&MM for Solar Farm is disclosed to the public. According to the define procedure, SPC will compare at least 2 bidders in term of price and technique from each bidders.</p>

Rationales and Appropriateness : JPEN has met the required criteria and the scope of work as defined in the TOR and Operation and Maintenance Agreement which was accepted by Mott MacDonald Thailand. JPEN also has the readiness in terms of experience, O&MM expertise and skilled manpower to start working immediately. Additionally, there was an urgent need to start the O&MM work by the scheduled timeframe and to prevent disruption of the business.

3. Description of the Related Transactions : **Account Payable for Construction**
 Originate from the construction list of Solar Farms: Bureerum 2 (BR2), Nakorn Phanom 1 (NP1), Nakorn Phanom 2 (NP2), Khon Kaen 7 (KK7), Udon Thani 1 (UD1), Nong Kai 1 (NK1), Bureerum 3 (BR3), Sakon Nakorn 1 (SN1), Sakon Nakorn 2 (SN2), Surin 3 (SR3), Nakorn Phanom 3 (NP3), Loei 2 (LO2), Khon Kaen 6 (KK6), Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Surin 1 (SR1), Surin 2 (SR2) Projects.

Transaction Value : Baht 188.22 Million

Transaction Date : The transactions have occurred continually since the year 2012 and increase in the year 2013. Each project has been approved by the Audit Committee Meeting. The purchasing order was issued after being approved by CEO during the year 2012, according to the define procedure.

Rationales and Appropriateness : Same as No. 1

4. Description of the Related Transactions : **The creditor of Operation, Maintenance & Monitoring (O&MM) fee**
 Originating from hiring the O&MM services for the Solar Power Farm of Korat 1 (KR1), Sakon Nakorn 1 (SN1), Nakorn Phanom 1 (NP1), Korat 2 (KR2), Loei 1 (LO1), Khon Kaen 1 (KK1), Korat 3 (KR3), Korat 4 (KR4), Korat 7 (KR7), Korat 5 (KR5), Korat 8 (KR8), Korat 9 (KR9), Khon Kaen 3 (KK3), Khon Kaen 4 (KK4), Khon Kaen 5 (KK5), Khon Kaen 8 (KK8), Korat 6 (KR6), Bureerum 1 (BR1), and Bureerum 2 (BR2), A.J. Technology (AJ) and Tipayanarai (TP) Projects.

Transaction Value : Baht 18.22 Million

Transaction Date : The transactions have occurred continually since the year 2012 and increased in the year 2013. Each project has been approved by the Audit Committee Meeting. The purchasing order was issued after being approved by the President during year 2012, according to the define procedure

Price Policy : Same as No. 2

Rationales and Appropriateness : Same as No. 2

5. Description of the Related Transactions	: Advance Payment to Sub-contractor Originate from the construction of Solar Farm Surin1 (SR1) Projects.
Transaction Value	: Baht 12.01 Million
Transaction Date	: The transaction has been approved by the Audit Committee No. 4/2013, held on August 13, 2013 and issued the purchasing order after being approved by CEO.
Price Policy	: Same as No.1
Rationales and Appropriateness	: Same as No.1

The Audit Committee express their opinion on the related transactions as mentioned above regarding SPCG and its subsidiaries hiring JPEN as a sub-contractor which is the related transactions, operate to achieve the objective of core business which is to develop and complete the Solar Farm within the time frame that is mentioned in the contract. The procurement and EPC sub-contracting procedure reflected the regulation of listed companies as stated by SET for acquisitions and dispositions of assets for related party transactions. For the sake of transparency and accountability, all transactions with JPEN and other related party require the AC opinion and must pass the resolution of the AC Meeting, and the AC will provide quarterly reports on the related transactions along with financial statements to SET.

7.1 Related Transactions of SPCG and Subsidiaries

SPCG, SPC and its subsidiaries have an important transactions with related company and related person whereas the company has disclosed the related transactions of SPC and subsidiary companies regarding to consolidated financial statement ending on December 31st, 2012, and also disclosure more of the related transactions at the end of the year on December 31st, 2013 of SPC for comparison as follows.

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2013 Ended December 2013	Year 2012 Ended December 2012	
1. JPEN Co.,Ltd (JPEN) is the solar power plant construction contractor company	<p>1. Mr.Jirakom Patumanon</p> <ul style="list-style-type: none"> Taking a position of the board of directors and holds 0.18% of the shares as of March 11th, 2013 One of the company major shareholder holding 10.0% of JPEN Co.,Ltd shares <p>2. Mrs.Piyarat Saksombat</p> <ul style="list-style-type: none"> Sister of Mr.Jirakom Patumano holding 70% of JPEN Co.,Ltd. shares <p>However in accordance to section 258 of the securities and exchange act B.E 2535, Ms.Wandee Kulcharayakong and related person are not shareholder, executive, authorized person, stakeholder or beneficial in JPEN Co.,Ltd or gain any benefit that occur from related transactions of the company or subsidiaries of JPEN Co.,Ltd</p>	SPC made a contract with JPEN Co.,Ltd whereas JPEN will be designer and construction project of solar power plant (Including design contract and additional)			<p>In 2012 and 2013 SPCG, SPC and SPE had bidding for design and sub contractors for solar power plant construction of subsidiaries whereas SPC ran the bidding through internet, and JPEN passed the criterion because</p> <p>(1) JPEN Co.,Ltd proposed the lowest price</p> <p>(2) The executives of JPEN have success and experiences about solar power plant for more than 30 years</p> <p>(3) Having qualified personnel and team.</p>

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2013 Ended December 2013	Year 2012 Ended December 2012	
		1. Value of Capital Expenditure This transaction is cost recognition of solar power plant construction from hiring JPEN Co.,Ltd	1,514,265	782,745	1. This transaction is an ordinary cause of business transaction and in accordance with the condition of designer and construction contract between JPEN Co.,LTD and SPCG, SPC and SPE
		2. Cost of OMM This transaction is cost recognition of solar power plant system from hiring JPEN Co.,Ltd	88,512	37,909	2. This transaction is a normal business transaction and in accordance to the condition of services contract, operation work maintenance, and evaluation between JPEN Co.,LTD and SPC and SPE
		3. Advanced payment to the contractor This transaction is advanced payment for construction of solar farm	12,007	231,985	3. This transaction is a normal business transactions and this payment in accordance to the condition of design and construction contract between JPEN Co.,LTD and SPC

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2013 Ended December 2013	Year 2012 Ended December 2012	
		<p>4. Creditor of construction expenses This transaction is outstanding payment of construction regarding to the solar power plant construction contract of SPC (EPC&OMM)</p> <p>5. Creditor of OMM This transaction is outstanding payment of OMM contract regarding to the solar power plant of SPC and SPE</p> <p>6. Revenue from selling equipments This transactions is revenue from selling equipments of solar power plant development project to JPEN Co.,Ltd</p>	188,219	66,763	4. This transaction is a normal business transaction and in accordance to the condition of design and construction contract between JPEN Co.,LTD and SPC
			18,216	7,200	5. This transaction is a normal business transaction and in accordance to the condition of design and construction contract between JPEN Co.,LTD and SPC and SPE
			-	60	6. This transactions is an ordinary business transactions and in accordance with the conditions of creative design and construction contract between JPEN Co.,LTD and SPC

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2013 Ended December 2013	Year 2012 Ended December 2012	
2. Solar Power Asset Co., Ltd. ("SPA")	<p>1. SPA was a subsidiary in which SPCG held 60 percent of the registered capital for the purpose of a joint venture with other shareholders for the development of solar farm projects in Lop Buri - AJ Technology Co., Ltd. (AJ), and -Tipayanarai Co., Ltd. (TP)</p> <p>2. SPCG not have the power to control. They are not connected persons of SPCG as an executive or a major shareholder in the SPA.</p> <p>3. Loans made to Such companies interest rate of MLR minus 1.5 percent and are repayable on demand with payment.</p>	<p>Transactions between the SPA and SPCG details are as follows.</p> <p>1. SPCG provide short-term loans to SPA for use in the construction and development of solar farms, namely AJ and TP which is located at Thippayanarai limited. Lopburi</p>	-	50,000	<p>1. Such transactions are loans to subsidiaries of the joint venture According to the terms of trade in the normal lending.</p> <p>Income from interest related to subsidiaries amounting to Baht 4.46 million(2012: Baht 1.65 million) loan repayable at call.</p> <p>The Company has no allowance for doubtful accounts for loans made to companies engaged in both.</p>
3. Solar Power Roof Company Limited ("SPR")	<p>1. The Seller is a major shareholder who holds 54.34 percent of the Company's shares, including her related persons and holds 55 percent of SPR's shares</p> <p>2. The Seller is the Chairperson of the Board of Directors and the Chief Executive Officer of the Company and is the Chairperson of the Board of Directors and the President of SPR.</p>	<p>The Board of Directors Meeting No. 9/ 2013, held on December 6, 2013, resolved to approve the purchase of ordinary shares from Miss Wandee Khunchornyakong in the amount of 1,840,000 shares. The purchasing price is at the par value of Baht 100. The purchase price was called at 25 percent of the net value of the transaction which was equivalent to Baht 46,000,000 according to the percentage of paid up capital at 25 percent.</p>	46,000,000		<p>1. The Board of Directors Meeting (excluding Miss Wandee Khunchornyakong and Mr. Somsak Khunchornyakong) has thoroughly considered and concluded that this investment will benefit the future business operation of the Company and will be in accordance with the business plan of the Company, therefore, the investment in this Project was approved.</p>

On February 21st, 2014. The board of director has considered the related transaction of the company at the end of fiscal year on December 31st, 2013, the board of director said that related transaction of the company in the fiscal year ended December 31st, 2013 was the information for running the business as usual and according to general trade conditions as a person of ordinary prudence would have done to the general party under the same circumstances with trade negotiation power without influence. In the event of the other party being as individual that might be arm's length basis and there is no transferring of benefit between company and a person who might be arm's length basis

7.2 Related Transaction Approval Policies or Procedure

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

The company has hired JPEN Co., Ltd. to be a sub contractor to construct the solar power plant project. JPEN Co., Ltd. is connected to the major

shareholders of the company, however the company has given precedence to procurement system based on the highest profit for the shareholders and specific the procurement policies or terms and condition of procurement contract to the related division as in Policies and sub contractor selection procedures

7.2.1 Policies and sub contractor selection procedures

The company and SPC have prescribed policies and procedures of sub contractor selection by focusing on being transparent, equitable as normal business would be done. The company will abide by the principles and such policies strictly for all company projects in the future. The sub contractor procurement principles and policies of the company solar power project can be concluded as following

1. Procurement of solar power project, the company prescribed sub contractors to compete openly and transparently. The company will mention creative design and construction procurement Terms of Reference ("TOR") on the company's web site at least two weeks in advance before the bidding date.

2. The procurement need to conduct for the best benefit to the company by consideration of deadline, cost and appropriate quality, therefore the company has prescribed rules and TOR for the bidders,

3. All the procurement of solar power plant construction need to be approved in comply with the procedures by the committee in order to evaluate and negotiate with the sub contractor. The committee consists of managing director, assistant of managing director and engineering senior manager of SPC. If the sub contractor is the related company and is

within the scope of the related transactions, therefore such transactions need to be approved from the meeting of the company audit committee before starting procession and to ensure that the transaction will be in line with and ordinary cause of business.

4. The sub contractor procurement needs to make a contract of service that has been verified by a legal consultant or professional person in order to consider appropriately about advantage/disadvantage that may occur. (Unless the content of contract is not different from the previous contract that has been verified by legal consultant significantly).

5. Allocation duties of signing procurement contract, examine and separated recording transactions are as following:

5.1 Appropriated procurement contracts will be signed by executives who have authority to bind the Company

5.2 Work examination will be responsible by the engineering division. The engineering division will check the finished construction and will make a monthly construction report.

5.3 Transactions recording will be responsible by the accounting department. The related documents will be

5.4 inspected and conduct the transaction recording.

6. To specific the procurement policies or terms and condition of procurement contract to the related division for example engineering department, accounting department, purchasing department. The related departments shall strictly abide by the policies and terms of the contract.

7. The quality and success of work need to be checked that it's in line with the mentioned terms in the contract.

7.3 Policies or The Related Transactions Trend in The Future

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

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



- Consolidated Financial Statements and Operating Performance
- Management discussion and analysis: MD&A
- Financial Statements

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8 Consolidated Financial Statements and Operating Performance



8.1 Financial Statements

8.1.1 Name of auditors for the company and consolidated financial statements

The company and consolidated financial statements for the year ended 31st December 2011

Mr. Naris Saowalagsakul

Certified Public Accountant No. 5369

S.K. Accountant Services Company Limited

The company and consolidated financial statements for the year ended 31st December 2012

Mrs. Unakorn Phruthithada

Certified Public Accountant No. 3257

PricewaterhouseCoopers ABAS Limited

The company and consolidated financial statements for the year ended 31st December 2013

Mrs. Unakorn Phruthithada

Certified Public Accountant No. 3257

PricewaterhouseCoopers ABAS Limited

8.1.2 Summary of the auditor report for the past 3 years

Auditor's opinion on the company and consolidated financial statements for the year ended 31st December 2011 are as follows:

Unqualified auditor's report shows that the consolidated and separated financial statements as at 31 December 2011 reflect Company's operating

performance and cash flow. The mentioned financial statements are correct in significant materials and are in accordance with the generally accepted accounting principles.

Auditor's opinion on the company and consolidated financial statements for the year ended 31st December 2012 are as follows:

Unqualified auditor's report shows that the consolidated and company financial statements of SPCG Public Company Limited and its subsidiaries and of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company financial position as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Auditor's opinion on the company and consolidated financial statements for the year ended 31st December 2013 are as follows:

Unqualified auditor's report shows that the consolidated and company financial statements of SPCG Public Company Limited and its subsidiaries and of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company financial position as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

8.1.3 Summary Table of the company and consolidated financial statements

Statements of Financial Position of the Company and its subsidiaries

List	Audited for the year ended						Audited for the year ended					
	31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13	
	(Company)						(Consolidated) **					
	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*
<u>Current assets</u>												
Cash and cash equivalents	1.5	0.10	10.5	0.40	152.7	5.30	312.0	6.00	72.2	0.60	288.5	1.30
Restricted cash - current	-	-	-	-	-	-	101.4	1.90	265.1	2.00	197.3	0.90
Trade and other receivables, net	57.6	4.10	60.8	2.30	21.3	0.70	171.8	3.30	584.4	4.50	620.7	2.80
Short-term loans to related parties	-	-	87.5	3.30	-	-	-	-	50.0	0.40	-	-
Inventories, net	0.3	-	1.5	0.10	-	-	29.5	0.60	54.9	0.40	667.4	3.00
Other current assets	0.9	0.10	5.5	0.10	3.4	0.20	109.2	2.10	268.8	2.20	414.5	1.80
Total current assets	60.3	4.30	165.8	6.20	177.4	6.20	723.9	13.90	1,295.4	10.10	2,188.4	9.80
<u>Non-current assets</u>												
Restricted cash - non current	-	-	-	-	-	-	66.9	1.30	293.3	2.20	660.1	2.90
Investments in subsidiaries	1,263.5	90.40	2,334.5	87.70	2,622.9	91.90	-	-	-	-	-	-
Investments in associates and joint ventures	-	-	97.8	3.70	3.0	0.10	-	-	108.0	0.80	5.1	-
Investment property, net	-	-	-	-	2.6	0.10	-	-	-	-	2.6	-
Property, plant and equipment, net	66.5	4.80	63.6	2.40	47.2	1.70	4,070.9	78.00	11,147.9	85.40	18,937.0	84.20
Assets in transit	-	-	-	-	-	-	206.4	4.00	-	-	-	-
Goodwill	-	-	-	-	-	-	11.3	0.20	11.3	0.10	11.3	0.10
Other intangible assets, net	-	-	-	-	0.5	-	0.8	-	5.1	-	71.3	0.30
Deferred tax assets	0.1	-	0.2	-	0.6	-	15.5	0.30	30.2	0.20	52.8	0.20
Other non-current assets	7.0	0.50	1.1	-	0.3	-	120.9	2.30	160.6	1.20	572.2	2.50
Total non-current assets	1,337.1	95.70	2,497.2	93.80	2,677.1	93.80	4,492.7	86.10	11,756.4	89.90	20,312.4	90.20
Total assets	1,397.4	100.00	2,663.0	100.00	2,845.5	100.00	5,216.6	100.00	13,051.8	100.00	22,500.8	100.00
<u>Current liabilities</u>												
Bank overdrafts and short-term borrowings from financial institutions	-	-	27.4	1.00	-	-	493.2	9.50	1,197.9	9.20	-	-
Trade and other payables	49.6	3.50	75.0	2.80	17.6	0.60	880.0	16.80	2,033.7	15.60	2,104.0	9.40
Current portion of long-term borrowings from financial institutions	-	-	-	-	-	-	245.1	4.70	725.6	5.60	1,480.3	6.60
Current portion of liabilities under finance lease agreements	-	-	-	-	1.5	0.10	3.0	0.10	2.6	-	5.0	-
Income tax payable	-	-	-	-	-	-	6.2	0.10	0.4	-	20.2	0.10
Other current liabilities	1.0	0.10	3.1	0.20	0.8	-	11.3	0.10	86.2	0.70	48.2	0.30
Total current liabilities	50.6	3.60	105.5	4.00	19.9	0.70	1,638.8	31.30	4,046.4	31.10	3,657.7	16.40

List	Audited for the year ended						Audited for the year ended					
	31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13	
	(Company)						(Consolidated) **					
	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*
Non-current liabilities												
Long-term borrowings from financial institutions	-	-	-	-	-	-	2,221.8	42.60	6,241.7	47.80	15,150.0	67.30
Liabilities under finance lease agreements, net	-	-	-	-	6.4	0.20	7.1	0.10	3.6	-	11.0	-
Employee benefit obligations	0.7	0.10	0.8	-	3.1	0.10	3.7	0.140	4.6	-	4.6	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	5.4	-
Ordinary shares of subsidiaries with conditions to buy/sell back	-	-	-	-	-	-	185.2	3.60	166.9	1.30	159.0	0.70
Total non-current liabilities	0.7	0.10	0.8	-	9.5	0.30	2,417.8	46.40	6,416.8	49.10	15,330.0	68.00
Total liabilities	51.3	3.70	106.3	4.00	29.4	1.00	4,056.6	77.70	10,463.2	80.20	18,897.7	84.40
Shareholders' equity												
Authorised share capital												
Ordinary shares, 840,000,000 shares ***	840.0	-	840.0	-	840.0	-	840.0	-	840.0	-	840.0	-
Issued and paid-up share capital												
Ordinary shares, 839,991,048 shares****	-	-	-	-	840.0	29.40	-	-	-	-	840.00	3.70
Ordinary shares, 560,000,000 shares ****	-	-	560.0	21.00	-	-	-	-	560.0	4.30	-	-
Ordinary shares, 500,000,000 shares ****	500.0	35.80	-	-	-	-	500.0	9.60	-	-	-	-
Premium on share capital	826.9	59.20	1,989.7	74.70	1,989.7	69.70	-	-	1,162.8	8.90	1,162.8	5.20
Premium on share capital from business combination	-	-	-	-	-	-	89.0	1.70	89.0	0.70	89.0	0.40
Retained earnings-- Appropriated- Legal reserve	5.4	0.40	5.4	0.20	5.4	0.20	-	-	-	-	-	-
Retained earnings – Unappropriated	13.8	1.00	1.6	0.10	(10.0)	(0.40)	(1.1)	-	52.9	0.40	547.6	2.40
Equity attributable to owners of the parent	1,346.1	96.30	2,556.7	96.00	2,825.1	99.00	587.9	11.30	1,864.7	14.30	2,639.4	11.70
Non-controlling interests	-	-	-	-	-	-	572.1	11.00	723.9	5.50	873.7	3.90
Total shareholders' equity	1,346.1	96.30	2,556.7	96.00	2,825.1	99.00	1,160.0	22.30	2,588.6	19.80	3,513.1	15.60
Total liabilities and shareholders' equity	1,397.4	100.0	2,663.0	100.00	2,854.5	100.00	5,216.6	100.00	13,051.8	100.00	22,500.8	100.0

Remarks

* Percentage of the total assets

** Solar Power Company Limited was listed on the Stock Exchange of Thailand via Reverse Takeover on 28 March 2011 and has prepared the consolidated financial statement since the aforementioned date.

*** At par value of Baht 1 each

**** Paid-up of Baht 1 each

Statements of Comprehensive Income of the Company and its subsidiaries

List	Audited for the year ended						Audited for the year ended					
	31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-11 (Adjusted)		31-Dec-12 (Adjusted)		31-Dec-13	
	(Company)						(Consolidated) **					
	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*	฿Million	%*
<u>Revenues</u>												
Revenue from sales and rendering of services	324.4	97.50	68.8	74.60	35.1	48.20	578.6	98.70	1,214.3	95.20	2,472.9	98.70
Other income	8.2	2.50	23.4	25.40	37.7	51.80	7.7	1.30	61.1	4.80	31.8	1.30
Total Revenues	332.6	100.00	92.2	100.00	72.8	100.00	586.3	100.00	1,275.4	100.00	2,504.7	100.0
<u>Expenses</u>												
Costs of the sales and rendering of services	276.6	83.20	63.5	68.90	23.3	32.00	305.5	52.10	567.6	44.50	806.2	32.20
Selling expenses	8.6	2.60	2.2	2.40	2.0	2.70	5.7	1.00	15.9	1.20	18.5	0.70
Administrative expenses	43.3	13.00	37.2	40.30	59.0	81.00	125.8	21.50	251.4	19.70	384.8	15.40
Share of (profit) loss of associates and joint ventures	-	-	-	-	-	-	-	-	1.7	0.10	(18.6)	(0.70)
Total Expenses	328.5	98.80	102.9	111.60	84.3	115.70	437.0	74.60	836.6	65.50	1,190.9	47.60
Profit (Loss) before finance costs and income tax	4.1	1.20	(10.7)	(11.60)	(11.5)	(15.70)	149.3	25.40	438.8	34.50	1,313.8	52.40
Finance costs	0.6	0.20	1.5	1.60	0.6	0.80	102.7	17.50	229.9	18.00	605.4	24.20
Profit (Loss) before income tax	3.5	1.00	(12.2)	(13.20)	(12.1)	(16.50)	46.6	7.90	208.9	16.50	708.4	28.20
Income tax expense (income)	1.7	0.50	-	-	(0.4)	(0.50)	32.6	5.60	28.1	2.20	64.5	2.60
Profit (Loss) for the year	1.8	0.50	(12.2)	(13.20)	(11.7)	(16.00)	14.0	2.30	180.8	14.30	643.9	25.60
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the year	1.8	0.50	(12.2)	(13.20)	(11.7)	(16.00)	14.0	2.30	180.8	14.30	643.9	25.60
<u>Attributable net profit (loss) to:</u>												
Owners of the parent	1.8	-	(12.2)	-	(11.7)	-	(11.8)	-	54.1	-	499.3	-
Non-controlling interests	-	-	-	-	-	-	25.8	-	126.7	-	144.6	-
Basic earnings (loss) per share (Baht per share)	0.005	-	(0.022)	-	(0.018)	-	(0.024)	-	0.098	-	0.763	-
Weighted average number of ordinary shares (Million shares)	394.0	-	551.1	-	654.8	-	488.1	-	551.1	-	654.8	-

Remarks

* Percentage of the total revenues

** Solar Power Company Limited was listed on the Stock Exchange of Thailand via Reverse Takeover on 28 March 2011 and has prepared the consolidated financial statement since the aforementioned date.

Statements of Cash Flows of the Company and its subsidiaries

List (฿ Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13	31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13
	(Company)			(Consolidated) *		
Cash flow from operating activities						
Profit (loss) before income tax	3.5	(12.2)	(12.1)	46.6	208.9	708.4
Adjustments for:						
Depreciation	6.2	3.1	4.5	75.6	162.1	345.8
Amortisation	-	-	0.1	-	0.7	1.3
Bad debt write-off	-	-	-	-	-	0.3
Allowance (reversal) for doubtful accounts	0.3	(14.3)	0.1	16.0	(14.3)	2.2
Allowance (reversal) for obsolete inventories	(1.1)	-	-	-	-	0.8
(Gain) loss from disposals of property, plant and equipment	(2.2)	-	0.1	1,440.8	0.1	(0.2)
Loss from write-off plant and equipment	-	-	-	-	4.5	3.0
(Unrealised (gain) loss from foreign exchange rates	-	-	-	21.1	(34.9)	25.9
Employee benefit obligations	0.7	0.5	1.3	3.7	0.9	-
Share of (profit) loss of associates and joint ventures	-	-	-	-	1.8	(18.6)
Gain on a bargain purchase of an associate	-	-	-	-	(12.0)	-
Gain on adjusting fair value of previously held interests	-	-	-	-	-	(13.5)
Interest income	(0.3)	(5.6)	(3.5)	(1.1)	(7.4)	(9.3)
Finance costs - interest expense	0.7	1.5	0.6	102.7	229.9	605.4
Changes in working capital						
Trade and other receivables	(13.1)	11.4	38.0	(118.8)	(398.6)	(16.4)
Inventories	21.1	(1.1)	1.5	23.3	(25.4)	(613.3)
Other current assets	(0.8)	(1.7)	2.5	(73.5)	(154.2)	(136.7)
Other non-current assets	(1.3)	5.9	0.8	(102.9)	(39.8)	(393.3)
Trade and other payables	(5.9)	24.9	(57.6)	(2,217.5)	213.2	685.6
Other current liabilities	0.1	2.2	(2.4)	(21.8)	74.9	(39.7)
Other non-current liabilities	-	-	-	(6.0)	-	-
Cash flows from operating activities	7.9	14.6	(26.3)	(811.8)	210.4	1,137.7
Cash generated from (used in) operation						
Interest received	0.3	5.3	3.1	1.1	7.7	9.6
Interest paid	(0.3)	(1.5)	(0.6)	(9.9)	(42.8)	(11.2)
Income tax paid	(1.7)	(3.0)	(0.3)	(33.6)	(39.4)	(57.4)
Net cash generated from (used in) operating activities	6.2	15.4	(24.1)	(854.2)	135.9	1,078.7

List (฿ Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13	31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13
	(Company)			(Consolidated) *		
Cash flows from investing activities						
Restricted cash	-	-	-	(48.9)	(390.1)	(231.0)
Purchase of property, plant and equipment	(7.5)	(0.3)	(4.8)	(1,772.7)	(6,055.3)	(8,338.8)
Purchase of intangible assets	-	-	(0.5)	(0.3)	(5.0)	(1.3)
Payments for investments in subsidiaries	(12.5)	(1,071.0)	(193.6)	-	-	-
Payments for investments in associates and joint ventures	-	(97.8)	-	-	(97.8)	-
Short-term loans made to related parties	(50.0)	(1,417.5)	(38.1)	-	(50.0)	(3.1)
Proceed from repayment of short-term loans to related parties	50.0	1,330.0	125.6	-	-	53.1
Proceed from disposals of property, plant and equipment	15.0	-	25.8	1.5	2.8	2.5
Acquisition of subsidiaries, net	-	-	-	-	-	(86.5)
Proceed from business combination – reverse acquisition	-	-	-	29.2	-	-
Net cash used in investing activities	(5.0)	(1,256.6)	(85.6)	(1,791.2)	(6,595.4)	(8,605.1)
Cash flow from financing activities						
Proceeds from issuance of ordinary shares	-	1,222.8	280.0	-	1,222.8	280.0
Proceeds from short-term borrowings from financial institutions	-	115.0	10.0	828.4	1,728.6	233.7
Proceeds from long-term borrowings from financial institutions	-	-	-	2,159.0	4,776.8	10,238.7
Proceeds from ordinary shares of subsidiaries with conditions to buy/sell back	-	-	-	-	-	3.5
Proceeds from sale of investments in non-controlling subsidiaries	-	-	-	223.0	25.1	-
Proceeds from increase of share capital in non-controlling subsidiaries	-	-	-	173.6	-	86.4
Proceeds from prepayment received from increase of share capital in non-controlling subsidiaries	-	-	-	-	-	45.0
Repayments on short-term borrowings from financial institutions	-	(87.6)	(37.4)	(335.2)	(1,024.0)	(1,431.6)
Repayments on long-term borrowings from financial institutions	(7.6)	-	-	(172.2)	(486.1)	(1,585.5)
Repayments on ordinary shares of subsidiaries with conditions to buy/sell back	-	-	-	-	(20.0)	(20.0)
Payment on liabilities under finance lease agreements	(3.0)	-	(0.7)	(4.8)	(3.5)	(2.9)
Dividends paid to Non-controlling interests	-	-	-	-	-	(104.6)
Net cash from (used in) financing activities	(10.6)	1,250.2	251.9	2,871.8	6,219.7	7,742.7
Net increase (decrease) in cash and cash equivalents	(9.4)	9.0	142.2	226.4	(239.8)	216.3
Cash and cash equivalents at the beginning of the year	10.9	1.5	10.5	85.6	312.0	72.2
Cash and cash equivalents at the end of the year	1.5	10.5	152.7	312.0	72.2	288.5

Remarks

* Solar Power Company Limited was listed on the Stock Exchange of Thailand via Reverse Takeover on 28 March 2011 and has prepared the consolidated financial statement since the aforementioned date.

Key Financial Ratio of the Company and its subsidiaries

Financial Ratio	Unit	For the year ended			For the year ended		
		31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13	31-Dec-11 (Adjusted)	31-Dec-12 (Adjusted)	31-Dec-13
		(Company)			(Consolidated)		
<u>Liquidity Ratio</u>							
Liquidity ratio	Times	1.2	1.6	8.9	0.4	0.3	0.6
Quick ratio	Times	1.2	1.6	8.9	0.4	0.3	0.4
Liquidity cash flow ratio	Times	0.0	0.1	2.4	0.3	0.0	0.1
Accounts receivable turnover	Times	6.3	1.2	0.9	5.9	3.2	4.1
Average collection period	Day	56.8	310.3	418.6	61.1	112.1	87.8
Inventory turnover	Times	26.9	70.6	31.1	19.7	13.5	2.2
Average holding period	Day	13.4	5.1	11.6	18.3	26.8	161.4
<u>Profitability Ratio</u>							
Gross profit margin	%	14.7	7.7	33.6	47.2	53.3	67.4
EBITDA margin	%	3.2	(11.0)	(19.7)	38.9	49.5	67.2
Net profit margin	%	0.6	(17.7)	(33.3)	2.4	14.9	26.0
Return on equity	%	0.3	(0.6)	(0.4)	1.6	9.6	21.1
<u>Efficiency Ratio</u>							
Return on assets (average)	%	0.2	(0.6)	(0.4)	0.4	2.0	3.6
Return on fixed assets (average)	%	10.8	(14.0)	(12.8)	3.1	4.5	6.6
Asset turnover ratio	Times	0.4	0.0	0.0	0.2	0.1	0.1
<u>Financial Ratio</u>							
Debt to equity ratio	Times	0.038	0.042	0.010	3.497	4.042	5.405
Interest bearing debt to equity ratio	Times	-	0.0	-	2.6	3.2	4.7
Interest coverage ratio	Times	34.3	(5.1)	(11.5)	22.7	14.1	148.3
Obligation leverage ratio	Times	0.3	0.0	(0.1)	(0.4)	0.0	0.1
Dividend payout ratio	%	-	-	-	-	-	-

9 Management discussion and analysis: MD&A



9.1 Significant events of year 2013 effecting to the consolidated financial statements

9.1.1 The additional commercial operation of 14 solar power plants in the year 2013

During the year 2013, the Company had 14 additional solar power plants which commenced the commercial operation as follow;

1. Solar Power (Korat 5) Company Limited started the commercial operation dated on January 15, 2013.
2. Solar Power (Korat 8) Company Limited started the commercial operation dated on January 15, 2013.
3. Solar Power (Korat 9) Company Limited started the commercial operation dated on January 16, 2013.
4. Solar Power (Khonkean 3) Company Limited started the commercial operation dated on January 17, 2013.
5. Solar Power (Khonkean 4) Company Limited started the commercial operation dated on January 17, 2013.
6. Solar Power (Khonkean 5) Company Limited started the commercial operation dated on January 18, 2013.
7. Solar Power (Khonkean 8) Company Limited started the commercial operation dated on January 18, 2013.
8. AJ Technology Company Limited started the commercial operation dated on June 25, 2013.
9. Thippayanarai Company Limited started the commercial operation dated on June 25, 2013.
10. Solar Power (Korat 6) Company Limited started the commercial operation dated on June 26, 2013.
11. Solar Power (Buriram1) Company Limited started the commercial operation dated on June 26, 2013.
12. Solar Power (Buriram2) Company Limited started the commercial operation dated on June 26, 2013.
13. Solar Power (Khonkean 2) Company Limited started the commercial operation dated on July 29, 2013.
14. Solar Power (Khonkean 7) Company Limited started the commercial operation dated on October 1, 2013.

The significantly increased of the Company's sales and service revenues and the total assets (property, plant and equipment), and the total liabilities (long-term borrowings from financial institutions) came from the continually operate solar power plants.

9.1.2 The establishment of Solar Power Roof Company Limited (SPR)

Solar Power Roof Company Limited is incorporated and operates solar power roof installation business for residential, small-size business building, medium-large business building, industrial factory and others. At the Board of Directors meeting No. 2/2013, held on 14 May 2013, Board of Directors approved acquisition of Solar Power Roof Company Limited by subscribing 0.30 million ordinary shares from 1 million ordinary shares with a par value of Baht 100 each, totaling purchase value Baht 30 million and represented 30 percent of the total share capital of Solar Power Roof Company Limited. The share capital was registered with the Ministry of Commerce on 1 May 2013 by Solar Power Roof Company Limited.

On 9 May 2013, the Company invested in the Solar Power Roof Company Limited by subscribing 0.30 million ordinary shares with a paid-up value of Baht 25 each, totaling subscription value Baht 7.50 million.

At the Board of Directors meeting No. 4/2013, held on 24 September 2013 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an increase in the registered share capital from Baht 100 million to Baht 400 million, by issuance of 3 million new ordinary shares to existing shareholders in same proportion with a par value of Baht 100 each which represented the Company's portion of 0.90 million ordinary shares, totaling purchase value Baht 90 million or represented 30 percent of total share capital of Solar Power Roof Company Limited. The subsidiary has called for paid-up value of Baht 25 each. The increased share capital was registered with the Ministry of Commerce on 11 October 2013 by Solar Power Roof Company Limited.

On 29 October 2013, the Company invested in the Solar Power Roof Company Limited by subscribing 0.90 million ordinary shares with a paid-up value of Baht 25 each, totaling subscription value Baht 22.50 million. At the Board of Directors meeting No. 9/2013, held on 6 December 2013, Board of Directors approved acquisition of Solar Power Roof Company Limited from Miss Wandee Khunchornyakong by subscribing 1.84 million ordinary shares with a par value of Baht 100 each and a paid-up value of Baht 25 each, totaling Baht 46 million. As a result, the percentage of ownership was increased from 30 percent to 76 percent of the total share capital of Solar Power Roof Company Limited.

On 13 December 2013, the Company invested in the Solar Power Roof Company Limited by subscribing 1.84 million ordinary shares with a paid-up value of Baht 25 each, totaling subscription value Baht 46 million.

9.1.3 The establishment of SPCG Capital Company Limited (SPCGC)

SPCG Capital Company Limited was incorporated as a holding company to invest in solar power and other solar related businesses. At the Board of Directors meeting No. 5/2013, held on 26 July 2013, Board of Directors approved the establishment of SPCG Capital Company Limited which has 100,000 ordinary shares with a par value of Baht 10 each. The share capital was registered with the Ministry of Commerce on 29 August 2013 by SPCG Capital Company Limited.

On 30 September 2013, the Company invested in the SPCG Capital Company Limited by subscribing 0.10 million ordinary shares with a paid-up value of Baht 2.50 each, totalling subscription value Baht 0.25 million.

9.1.4 The additional investment in Steel and Solar Roof Co., Ltd. (SSR)

At the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved the acquisition of Steel and Solar Roof Company Limited by subscribing 2.737 million new ordinary shares with a par value of Baht 10 each, totally Baht 27.37 million and represented 99.99 percent of the total share capital of Steel and Solar Roof Company Limited.

On 8 November 2013, the Company invested in the Steel and Solar Roof Co., Ltd. by subscribing 2.737 million new ordinary shares with a fully paid-up, totalling subscription value Baht 27.37 million. Such investment will be used as capital expenditure of Steel and Solar Roof Co., Ltd. and support the future growth of steel business.

9.1.5 The additional investment in Solar Power Asset Co., Ltd. (SPA)

On 31 December 2012, the Company acquired 60 percent ordinary of the share capital of Solar Power Assets Company Limited for Baht 94.80 million and recognized share profits for the year ended 31 December 2012 totaling Baht 10.10 million. At the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved acquisition of Solar Power Asset Company Limited from existing shareholders by subscribing 4.50 million ordinary shares from 11.25 million ordinary shares with a value of Baht 20 each, totaling purchase value Baht 90 million or represented 39.99 percent of the total share capital of Solar Power Asset Company Limited.

On 19 December 2013, the Company invested in Solar Power Assets Company Limited. As a result, the percentage of ownership was increased from 60 percent to 99.99 percent of the total share capital of Solar Power Assets Company Limited and obtained the control over such company which is a

holding company of 2 solar power plants (3 Mega Watts) and commenced commercial operation since 25 June 2013.

9.1.6 Change in exercise date of warrant of SPCG Public Company Limited No.1 (SPCG-W1) during the year 2013

At the Extra-Ordinary Shareholders meeting No. 1/2013 held on 15 July 2013, approved changed in exercise date of warrants of SPCG Public Company Limited No.1 (SPCG-W1) from that warrant holders are able to exercise warrants only once at the last exercise date which is the 3rd anniversary from issue date, 2 March 2015, into the period during July - September 2013. There are unexercised warrants amounting to 8,533 units from the total warrants of 279,999,581 units which unexercised by warrant holders as it was expired.

9.1.7 Significant change in accounting policy affecting the consolidated financial statement

The Company applied new accounting policy "Deferred income tax" to comply with Thai Accounting Standard No. 12 "Income Taxes" ("TAS 12") which are effective for the period beginning on or after 1 January 2013. The prior year financial statements were also restated in order to comply with the adoption of such accounting standard.

TAS 12 requires tax expenses for the period to be recognised for current and deferred tax. Current tax is recognized in profit or loss while 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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 is settled.

Such event increases the assets and liabilities in the consolidated financial statements of the Company. For the year ended 31 December 2013, the Company had deferred tax assets of Baht 52.8 million, representing 0.2 percent of total assets and deferred tax liabilities of Baht 5.4 million, representing 0.0 percent of total liabilities.

9.2 Analysis of operating performance according to the consolidated financial statement

The operating performance of SPCG Public Company Limited according to the consolidated financial statements of the company and its subsidiaries for the year ended 31 December 2013 presented the net profit of Baht 643.9 million, increased by Baht 463.1 million or 256.1% compared to the net profit of Baht 180.8 million in the period ended 31 December 2012. The main reason was the increase of no. of project companies that were completed construction and started COD by 9 companies in year 2012 to 21 companies in year 2013

9.2.1 Revenue from sales and rendering of services

Revenue from sales and rendering of services for the year ended 31 December 2013 was totaling of Baht 2,472.9 million, increasing by Baht 1,258.6 million or 103.3% from Baht 1,214.3 million in the year 2012 which came from following factors;

1. During the year 2013, there were 12 subsidiaries which started commercial operation and resulted in increment of revenue from sales of electricity of Baht 1,253.6 million.

- Income from 7 project companies that were completed construction and started COD in January 2013 namely, Solar Power (Korat 5) Company Limited, Solar Power (Korat 8) Company Limited, Solar Power (Korat 9) Company Limited, Solar Power (Khonkean 3) Company Limited, Solar Power (Khonkean 4) Company Limited, Solar Power (Khonkean 5) Company Limited and Solar Power (Khonkean 8) Company Limited.

- Income from 3 project companies that were completed construction and started COD in June 2013 namely Solar Power (Korat 6) Company Limited, Solar Power (Buriram1) Company Limited and Solar Power (Buriram2) Company Limited.

- Income from 1 Project Company that was completed construction and started COD in July 2013 which is Solar Power (Khonkean 2) Company Limited.

- Income from 1 project company that was completed construction and started COD in October 2013 which is Solar Power (Khonkean 7) Company Limited.

2. Revenue from EPC business (Engineering, Procurement, and Construction) was Baht 56.6 million, decreasing by Baht 46.8 million or 45.3% from Baht 103.4 million in the year 2012. This mainly came from the completion of EPC contracts with two associate companies, Thipayanarai Company Limited and AJ Technology Company Limited. Such EPC contracts had been finished since second quarter of year 2013 and most of such EPC revenues were already recognized in the year 2012.

3. Revenue from sales and installation was totaling of Baht 144.4 million, increasing by Baht 34.8 million or 31.7% from Baht 109.6 million in the year 2012. This was mainly due to the revenue from solar roof business which started its first operation in May 2013 with totaling revenue of Baht 31.2 million in the year 2013.

9.2.2 Costs of the sales and rendering of services

Cost of the sales and rendering of services for the year ended 31 December 2013 was totaling of Baht 806.2 million, increasing by Baht 238.6 million or 42% from Baht 567.6 million in the year 2012 which came from following factors.

- The depreciation expense of production electricity from solar power business was Baht 327.4 million, increasing by Baht 180.5 million or 122.9% from Baht 146.9 million in the year 2012. This was in line with additional of commercial operation solar power plants during the year.

- Cost of Operating, Maintenance, and Monitoring (OMM) was Baht 110.3 million, increasing by Baht 63.6 million or 136.2% from Baht 46.7 million in the year 2012. This was in line with additional of commercial operation solar power plants during the year.

- Installation cost of solar roof business, incorporated and start operation on May 2013, was increased by Baht 22.7 million.

- Cost of Engineering, Procurement, and Construction (EPC) was Baht 42.9 million, decreasing by Baht 47.2 million or 52.4% from Baht 90.1 million in the year 2012 due to completion of EPC contracts with two associate companies which are Thipayanarai Company Limited and AJ Technology Company Limited. Such EPC had been finished since second quarter of year 2013 and most of such EPC costs were already recognized in the year 2012.

As a result, the gross profit margin for the year ended 31 December 2013 was 67.4%, greater than the year 2012 from 53.3%. The reason is that increased by 12 project companies that were completed construction and started COD as the solar power business is generally have a much higher gross margin than other business of the company's business.

9.2.3 Selling and administrative expense

Selling and administrative expenses for the year ended 31 December 2013 was Baht 403.3 million, increasing by Baht 136.0 million or 50.9% from Baht 267.3 million in the year 2012. Such increment was in line with the increasing in total revenue and operating performance.

- Insurance premium of solar power plants of Baht 66.6 million, increasing by Baht 38.6 million or 137.95% from Baht 28.0 million in the year 2012.

- Financial advisor cost of Baht 106.1 million, increasing by Baht 35.6 million or 50.5% from Baht 70.5 million in the year 2012 and;

- Loss on foreign exchange rate of Baht 10.3 million in the year 2013, increasing by 100% compared with gain on foreign exchange rate of Baht 10.3 million in the year 2012.

9.2.4 Share of profit from associates

The Company has share of profit from associates for the year ended 31 December 2013 of Baht 18.6 million, increasing by Baht 20.3 million or 1,194.1% from share of loss Baht 1.7 million in the year 2012. This came from the commercial operation of 2 associates solar power plants (Thipayanarai Company Limited and AJ Technology Company Limited) since 25 June 2013.

9.2.5 Finance cost

Finance costs for the year ended 31 December 2013 was Baht 605.4 million, increasing by Baht 375.5 million or 163.3% from Baht 229.9 million in the year 2012. This was mainly due to the increment in interest expenses and other fees related to the project finance loan of developing solar power plants which was in line with the significant increasing of long term borrowing from financial institutions during the year 2013.

Summary Table of finance cost

UNIT:MB	Y2013 (Baht million)	Y2012 (Baht million)	Change (Baht million)
Group of 34 solar power plants	433.8	197.9	235.9
Solar Power Company Limited	157.1	10.4	146.7
Others	14.5	21.6	(7.1)
Total finance cost	605.4	229.9	375.5

9.2.6 Income tax

Income tax expenses for the year ended 31 December 2013 was Baht 64.5 million, increasing by Baht 36.4 million or 129.5% from Baht 28.1 million in the year 2012 which mainly came from the increase of corporate income tax from Solar Power Company Limited at Baht 38.6 million since it was not eligible for tax exemption privilege from Board of Investments (BOI).

9.2.7 Earnings (loss) per share

Attributable net profit to owners of the parent for the year ended 31 December 2013 was Baht 499.3 million, increasing by Baht 445.2 million or 823.0% from Baht 54.1 million in the year 2012 which resulted in the increment of earnings per share from Baht 0.098 in the year 2012 to Baht 0.763 in the year 2013. However, the diluted earnings per share is equally to basic earnings per share since the Company did not have potential dilutive ordinary shares in issue during the year.

9.3 Analysis of statements of financial position according to the consolidated financial statements

9.3.1 Analysis of assets

As of December 31, 2013 the total assets were Baht 22,500.8 million increasing by Baht 9,449.0 million or 72.3% from Baht 13,051.8 million in the year 2012. Current assets of Baht 2,188.4 million, increasing

by Baht 893.0 million or 68.9% from Baht 1,295.4 million in the year 2012. Non-Current assets of Baht 20,312.4 million, increasing by Baht 8,556.0 million or 72.8% from Baht 11,756.4 million in the year 2012.

Current Assets

- Cash and cash equivalents increasing by Baht 216.3 million due to the cash collection of trade accounts receivable from solar power plants business which was in line with the increasing in total revenue and operating performance.

- Restricted cash - Current decreasing from prior year by Baht 67.8 million due to the dividend payout from its subsidiaries (Solar power plants project no.1-9).

- Inventory increasing by Baht 612.5 million due to the stocked inventory by Solar Power Roof Company Limited in order to support its solar roof installation business for residence, small business building, medium-large business building, industrial factory and others.

- Others current assets increasing by Baht 145.7 million due to the increment of accounts receivable - Revenue Department of Baht 128.5 million.

Non-Current assets

- Restricted cash - Non-Current increasing by Baht 366.8 million due to the cash collection of trade accounts receivable from solar power plants business which was in line with the increasing in total revenue

and operating performance. Such restrictions were derived under the long-term borrowing agreements with financial institutions.

- Investment in associates and joint ventures decreasing by Baht 102.9 million due to the additional percentage of ownership in Solar Power Assets Company Limited which was increased from 60 percent to 99.99 percent during the year 2013. As a result, the Company obtained the control over Solar Power Assets Company Limited and reclassified it as "Investment in subsidiary".

- Property, plant and equipment, net significantly increasing by Baht 7,789.1 million due to additional investment in solar power plants. During the year 2013, 14 more projects were completely constructed and were able to operate commercial. As a result, there was totaling of 23 completed projects. The major assets related to the solar power plants are comprised of solar panels, inverters, and land. As of 31 December 2013, the property, plant and equipment was represented 84.2% of total assets. However, the Company will continually invest in capital expenditure in order to complete the remaining 13 solar power plants.

- Intangible assets, net increasing by Baht 66.2 million due to the acquisition of energy business license which was transferred from the gaining control of 2 solar power plants namely, Thipayanarai Company Limited and AJ Technology Company Limited, both were subsidiaries of Solar Power Assets Company Limited.

- Others non-current assets increasing by Baht 411.6 million due to the increment of deferred warranty fees of invertors. Normally, the period of invertors warranty from seller is 5 years but the Company extended such warranty period into 20 years. The deferred warranty fees of invertors will be amortized as expense since the 6th period of usage.

9.3.2 Analysis of liabilities

As of December 31, 2013 the total liabilities were Baht 18,897.7 million increasing by Baht 8,434.5 million or 80.6% from Baht 10,463.2 million in the year 2012. Current liabilities of Baht 3,657.7 million, decreasing by Baht 388.7 million or 9.6% from Baht 4,046.4 million in the year 2012. Non-Current liabilities of Baht 15,330.0 million, increasing by Baht 8,913.2 million or 138.9% from Baht 6,416.8 million in the year 2012.

Current Liabilities

- Bank overdrafts and short-term borrowings from financial institutions decreasing by Baht 1,197.9 million due to the changing in source of debt from promissory note to Equity Bridging Loan which was classified as long-term borrowing from financial institution.

Non-Current Liabilities

- Long-term borrowings from financial institutions increasing by Baht 9,663.0 million due to the increment in project finance loan of developing solar power plants. Consequently, the current portion of long-term borrowings from financial institutions (repayment within 1 year) were increased by Baht 754.7 million and long-term borrowings from financial institutions (repayment over than 1 year) were increased by Baht 8,908.3 million.

9.3.3 Analysis of shareholders' equity

As of December 31, 2013 the total shareholders' equity was Baht 3,513.1 million, increasing by 35.7% from Baht 2,588.6 million in the year 2012. This was mainly due to the following factors;

- Issuance of ordinary shares during the year 2013 amounting to Baht 280.0 million due to the early exercise of warrants of SPCG Public Company Limited

No.1 (SPCG-W1) totaling of unit 280.0 million. (1 unit of warrant was eligible to purchase 1 ordinary share)

- Net profits for the year 2013 affecting to retained earnings – unappropriated increasing by Baht 499.3 million and non-controlling interests increasing by Baht 144.6 million.

9.3.4 Appropriateness of capital structure

Based on the consolidated financial statement as of 31 December 2013, the Company has debt to equity ratio of 5.41 times (2012: 4.04 times). A major cause of this increment was that the Company continually made long-term borrowing from the financial institutions (both Project Finance Loan and Equity Bridging Loan) for investing in the constructions and purchasing major equipments for the solar power plant projects. However, after the completion of projects construction, there would be no necessity to increase its debt for the capital expenditure and if the projects contribute the net profit as expectation, then such ratio would be decreased successively.

In year 2013, the company's committee has continued to analyze funding alternative for organizing the appropriate financial structure of the company and able to reduce the finance cost as well as liquidity management by analyzing financial tools for example setting up infrastructure fund, issuing debenture or others funding methods etc. The management team of the Company is still considering and analyzing in the details.

9.4 Analysis of statements of cash flow according to the consolidated financial statement

As of December 31, 2013, cash and cash equivalent for the Company and its subsidiaries was

Baht 288.5 million, increasing by Baht 216.3 million from Baht 72.2 million in the year 2012 which can be summarized as below;

- Net cash generated from operating activities of Baht 1,078.7 million which was mainly due to the higher in operating performance (net profits) when compared to prior year and changing in working capital.

- Net cash used in investing activities of Baht 8,605.1 million mainly due to the purchase of property, plant and equipment in solar power plants project amounting to Baht 8,338.8 million

- Net cash received from financing activities of Baht 7,742.7 million mainly due to proceed from short-term borrowing and long-term borrowing from financial institutions of Baht 10,472.2 million and proceed from issuance of ordinary shares of Baht 280.0 million. However, such increment was offset with the repayment of short-term borrowing and long-term borrowing from financial institution of Baht 3,017.1 million during the year 2013.

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

Because the Group has continued to invest in solar farms all 36 projects. With the investment of 22,000 million baht, most of fund came from loans from financial institutions. The proportion of such investment, more than 50 percent investment in equipment to be imported from abroad. Therefore, the Group will have a variety of financial risks, including Risk management in financial resources for investment. The risk of Currency Exchange Risks arising from changes in fair value of interest rate ,Risks arising

from changes in interest rates. And price risk) And liquidity risk So Overall risk management plans of the Group focus on the volatility of financial markets and seeks to minimize the impact of damaging to the financial performance. The Group uses derivative financial instruments to prevent the risk will occur. As well as planning to use financial tools to balance the financial structure of the company to reduce and control the risks to an acceptable level. Risk management operations by the Group adhere to the policies approved by the Board of Directors. The financial management of the Group will assess the issue and prevent financial risks by working closely together with the various tasks by assigned the relevant management to closely monitor.

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

9.5.1 Risk from Exchange Rate Fluctuations

In the construction of Solar Farm, 60 percent of the capital budget has been managed to purchase solar panels and inverters imported from Kyocera, Japan and SMA, Germany respectively where payment must be made in their currencies. As a result, the company may be vulnerable to fluctuations in the exchange rates as it falls due which makes the cost of Solar Farm change from the set-up budget.

Nevertheless, the company has constantly studied the exchange rates and managed the risk by means of a FX Forward Contract and the right to exchange money through a financial instrument called FX Option in order to fully hedge fluctuations in the foreign exchange rates. The company will engage in a full amount of a forward foreign exchange transaction

(FX Forward) or a foreign-exchange option (FX Option) when solar panels and inverters are recorded as assets of the company.

9.5.2 Risk of Interest Rate

Risk of Interest rate arises from borrowings. Borrowers with floating rate loans, which will make the Group's risk exposure to cash flow. The Group manages risk of interest rate by contracting interest rate swap (Interest Rate Swap).

9.5.3 Risk of Liquidity

The Group has invested in business development Production and distribution electricity from solar farm to complete 36 the project as it planned. The Group thereby having the risk management liquidity, Liquidity risk management. And Provide adequate funding for project development.

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

Due to Solar Farm project, each of SPC and SPA's projects is ordered solar PV panels from Kyocera Asia Pacific Pte., Ltd. (Kyocera) and inverters from SMA Solar Technology AG (SMA) only (except AJ Technology which is an affiliate of SPA has used solar panels of REC, Singapore.) SPC engaged in long-term procurement contract with the manufacturers and distributors of these two companies. The important details of the contract are shown in Part 1: Section 5 Property for Business. In the event that Kyocera and SMA discontinue their operations, this will effect on the construction of each remaining Solar Farm project.

However, Kyocera Asia Pacific Pte., Ltd. is a subsidiary of Kyocera Corporation, Japan whose stocks are listed on the New York Stock Exchange and the Tokyo Stock Exchange with managing the multi-business corporation which is diversified the business. Moreover, Kyocera Corporation has been operating for

over 50 years generating strong financial status which had a paid-up capital of 115,703million YEN and the total sales volume of 1,190,870 million YEN with robust turnover on 31 March 2012. In addition, PV Eye magazine in Japan based on the information of Bloomberg revealed that Kyocera was classified as the level of Safety Zone. To calculate financial ratios of its company according to the Altman Z-Score formula shows that the chance of Kyocera Corporation to discontinue its business or confront problems is slim. Therefore, Kyocera Corporation is considered as the most powerful partnership of SPCG. In case Kyocera is unable to manufacture and distribute solar panels to SPCG on schedule, the company can purchase from other manufacturers due to multiple manufacturers at present. In the event of that may cause of the project delay.

9.5.4 Risk from Industry Competition

Solar roof business is becoming one of high competition business in the market due to supporting policy from ministry of energy on renewable energy which is including solar energy. Energy regulatory commission (ERC) an organization under ministry of energy already approve to buy electricity from solar rooftop in September 2013 and by the end of January 2014, there are total of 45 solar roof entrepreneurs which successfully passed criterions and successfully registered with ERC. Since solar roof business is becoming more popular in Thailand, as well as there is many solar roof manufacturers both local and import which lead to severe price competition. However, SPR's only use best quality solar panel and inverter which long track quality and safety record. Moreover, most of solar roof service provider is brand new to this market with very little experienced on solar energy business. Unlike SPCG's who is a leader solar farms developer as well as professional staff in terms of EPC,

and OMM business with strategic partner of KYOCERA Inc., and RMA inverter. Hence, SPR can offer one-stop services to client from design, installation, after-sales services as well as co-operate with our financial partner to offer competitive payment plan to clients.

9.5.5 Risk from Uncertainty of Government Regulations and Policies

In 2012, Ministry of Energy has more concentrated and support on renewable energy by launching many supporting campaigns for Solar rooftop and Bio-energy (Ethanol from cassava, Bio-diesel from palm oil, and electricity from Napia grass). Especially for solar energy, ERC approved a strong support by buying electricity generating from solar rooftop from Sep 23 - Oct 11, 2013. During this period there is overwhelmed interesting entrepreneurs more than expected and some of them unable to registered within the period.

Moreover, Solar rooftop also ineligible under restrictions of department of industrial works (DIW) for energy producer industrial license (Ror Ngor 4) which stated that any solar roof with production capacity more than 5HP or 3.7KWh is needed an industrial license from DIW before COD as well as some residential clients which located in green zone is also unable to retrieve any industrial license under restrictions of department of public works and town& country planning (DPT).

However, ERC and DIW acknowledged this restriction already and they are during consideration of approval period on waiver of energy producer industrial license (Ror Ngor 4) for residence with solar rooftop with production capacity under 10KWh which can unlock all residential clients to install solar rooftop without any restrictions from DIW and DPT.

10 Financial Statements

AUDITOR'S REPORT

To the Shareholders and the Board of Directors of SPCG Public Company Limited

I have audited the accompanying consolidated and company financial statements of SPCG Public Company Limited and its subsidiaries and of SPCG Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for year then ended, and a summary of significant accounting policies and other notes.

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 audits 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.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of SPCG Public Company Limited and its subsidiaries and of SPCG Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Unakorn Phruithithada

Certified Public Accountant
(Thailand) No. 3257

PricewaterhouseCoopers
ABAS Ltd.

Bangkok

21 February 2014

SPCG Public Company Limited

Statements of Financial Position

As at 31 December 2013

	Notes	Consolidated			Company		
			(Adjusted)	(Adjusted)		(Adjusted)	(Adjusted)
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Assets							
Current assets							
Cash and cash equivalents	8	288,505	72,192	311,982	152,731	10,515	1,474
Restricted cash - current		197,324	265,097	101,380	-	-	-
Trade and other receivables, net	9	620,712	584,369	171,809	21,330	60,815	57,638
Short-term loans to related parties	31.4	-	50,000	-	-	87,500	-
Inventories, net	10	667,384	54,939	29,536	-	1,485	344
Other current assets	11	414,517	268,829	109,289	3,434	5,530	840
Total current assets		2,188,442	1,295,426	723,996	177,495	165,845	60,296
Non-current assets							
Restricted cash - non-current		660,140	293,295	66,924	-	-	-
Investments in subsidiaries	12.1	-	-	-	2,622,923	2,334,500	1,263,500
Investments in associates and joint ventures	12.2	5,074	108,018	-	3,000	97,800	-
Investment property, net		2,552	-	-	2,552	-	-
Property, plant and equipment, net	13	18,937,045	11,147,901	4,070,894	47,195	63,621	66,475
Assets in transit		-	-	206,446	-	-	-
Goodwill	14	11,286	11,286	11,286	-	-	-
Other intangible assets, net	15	71,263	5,130	782	466	30	-
Deferred tax assets	4, 16	52,790	30,152	15,448	621	162	148
Other non-current assets	17	572,235	160,621	120,871	323	1,101	7,049
Total non-current assets		20,312,385	11,756,403	4,492,651	2,677,080	2,497,214	1,337,172
Total assets		22,500,827	13,051,829	5,216,647	2,854,575	2,663,059	1,397,468

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

SPCG Public Company Limited
Statements of Financial Position
As at 31 December 2013

	Notes	Consolidated			Company		
			(Adjusted)	(Adjusted)		(Adjusted)	(Adjusted)
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term borrowings							
from financial institutions	19	-	1,197,870	493,240	-	27,360	-
Trade and other payables	18	2,104,041	2,033,714	879,990	17,604	74,978	49,630
Current portion of long-term borrowings							
from financial institutions	19	1,480,300	725,638	245,105	-	-	-
Current portion of liabilities under							
finance lease agreements	19	4,961	2,630	3,099	1,543	-	-
Income tax payable		20,211	405	6,218	-	-	-
Other current liabilities		48,159	86,154	11,294	829	3,156	964
Total current liabilities		3,657,672	4,046,411	1,638,946	19,976	105,494	50,594
Non-current liabilities							
Long-term borrowings							
from financial institutions	19	15,150,041	6,241,666	2,221,760	-	-	-
Liabilities under finance							
lease agreements, net	19	10,962	3,571	7,118	6,448	-	-
Employee benefit obligations	20	4,609	4,629	3,711	3,106	808	740
Deferred tax liabilities	16	5,439	-	-	-	-	-
Ordinary shares of subsidiaries with							
conditions to buy/sell back	21	158,984	166,914	185,164	-	-	-
Total non-current liabilities		15,330,035	6,416,780	2,417,753	9,554	808	740
Total liabilities		18,987,707	10,463,191	4,056,699	29,530	106,302	51,334

SPCG Public Company Limited

Statements of Financial Position

As at 31 December 2013

	Notes	Consolidated			Company		
		(Adjusted)		(Adjusted)	(Adjusted)		(Adjusted)
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
		Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and							
shareholders' equity (Cont'd)							
Shareholders' equity							
Share capital							
Authorised share capital	22						
Ordinary shares, 840,000,000 shares							
at par value of Baht 1 each		840,000	840,000	840,000	840,000	840,000	840,000
Issued and paid-up share capital							
Ordinary shares, 839,991,048 shares		839,991	-	-	839,991	-	-
Ordinary shares, 560,000,000 shares		-	560,000	-	-	560,000	-
Ordinary shares, 500,000,000 shares		-	-	500,000	-	-	500,000
paid-up of Baht 1 each							
Premium on share capital	22	1,162,825	1,162,825	-	1,989,695	1,989,695	826,870
Premium on share capital from							
business combination	22	89,000	89,000	89,000	-	-	-
Retained earnings							
Appropriated							
Legal reserve	23	-	-	-	5,415	5,415	5,415
Unappropriated	4	547,644	52,941	(1,126)	(10,056)	1,647	13,849
Equity attributable to owners							
of the parent		2,639,460	1,864,766	587,874	2,825,045	2,556,757	1,346,134
Non-controlling interests		873,660	723,872	572,074	-	-	-
Total shareholders' equity		3,513,120	2,588,638	1,159,948	2,825,045	2,556,757	1,346,134
Total liabilities and shareholders' equity		22,500,827	13,051,829	5,216,647	2,854,575	2,663,059	1,397,468

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

SPCG Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2013

	Notes	Consolidated		Company	
		(Adjusted)		(Adjusted)	
		31 December	31 December	31 December	31 December
		2013	2012	2013	2012
		Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and rendering of services	24	2,472,864	1,214,357	35,111	68,831
Costs of the sales and rendering of services	26	(806,239)	(567,621)	(23,352)	(63,595)
Gross profit		1,666,625	646,736	11,759	5,236
Other income	25	31,834	61,093	37,686	23,438
Selling expenses	26	(18,491)	(15,885)	(1,996)	(2,166)
Administrative expenses	26	(384,768)	(251,405)	(59,011)	(37,210)
Finance costs		(605,378)	(229,860)	(600)	(1,514)
Share of profit (loss) of associates and joint ventures	12.2	18,606	(1,759)	-	-
Profit (Loss) before income tax		708,428	208,920	(12,162)	(12,216)
Income tax (expense) income	4, 27	(64,472)	(28,151)	459	14
Profit (Loss) for the year		643,956	180,769	(11,703)	(12,202)
Other comprehensive income (expense) for the year, net of tax		-	-	-	-
Total comprehensive income (expense) for the year		643,956	180,769	(11,703)	(12,202)
Profit (Loss) attributable to:					
Owners of the parent		499,321	54,067	(11,703)	(12,202)
Non-controlling interests		144,635	126,702	-	-
		643,956	180,769	(11,703)	(12,202)
Total comprehensive income (expense) attributable to:					
Owners of the parent		499,321	54,067	(11,703)	(12,202)
Non-controlling interests		144,635	126,702	-	-
		643,956	180,769	(11,703)	(12,202)
Earnings (Loss) per share	4, 28				
Weighted average number of ordinary shares (Thousand shares)		654,831	551,148	654,831	551,148
Basic earnings (loss) per share (Baht per share)		0.763	0.098	(0.018)	(0.022)
Diluted earnings (loss) per share (Baht per share)		0.763	0.098	(0.018)	(0.022)

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

	Consolidated					
	Attributable to owners of the parent					
	Issued and paid-up share capital	Premium on share capital	Premium on share capital from business combination	Unappropriated retained earnings (deficits)	Total owners of the parent	Total shareholders' equity
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 January 2012 (as previously reported)	500,000	-	89,000	(16,574)	572,426	1,144,500
Retrospective adjustment from changes in accounting policy	4	-	-	15,448	15,448	15,448
Opening balance as at 1 January 2012 (after adjusted)	500,000	-	89,000	(1,126)	587,874	1,159,948
Changes in equity for the year						
Issuance of ordinary shares	22	60,000	1,162,825	-	1,222,825	1,247,921
Total comprehensive income for the year		-	-	54,067	54,067	180,769
Closing balance as at 31 December 2012	560,000	1,162,825	89,000	52,941	1,864,766	2,588,638
Opening balance as at 1 January 2013 (as previously reported)	560,000	1,162,825	89,000	22,789	1,834,614	2,558,486
Retrospective adjustment from changes in accounting policy	4	-	-	30,152	30,152	30,152
Opening balance as at 1 January 2013 (after adjusted)	560,000	1,162,825	89,000	52,941	1,864,766	2,588,638
Changes in equity for the year						
Issuance of ordinary shares	22	279,991	-	-	279,991	385,168
Dividend		-	-	-	-	(104,642)
Legal reserve		-	-	(4,618)	(4,618)	-
Total comprehensive income for the year		-	-	499,321	499,321	643,956
Closing balance as at 31 December 2013	839,991	1,162,825	89,000	547,644	2,639,460	3,513,120

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

SPCG Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended 31 December 2013

	Notes	Company				
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Appropriated retained earnings - legal reserve Baht'000	Unappropriated retained earnings (deficits) Baht'000	Total shareholders' equity Baht'000
Opening balance as at 1 January 2012 (as previously reported)						
Retrospective adjustment from changes in accounting policy	4	500,000	826,870	5,415	13,701	1,345,986
		-	-	-	148	148
Opening balance as at 1 January 2012 (after adjusted)		500,000	826,870	5,415	13,849	1,346,134
Changes in equity for the year						
Issuance of ordinary shares	22	60,000	1,162,825	-	-	1,222,825
Total comprehensive expense for the year		-	-	-	(12,202)	(12,202)
Closing balance as at 31 December 2012		560,000	1,989,695	5,415	1,647	2,556,757
Opening balance as at 1 January 2013 (as previously reported)						
Retrospective adjustment from changes in accounting policy	4	560,000	1,989,695	5,415	1,485	2,556,595
		-	-	-	162	162
Opening balance as at 1 January 2013 (after adjusted)		560,000	1,989,695	5,415	1,647	2,556,757
Changes in equity for the year						
Issuance of ordinary shares	22	279,991	-	-	-	279,991
Total comprehensive expense for the year		-	-	-	(11,703)	(11,703)
Closing balance as at 31 December 2013		839,991	1,989,695	5,415	(10,056)	2,825,045

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

SPCG Public Company Limited**Statements of Cash Flows****For the year ended 31 December 2013**

	Notes	Consolidated		Company	
		(Adjusted)		(Adjusted)	
		31 December	31 December	31 December	31 December
		2013	2012	2013	2012
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flow from operating activities					
Profit (loss) before income tax		708,428	208,920	(12,162)	(12,216)
Adjustments for:					
Depreciation	26	345,805	162,144	4,468	3,139
Amortisation	15, 26	1,252	711	62	3
Bad debt		287	-	-	-
Allowance (reversal) for doubtful accounts	9	2,233	(14,262)	140	(14,262)
Allowance for obsolete inventories		817	-	-	-
(Gain) loss on disposal of equipment		(215)	134	(93)	-
Loss on write-off equipment	13	2,950	4,501	10	-
Unrealised (gain) loss from foreign exchange rates		25,893	(34,895)	-	-
Employee benefit obligations	20	(20)	918	1,312	472
Share of (profit) loss of associates and joint ventures	12.2	(18,606)	1,759	-	-
Gain on a bargain purchase of an associate	12.2, 25	-	(11,977)	-	-
Gain on adjusting fair value of previously held interests	25	(13,450)	-	-	-
Interest income	25	(9,307)	(7,428)	(3,484)	(5,605)
Finance costs - interest expenses		605,378	229,860	600	1,514
Changes in working capital					
- Trade and other receivables		(16,369)	(398,592)	38,042	11,418
- Inventories		(613,262)	(25,403)	1,485	(1,141)
- Other current assets		(136,744)	(154,284)	2,465	(1,690)
- Other non-current assets		(393,301)	(39,750)	778	5,948
- Trade and other payables		685,584	213,146	(57,551)	24,935
- Other current liabilities		(39,678)	74,860	(2,327)	2,192
Cash flows from operating activities		1,137,675	210,362	(26,255)	14,707
Cash generated from operation					
Interest received		9,601	7,722	3,151	5,272
Interest paid		(11,199)	(42,764)	(609)	(1,505)
Income tax paid		(57,419)	(39,387)	(369)	(3,000)
Net cash generated from (used in) operating activities		1,078,658	135,933	(24,082)	15,474

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

SPCG Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2013

	Notes	Consolidated		Company	
		(Adjusted)		(Adjusted)	
		31 December	31 December	31 December	31 December
		2013	2012	2013	2012
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Restricted cash		(230,990)	(390,088)	-	-
Purchase of property, plant and equipment		(8,338,856)	(6,055,311)	(4,755)	(285)
Purchase of intangible assets	15	(1,259)	(5,059)	(498)	(33)
Payments for additional investments in subsidiaries	12.1	-	-	(193,623)	(1,071,000)
Payments for additional investments in associates and joint ventures	12.2	-	(97,800)	-	(97,800)
Short-term loans made to related parties	31.4	(3,100)	(50,000)	(38,100)	(1,417,500)
Proceed from payments of short-term loans to related parties	31.4	53,100	-	125,600	1,330,000
Proceed from disposals of property, plant and equipment		2,550	2,799	25,751	-
Acquisition of a subsidiary, net of cash acquired		(86,497)	-	-	-
Net cash used in investing activities		(8,605,052)	(6,595,459)	(85,625)	(1,256,618)
Cash flow from financing activities					
Proceeds from issue of ordinary shares	22	279,991	1,222,825	279,991	1,222,825
Proceeds from short-term borrowings from financial institutions	19	233,721	1,728,580	10,000	114,995
Proceeds from long-term borrowings from financial institutions	19	10,238,742	4,776,826	-	-
Proceeds from ordinary shares of subsidiaries with conditions to buy/sell back	21	3,474	-	-	-
Proceeds from sale of investments in subsidiaries		-	25,096	-	-
Proceeds from increase on share capital in subsidiaries		86,427	-	-	-
Proceeds from advance received from increase of share capital in subsidiary	18	45,000	-	-	-
Repayments on short-term borrowings from financial institutions	19	(1,431,591)	(1,023,950)	(37,360)	(87,635)
Repayments on long-term borrowings from financial institutions	19	(1,585,503)	(486,111)	-	-
Repayments on ordinary shares of subsidiaries with conditions to buy/sell back	21	(20,000)	(20,000)	-	-
Payments on liabilities under finance lease agreements		(2,912)	(3,530)	(708)	-
Dividends paid to non-controlling interests		(104,642)	-	-	-
Net cash from financing activities		7,742,707	6,219,736	251,923	1,250,185

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

SPCG Public Company Limited**Statements of Cash Flows****For the year ended 31 December 2013**

	Note	Consolidated		Company	
		(Adjusted)		(Adjusted)	
		31 December	31 December	31 December	31 December
		2013	2012	2013	2012
		Baht'000	Baht'000	Baht'000	Baht'000
Net increase (decrease) in cash and cash equivalents		216,313	(239,790)	142,216	9,041
Cash and cash equivalents at the beginning of the year		72,192	311,982	10,515	1,474
Cash and cash equivalents at the end of the year	8	<u>288,505</u>	<u>72,192</u>	<u>152,731</u>	<u>10,515</u>

Non-cash transactions

During the years ended 31 December 2013 and 2012, the following significant non-cash transactions occurred:

Other payables from purchases of property, plant and equipment	919,541	1,606,091	186	-
Liabilities from purchase of assets under finance leases agreements	12,634	-	8,699	-
Investment property received from trade receivable	2,622	-	2,622	-

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

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

1 General information

SPCG Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

333/20 Soi. Sukhumwit 55, Sukhumwit Road, Klongton Nua, Wattana, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”. The Company was registered as a company limited under the Civil and Commercial Code on 6 August 1993 and registered as a public limited company on 16 March 2005, namely Steel Intertech Public Company Limited. Subsequently, the Company has changed its registered name to SPCG Public Company Limited on 17 June 2011.

The principal business operations of the Group are summarised as follows:

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

These Group consolidated and company financial statements were authorised for issue by the Board of Directors on 21 February 2014.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except the financial instruments as disclosed in Note 29.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

- a) New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Group are:

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses for the period to be recognised for current and deferred tax. New accounting policy of income taxes is provided in Note 2.17 and the significant impact to the Group are disclosed in Note 4.

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. Government grants are recognised when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received. Grants related to income are recognised in profit or loss over periods necessary to match them with the related costs that they are intended to compensate. Applying TAS 20 has no impact to the financial statements being presented. New accounting policy is disclosed in Note 2.20.

TAS 21 (Revised 2009) requires the Group to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that Thai Baht is the Company's functional currency. As a consequence, applying TAS 21 (Revised 2009) has no impact to the Group's assets, liabilities and retained earnings. New accounting policy is disclosed in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is disclosed in Note 2.24. The impact to the Group in applying TFRS 8 is only on a disclosure.

- b) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

Revised accounting standards and revised financial reporting standards effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (Revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group financial statement.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

Revised accounting standards and revised financial reporting standards effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 7 (Revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group financial statement.

TAS 12 (Revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 Income tax - recovery of revalued non-depreciable assets is incorporated into TAS 12 (Revised 2012). This standard has no impact to the Group financial statement.

TAS 17 (Revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17 general principles. This standard has no impact to the Group financial statement.

TAS 18 (Revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group financial statement.

TAS 19 (Revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group financial statement.

TAS 21 (Revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively which is effective for the period begins on or after 1 January 2014. This standard has no impact to the Group financial statement.

TAS 24 (Revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group financial statement.

TAS 28 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively which is effective for the period begins on or after 1 January 2014. This standard has no impact to the Group financial statement.

TAS 31 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively which is effective for the period begins on or after 1 January 2014. This standard has no impact to the Group financial statement.

TAS 34 (Revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group financial statement.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

Revised accounting standards and revised financial reporting standards effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 36 (Revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 -Operating Segments. This standard has no impact to the Group financial statement.

TAS 38 (Revised 2012) clarifies that an intangible assets acquired in a business combination might be separable, but only together with a related contract, identifiable assets or liabilities. In such cases, intangible assets are recognised separately from goodwill, but together with related items. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group financial statement.

TFRS 2 (Revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in Group situation. This standard has no impact to the Group financial statement.

TFRS 3 (Revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group financial statement.

TFRS 5 (Revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group financial statement.

TFRS 8 (Revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group financial statement.

Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014 (Cont'd)

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. TFRIC 1 has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TFRIC 4.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. TFRIC 10 has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC 12 is not relevant to the Group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation of this TFRIC addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. TFRIC 17 has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. TFRIC 18 is not relevant to the Group's operations.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014 (Cont'd)

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. TSIC 15 has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement. The management is currently assessing the impact of TSIC 27.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. TSIC 29 is not relevant to the Group's operations.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". TSIC 32 has no impact to the Group.

New financial reporting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Group Accounting - Investments in subsidiaries, associates and joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries, associates and joint ventures (Cont'd)

(1) Subsidiaries (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss (Note 2.14 for the impairment of assets including goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries, associates and joint ventures (Cont'd)

(3) Associates (Cont'd)

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's principal associates is set out in Note 12.2. The effects acquisitions and disposals of associates are shown in Note 12.

(4) Joint Ventures

The Group's joint venture is entity over which the Group has contractual arrangements to jointly share the control over the economic activity of the entity with one or more parties. In the Company's separate financial statements, the interest in a jointly controlled entity is accounted for using the cost method. The Group's interest in joint venture is accounted for in the consolidated financial statements using the equity method of accounting.

The Group's share of its joint venture's post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group at the consolidated financial statements.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

In the Consolidated and Company statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months. In the Consolidated and Company statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Restricted cash

Restricted cash are saving accounts and current accounts with conditions of payment and withdrawal procedures for specific purposes in order to comply with financial management contract and loan agreement with a financial institution that provides loan to the Group.

2.7 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Company is building held for long-term rental yields or for capital appreciation, including certain building which is currently undetermined for future use.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses (if any). Depreciation is calculated using the straight line method to allocate its cost over its estimated useful life of 20 years.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

2.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	25 years
Building and building improvement	5, 20, 25 years
Solar modules	30 years
Inverters	20 years
Equipment and machinery	5-10 years
Office equipment	5 years
Vehicles	5 years

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

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 (Note 2.14).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)gains - net' in profit or loss.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.13 Intangible assets

Licenses for Energy Industry

Licenses for Energy Industry acquired in a business combination are recognised at fair value at the acquisition date. Licenses for Energy Industry have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the sum-of-year digits method over their estimated useful lives of 25 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5-10 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.15 Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates by using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.17 Current and deferred income taxes

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

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's subsidiaries and associates 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 amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, 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 realised or the deferred income tax liability is settled.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.17 Current and deferred income taxes (Cont'd)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in associates and joint ventures, 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.

2.18 Employee benefits

(a) Defined contribution plan

A defined contribution plan is a post employment plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense in statements of comprehensive income when they are due.

(b) Post employment benefit obligations

The Group provides for post employment benefits to or retirement indemnity employees under the labor laws applicable in Thailand. The Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by an independent actuary in accordance with the actuarial technique, and discounted benefit by the projected unit credit method. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The Group recorded provision of employee benefit as non-current liabilities. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

2.19 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.20 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income from distribution of electricity from solar energy are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.21 Share capital

Ordinary shares are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed (Note 2.9 construction contracts).

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the annual dividends are approved by the Company's shareholders and the interim dividends are approved by the Board of Directors.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as chief executive officer that makes strategic decisions.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by the Group under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The management provides principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

Due to subsidiary companies have produced electricity and distributed of electricity from solar energy, subsidiary companies purchased solar cells and inverters from foreign supplier (Japan and Germany) with USD currency and EUR currency, respectively. So subsidiaries companies have risk that incurred from fluctuation of foreign currencies from purchasing those equipment. The Group has entered into the currency forward contract the life of which is not more than 6 months compatible to purchasing agreement.

Moreover, the Group entered into the cross currency and interest rate swap contracts in order to use it as an exchange rate risk management instrument arising from the payment of loans in USD currency according to the detail of long-term borrowings.

3.1.2 Interest rate risk

Risk on interest rates is derived from fluctuation of market interest rate in the future which affect upon operation result and cash flows. The Group uses interest rate swaps to hedge future interest payments.

3.1.3 Credit risk

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution. The estimated maximum risk is the trade and other receivables balance amount Baht 621 million (2012: Baht 584 million) (Note 9).

3.1.4 Liquidity risk

The Group used the high volume of investment balance to produce and distribute electricity from solar energy while there are electricity purchasing acceptance station of 36 projects (2012: 34 projects). The Group liquidity risk is the availability of funding through an adequate amount of committed credit facilities.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, comprise currency forward contract, cross currency interest rate swap which are recognised in the financial statements according to The IRS Paw. 68/2541 on inception and Interest rate swap which is not recognised on the inception date of the contract.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period.

Cross currency interest rate swap contracts protect the Group from movements in exchange rates and interest rates. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the cross currency interest rate swap contracts. The gains and losses on the derivative instruments are therefore offset for financial reporting purposes and are recognised in the financial statements.

Interest rate swap contracts protect the Group from movements in interest rates by exchange floating interest rate to be fix interest rate which is not recognized at the contracts date. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 29.

4 Change in accounting policy

The Group restated prior year financial statements due to conform with the adoption of TAS 12 Income taxes which is effective for the period beginning on or after 1 January 2013 (Note 2.2).

The effects of the adjustment to statement of financial position as at 1 January 2012 and 31 December 2012 for comparative purpose are as follows;

Statements of Financial Position

	Consolidated			Company		
	1 January 2012 (Baht'000)			1 January 2012 (Baht'000)		
	As previously reported	Adjusted	As currently reported	As previously reported	Adjusted	As currently reported
Deferred tax assets	-	15,448	15,448	-	148	148
Retained earnings						
(deficits) - Unappropriated	(16,574)	15,448	(1,126)	13,701	148	13,849

	Consolidated			Company		
	31 December 2012 (Baht'000)			31 December 2012 (Baht'000)		
	As previously reported	Adjusted	As currently reported	As previously reported	Adjusted	As currently reported
Deferred tax assets	-	30,152	30,152	-	162	162
Retained earnings						
- Unappropriated	22,789	30,152	52,941	1,485	162	1,647

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

4 Change in accounting policy (Cont'd)

The effects of the adjustment to statement of comprehensive income for the year ended 31 December 2012 for comparative purpose are as follows:

Statements of Comprehensive Income

	Consolidated			Company		
	31 December 2012 (Baht'000)			31 December 2012 (Baht'000)		
	As previously reported	Adjusted	As currently reported	As previously reported	Adjusted	As currently reported
Income tax expenses (income)	42,855	(14,704)	28,151	-	(14)	(14)
Basic earnings (loss) per share (Baht per share)	0.071	0.027	0.098	(0.022)	-	(0.022)
Diluted earnings (loss) per share (Baht per share)	0.071	0.027	0.098	(0.022)	-	(0.022)

5 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Plant, equipment and intangible assets

Management determines the estimated useful lives and residual values for the plant, equipment and intangible assets of which are mainly considered by technical ability and economic useful lives. The management will revise the depreciation charge where useful lives and residual values are significantly different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14).

(c) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's business structure.

The Group comprises the following 3 main business segments:

- 1) Manufacture, trading, and installation service of roof sheets segment.
- 2) Production and distribution of electricity from solar energy segment (including production and distribution of electricity from solar energy segment and not yet distribution of electricity from solar energy segment)
- 3) Others segment (including trading, and installation service of solar roof segment and others)

Consolidated financial statements by business segments

For the year ended 31 December 2013	Production and distribution of electricity from solar energy segment				Consolidated Baht'000
	Manufacturing, trading and installation service of roof sheets segment Baht'000	Production and distribution of electricity from solar energy segment Baht'000	Not yet distribution of electricity from solar energy segment Baht'000	Others segment Baht'000	
Revenues from operation	315,460	2,101,397	942	64,142	2,481,941
Revenue from inter-segment	750	2,939,781	-	31,483	2,972,014
Total revenue	316,210	5,041,178	942	95,625	5,453,955
Segment result	12,719	1,338,173	(16,376)	12,970	1,347,486
Unallocated costs	-	-	-	(75,043)	(75,043)
Operating profit (loss)	12,719	1,338,173	(16,376)	(62,073)	1,272,443
Interest income	112	5,621	43	3,531	9,307
Interest expense	(103)	(537,493)	(67,181)	(601)	(605,378)
Financial costs, net	9	(531,872)	(67,138)	2,930	(596,071)
Gain on adjusting fair value of previously held interests (Note 25)	-	-	-	13,450	13,450
Share of profit of associates and joint ventures (Note 12.2)	-	-	-	18,606	18,606
Profit (loss) before income tax	12,728	806,301	(83,514)	(27,087)	708,428
Income tax expense	(2,429)	(60,670)	(7)	(1,366)	(64,472)
Net profit (loss)	10,299	745,631	(83,521)	(28,453)	643,956
Segment fixed assets (Note 13)	32,693	12,115,816	6,225,162	563,374	18,937,045
Unallocated assets					3,563,782
Consolidated total assets					22,500,827
Segment borrowings (Note 19)	1,779	10,998,224	5,213,929	432,332	16,646,264
Unallocated liabilities					2,341,443
Consolidated total liabilities					18,987,707

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

7 Segment information (Cont'd)

Consolidated financial statements by business segments (Cont'd)

For the year ended 31 December 2012	Production and distribution of electricity from solar energy segment				Consolidated Baht'000
	Manufacturing, trading and installation service of roof sheets segment Baht'000	Production and distribution of electricity from solar energy segment Baht'000	Not yet distribution of electricity from solar energy segment Baht'000	Others segment Baht'000	
Revenues from operation	281,364	1,008,305	18,736	(52,360)	1,256,045
Revenue from inter-segment	24,908	1,551,274	-	93,616	1,669,798
Total revenue	306,272	2,559,579	18,736	41,256	2,925,843
Segment result	4,751	688,142	(68,014)	(52,360)	572,519
Unallocated costs	-	-	-	(151,385)	(151,385)
Operating profit (loss)	4,751	688,142	(68,014)	(203,745)	421,134
Interest income	89	5,492	588	1,259	7,428
Interest expense	(274)	(182,204)	(45,868)	(1,514)	(229,860)
Financial costs, net	(185)	(176,712)	(45,280)	(255)	(222,432)
Gain on a bargain purchase of associate (Note 12.2, 25)	-	-	-	11,977	11,977
Share of loss of associates and joint ventures (Note 12.2)	-	-	-	(1,759)	(1,759)
Profit (loss) before income tax	4,566	511,430	(113,294)	(193,782)	208,920
Income tax (expense) income (Adjusted)	(1,025)	(27,760)	2,149	(1,515)	(28,151)
Net profit (loss) (Adjusted)	3,541	483,670	(111,145)	(195,297)	180,769
Segment fixed assets (Note 13)	8,851	4,933,342	6,109,849	95,859	11,147,901
Unallocated assets					1,903,928
Consolidated total assets					13,051,829
Segment borrowings (Note 19)	2,413	4,816,859	3,324,743	27,360	8,171,375
Unallocated liabilities					2,291,816
Consolidated total liabilities					10,463,191

The Group is measured for each operating segment from profit or loss before income tax.

The Group's total revenue from operation is domestic customers. The major customer is one customer from production and distribution of electricity from solar energy segment amount of Baht 2,063 million from total revenues from operating.

Other operations of the Group mainly comprise of revenue from management and rental services between inter-segment, none of which constitutes a separately reportable segment. There are no sales or other transactions between the business segments. Unallocated costs represent corporate expenses. Segment fixed assets consist primarily of property, plant and equipment for operations. Segment borrowings consist of bank overdrafts, short-term borrowings from financial institutions, long-term borrowings from financial institutions and liabilities under finance lease agreements.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

8 Cash and cash equivalents

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Cash in hand	393	175	201	37
Deposits held at call with banks	104,749	49,417	15,028	10,478
Short-term highly liquid investments	183,363	22,600	137,502	-
Total cash and cash equivalents	288,505	72,192	152,731	10,515

The interest rates on deposits with banks and short-term highly liquid investments are 0.13% - 2.30% (2012: 0.62% - 2.51%).

Short-term highly liquid investments are investments in money market fund. The Group receives withdrawal cash following business day after the redemption unit trusts date.

9 Trade and other receivables, net

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables	534,128	290,895	7,849	10,552
<u>Less</u> Allowance for doubtful accounts of trade receivables	(3,975)	(1,742)	(1,882)	(1,742)
Trade receivables, net	530,153	289,153	5,967	8,810
Amounts due from related parties (Note 31.3)	12,544	231,985	1,441	34,787
Accrued service income	11,302	14,787	-	5,878
Prepayments	33,486	39,646	10,593	6,616
Account receivable of financial instruments (Note 29)	19,811	-	-	-
Others	13,416	8,798	3,329	4,724
Total trade and other receivables, net	620,712	584,369	21,330	60,815

Outstanding trade receivables as at 31 December can be analysed as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Less than 3 months	523,836	284,451	889	7,476
3 - 6 months	7,023	2,738	-	-
6 - 12 months	182	399	3,909	-
Over 12 months	3,087	3,307	3,051	3,076
Total trade receivables	534,128	290,895	7,849	10,552
<u>Less</u> Allowance for doubtful accounts of trade receivables	(3,975)	(1,742)	(1,882)	(1,742)
Total trade receivables, net	530,153	289,153	5,967	8,810

Outstanding amount due from related parties as at 31 December 2013 and 2012 can be analysed with less than 3 months.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

10 Inventories, net

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Raw materials, net	39,392	52,470	-	-
Work in progress, net	6,517	410	-	-
Finished goods, net	621,475	2,059	-	1,485
Total inventories, net	667,384	54,939	-	1,485

The costs of inventories recognised as expense and included in cost of sales amount to Baht 195 million (2012: Baht 172 million).

Inventories as at 31 December 2013 include allowance for obsolete inventories amount Baht 1.5 million (2012: Baht 0.6 million).

11 Other current assets

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Account receivable - Revenue Department	382,768	254,260	113	966
Deposits	15,288	-	-	-
Others	16,461	14,569	3,321	4,564
Total other current assets	414,517	268,829	3,434	5,530

12 Investments in subsidiaries, associates and joint ventures

12.1 Subsidiaries

The detail of subsidiaries are:

	Nature of business	Country of incorporation	% Ownership interest	
			2013	2012
Direct				
Subsidiaries which held by SPCG Public Company Limited				
Solar Power Company Limited	Engineering, Procurement, and Construction for solar farms.	Thailand	99.99	99.99
Steel and Solar Roof Company Limited	Manufacture, trading, and installation service of roof sheets	Thailand	99.99	99.99
Solar Power Engineering Company Limited	Engineering, Procurement, and Construction for solar farms	Thailand	99.99	99.99

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.1 Subsidiaries (Cont'd)

The detail of subsidiaries are: (Cont'd)

	Nature of business	Country of incorporation	% Ownership interest	
			2013	2012
Direct (Cont'd)				
Subsidiaries which held by SPCG Public Company Limited (Cont'd)				
Solar Power Roof Company Limited	Trading and installation service of solar roof	Thailand	76.00	-
SPCG Capital Company Limited	Holding company	Thailand	99.99	-
Solar Power Assets Company Limited	Holding company	Thailand	99.99	-
Indirect				
Subsidiaries which held by Solar Power Company Limited				
Solar Power (Korat1) Company Limited	Production and distribution of electricity from solar energy	Thailand	82.54	85.00
Solar Power (Korat2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56.00	56.00
Solar Power (Korat3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat5)Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power(Korat8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70.00	70.00
Solar Power (Khonkaen2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.1 Subsidiaries (Cont'd)

The detail of subsidiaries are: (Cont'd)

	Nature of business	Country of incorporation	% Ownership interest	
			2013	2012
Indirect (Cont'd)				
Subsidiaries which held by Solar Power Company Limited (Cont'd)				
Solar Power (Khonkaen3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen4) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen5) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen7) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen10) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Surin1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.97
Solar Power (Surin2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.97
Solar Power (Surin3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nakornphanom1) Company Limited	Production and distribution of electricity from solar energy	Thailand	68.80	70.00
Solar Power (Nakornphanom2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.1 Subsidiaries (Cont'd)

The detail of subsidiaries are: (Cont'd)

	Nature of business	Country of incorporation	% Ownership interest	
			2013	2012
Indirect (Cont'd)				
Subsidiaries which held by Solar Power Company Limited (Cont'd)				
Solar Power (Nakornphanom3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Sakonnakorn1) Company Limited	Production and distribution of electricity from solar energy	Thailand	68.81	70.00
Solar Power (Sakonnakorn2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Loei1) Company Limited	Production and distribution of electricity from solar energy	Thailand	56.00	56.00
Solar Power (Loei2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nongkai1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Udonthani1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Subsidiaries which held by Solar Power Assets Company Limited				
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75.00	-
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	-

The movements of the investments in subsidiaries for years ended 31 December are as follows:

	Company	
	2013 Baht'000	2012 Baht'000
Opening net book amount	2,334,500	1,263,500
Additions of investments in subsidiaries	193,623	1,071,000
Classification of investment from an associate to a subsidiary (Note 12.2)	94,800	-
Closing net book amount	2,622,923	2,334,500

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.1 Subsidiaries (Cont'd)

Significant additions for the year ended 31 December 2012 are as follows:

Investment in Solar Power Company Limited

At the Extra-Ordinary Meeting of Shareholders of Solar Power Company Limited, a subsidiary, held on 9 March 2012, shareholders approved an increase in the registered share capital from Baht 450 million to Baht 1,500 million, by issuance of 105 million new ordinary shares with a par value of Baht 10 each and called for fully paid-up. The Company subscribed all issuance of new ordinary shares, totalling amount of Baht 1,050 million. The additional paid-up share capital was registered with the Ministry of Commerce on 15 March 2012 by Solar Power Company Limited.

Investment in Steel and Solar Roof Company Limited

At the Extra-Ordinary Meeting of Shareholders of Steel and Solar Roof Company Limited, a subsidiary, held on 15 May 2012, shareholders approved an increase in the registered share capital from Baht 10 million to Baht 30 million, by issuance of 2 million new ordinary shares with a par value of Baht 10 each and called for fully paid-up. The Company subscribed all issuance of new ordinary shares, totalling amount of Baht 20 million. The additional paid-up share capital was registered with the Ministry of Commerce on 29 May 2012 by Steel and Solar Roof Company Limited.

Investment in Solar Power Engineering Company Limited

At the Extra-Ordinary Meeting of Shareholders of Solar Power Engineering Company Limited, a subsidiary, held on 3 October 2012, shareholders approved a called for the registered share capital Baht 1 million, by issuance of 1 million ordinary shares with paid-up of Baht 1 each, totalling 35 percent of total registered ordinary shares. The additional paid-up share capital was registered with the Ministry of Commerce on 3 October 2012 by Solar Power Engineering Company Limited.

Significant additions for the year ended 31 December 2013 are as follows:

Investment in Solar Power Roof Company Limited

At the Board of Directors meeting No. 2/2013, held on 14 May 2013, Board of Directors approved acquisition of Solar Power Roof Company Limited by subscribing 0.30 million ordinary shares from 1 million ordinary shares with a par value of Baht 100 each, totalling purchase value Baht 30 million and represented 30 percent of the total share capital of Solar Power Roof Company Limited. The share capital was registered with the Ministry of Commerce on 1 May 2013 by Solar Power Roof Company Limited.

On 9 May 2013, the Company invested in the Solar Power Roof Company Limited by subscribing 0.30 million ordinary shares with a paid-up value of Baht 25 each, totalling subscription value Baht 7.50 million.

At the Board of Directors meeting No. 4/2013, held on 24 September 2013 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an increase in the registered share capital from Baht 100 million to Baht 400 million, by issuance of 3 million new ordinary shares to existing shareholders in same proportion with a par value of Baht 100 each which represented the Company's portion of 0.90 million ordinary shares, totalling purchase value Baht 90 million or represented 30 percent of total share capital of Solar Power Roof Company Limited. The subsidiary called for paid-up Baht 25 each. The increased share capital was registered with the Ministry of Commerce on 11 October 2013 by Solar Power Roof Company Limited.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.1 Subsidiaries (Cont'd)

Significant additions for the year ended 31 December 2013 are as follows: (Cont'd)

Investment in Solar Power Roof Company Limited (Cont'd)

At the Board of Directors meeting No. 9/2013, held on 6 December 2013, Board of Directors approved acquisition of Solar Power Roof Company Limited from a shareholder by subscribing 1.84 million ordinary shares with a par value of Baht 100 each, totally Baht 184 million. As a result, the percentage of ownership was increased from 30 percent to 76 percent of the total share capital of Solar Power Roof Company Limited.

On 13 December 2013, the Company invested in the Solar Power Roof Company Limited by subscribing 1.84 million ordinary shares with a paid-up value of Baht 25 each, totalling subscription value Baht 46 million.

Investment in SPCG Capital Company Limited

At the Board of Directors meeting No. 6/2013, held on 13 August 2013, Board of Directors approved additional investment in SPCG Capital Company Limited by subscribing 0.099 million ordinary shares from 0.10 million ordinary shares with a par value of Baht 10 each, totally Baht 1 million and represented 99.99 percent of the total share capital of SPCG Capital Company Limited. The share capital was registered with the Ministry of Commerce on 29 August 2013 by SPCG Capital Company Limited.

On 30 September 2013, the Company invested in the SPCG Capital Company Limited by subscribing 0.10 million ordinary shares with a paid-up value of Baht 2.50 each, totalling subscription value Baht 0.25 million.

Investment in Steel and Solar Roof Company Limited

At the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved acquisition of Steel and Solar Roof Company Limited by subscribing 2.737 million new ordinary shares with a par value of Baht 10 each, totally Baht 27.37 million and represented 99.99 percent of the total share capital of Steel and Solar Roof Company Limited.

On 8 November 2013, the Company invested in the Steel and Solar Roof Co., Ltd. by subscribing 2.737 million new ordinary shares with a fully paid-up, totalling subscription value Baht 27.37 million.

Investment in Solar Power Assets Company Limited

On 31 December 2012, the Company acquired 60 percent ordinary of the share capital of Solar Power Assets Company Limited for Baht 94.80 million and at the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved acquisition of Solar Power Asset Company Limited from existing shareholders by subscribing 4.50 million ordinary shares from 11.25 million ordinary shares with a value of Baht 20 each, totally purchase value Baht 90 million or represented 39.99 percent of the total share capital of Solar Power Asset Company Limited.

On 19 December 2013, the Company invested in the Solar Power Assets Company Limited by subscribing 39.99 percent of the total share capital of Solar Power Asset Company Limited, totalling subscription value Baht 90 million and obtained the control over Solar Power Asset Company Limited which is a holding company (Note 30).

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.2 Associates and joint ventures

The Group's share of the result of its associates, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:

Name	Business	Country of incorporation	Assets		Liabilities		Revenues		Profit (loss)		% Interest held	
			2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000	2013 %	2012 %		
Direct												
Enegate (Thailand) Company Limited	Manufacture High Voltage Electricity products to be used in solar farms and other projects, including developing Smart Technology systems, as well as design, manufacture and distribution of such products	Thailand	33,758	17,448	16,846	7,054	94,363	2,178	6,519	394	30.00	30.00
Solar Power Assets Company Limited	Holding company	Thailand	-	139,080	-	208	-	38	-	(928)	-	60.00
Indirect												
Subsidiaries which held by Solar Power Assets Company Limited												
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	-	228,970	-	158,404	-	298	-	(1,584)	-	45.00
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	-	280,170	-	207,833	-	26	-	(2,568)	-	60.00

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.2 Associates and joint ventures (Cont'd)

As at 31 December 2012, even though the Company hold more than half of Solar Power Asset Company Limited's shares but the company has no control over the financial policy and operation. Thus, Solar Power Asset Company Limited is not the subsidiary which is not included in consolidated financial statements.

The movements of the investments in associates for the years ended 31 December are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Opening net book amount	108,018	-	97,800	-
Addition of investment in associates and joint ventures	-	97,800	-	97,800
Share of profit (loss) of associates, net of tax	18,606	(1,759)	-	-
Classification of investment from an associate to a subsidiary (Note 12.1)	(121,550)	-	(94,800)	-
Gain on a bargain purchase of an associate	-	11,977	-	-
Closing net book amount	<u>5,074</u>	<u>108,018</u>	<u>3,000</u>	<u>97,800</u>

Investments in associates as at 31 December 2012 included gain on a bargain purchase of an associate of Baht 12 million.

Significant additions for the year ended 31 December 2012 are as follows:

Investment in Enegate Thailand Company Limited

At the Board of Directors meeting No. 10/2012, held on 17 May 2012, Board of Directors approved signed Joint Venture Agreement between the Company and Enegate Company Limited (49%) and Thai Aichi Denki Company Limited (21%) in the name of "Enegate Thailand Company Limited" with the purpose of research of high voltage control system for solar farms and other projects including the coresearch and develop Smart Technology Project as well as design, manufacture and distribution of such products. The Company subscribed to 29,999 shares with a par value of Baht 100 constituting 30 percent of the total issued and paid-up share capital of Enegate Thailand Company Limited amounting to Baht 3 million on 26 July 2012.

Investments in Solar Power Assets Company Limited

At the Board of Directors meeting No. 14/2012, held on 31 August 2012, Board of Directors approved acquisition of Solar Power Assets Company Limited from existing shareholders by subscribing 5.50 million ordinary shares from 10 million ordinary shares with a par value of Baht 10 each, totally Baht 55 million and represented 55 percent of the total share capital of Solar Power Assets Company Limited. It also approved that the Company will acquire all newly issue of 1.25 million ordinary shares at the price of Baht 31.84 per share, totalling to Baht 39.80 million once Solar Power Assets Company Limited issue Right Offering to current shareholders. As a result, the Company holds 6.75 million ordinary shares out of 11.25 million ordinary shares, representing 60 percent of the total share capital of Solar Power Assets Company Limited.

On 21 September 2012, the Company invested in the Solar Power Assets Company Limited by first subscribing 5.5 million ordinary shares with a par value of Baht 10 each, totalling subscription value Baht 77.24 million.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Investments in subsidiaries, associates and joint ventures (Cont'd)

12.2. Associates and joint ventures (Cont'd)

Significant additions for the year ended 31 December 2012 are as follows: (Cont'd)

Investments in Solar Power Assets Company Limited (Cont'd)

On 8 October 2012, the Company subscribed all issuance of 1.25 million new ordinary shares of Solar Power Assets Company Limited with a par value of Baht 10 each, totalling subscription value Baht 17.56 million. Consequently, the percentage of ownership was increased from 55 percent to 60 percent. The paid-up share capital was registered with the Ministry of Commerce on 8 October 2012 by Solar Power Assets Company Limited.

According to acquisition of Solar Power Assets Company Limited, the Company has gain on a bargain purchase from investment in Solar Power Assets Company Limited amounting to Baht 12 million which is shown as other income in the Company statements of comprehensive income.

Solar Power Assets Company Limited has 2 subsidiary companies, AJ Technology Company Limited and Tipayanarai Company Limited which have the Power Purchase Agreements to sell the Solar energy with the capacity of 3 Megawatt of each entity. Both companies started selling electricity to the Provincial Electricity Authority on 25 June 2013.

Significant additions for the year ended 31 December 2013 are as follows:

Investments in Solar Power Assets Company Limited

On 31 December 2012, the Company acquired 60 percent of the share capital of Solar Power Assets Company Limited for Baht 94.80 million and had recognised profits for the year ended 31 December 2012 amounting to Baht 10.10 million. At the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved acquisition of Solar Power Assets Company Limited from existing shareholders by subscribing 4.50 million ordinary shares from 11.25 million ordinary shares with a value of Baht 20 each, totally Baht 90 million and represented 39.99 percent of the total share capital of Solar Power Assets Company Limited. As a result, the percentage of ownership was increased from 60 percent to 99.99 percent of total share capital of Solar Power Assets Company Limited. This is resulted to obtain the control over the subsidiary.

On 19 December 2013, the Company acquired a further 39.99 percent of the share capital of Solar Power Assets Company Limited, totally Baht 90 million and obtained the control of Solar Power Assets Company Limited. On 19 December 2013 the control obtained, investments in Solar Power Assets Company Limited of Baht 121.55 million was transferred to investment in subsidiary.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Property, plant and equipment, net

	Consolidated							
	Land Baht'000	Land improvement Baht'000	Buildings and buildings improvement Baht'000	Equipment and machinery Baht'000	Office equipment Baht'000	Vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
At 1 January 2012								
Cost	380,654	20,127	199,580	2,594,173	12,236	19,915	976,664	4,203,349
Less Accumulated depreciation	-	(728)	(20,974)	(98,867)	(8,346)	(3,540)	-	(132,455)
Net book amount	380,654	19,399	178,606	2,495,306	3,890	16,375	976,664	4,070,894
For the year ended 31 December 2012								
Operating net book amount	380,654	19,399	178,606	2,495,306	3,890	16,375	976,664	4,070,894
Additions	758,259	-	13,661	6,117	4,513	-	6,464,035	7,246,585
Transferred in (out)	-	42,133	124,866	1,935,742	1,282	-	(2,104,023)	-
Disposals, net	-	-	-	(1,905)	(7)	(999)	(22)	(2,933)
Write off, net	-	-	-	(2,324)	-	-	(2,177)	(4,501)
Depreciation charge (Note 26)	-	(1,283)	(12,288)	(141,298)	(2,332)	(4,943)	-	(162,144)
Closing net book amount	1,138,913	60,249	304,845	4,291,638	7,346	10,433	5,334,477	11,147,901
At 31 December 2012								
Cost	1,138,913	61,532	317,722	4,434,227	10,794	18,631	5,334,477	11,316,296
Less Accumulated depreciation	-	(1,283)	(12,877)	(142,589)	(3,448)	(8,198)	-	(168,395)
Net book amount	1,138,913	60,249	304,845	4,291,638	7,346	10,433	5,334,477	11,147,901

13 **Property, plant and equipment, net (Cont'd)**

The balance of additional construction in progress included asset in transit (solar modules) amount Baht 223.57 million in 2012.

In the Consolidated financial statements, depreciation expense of Baht 346 million (2012: Baht 162 million) has been charged in cost of goods sold and administrative expenses of Baht 329 million and Baht 17 million, respectively (2012: Baht 148 million and Baht 14 million, respectively).

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Property, plant and equipment, net (Cont'd)

	Company				
	Land Baht'000	Buildings and buildings improvement Baht'000	Equipment and machinery Baht'000	Office equipment Baht'000	Vehicles Baht'000
At 1 January 2012					
Cost	36,104	40,659	26	2,754	-
Less Accumulated depreciation	-	(13,011)	(1)	(56)	-
Net book amount	36,104	27,648	25	2,698	-
For the year ended 31 December 2012					
Opening net book amount	36,104	27,648	25	2,698	-
Additions	-	126	27	132	-
Transferred in (out)	-	-	(2)	2	-
Depreciation charge (Note 26)	-	(2,567)	(5)	(567)	-
Closing net book amount	36,104	25,207	45	2,265	-
At 31 December 2012					
Cost	36,104	40,785	51	2,888	-
Less Accumulated depreciation	-	(15,578)	(6)	(623)	-
Net book amount	36,104	25,207	45	2,265	-
					63,621

63,621

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Property, plant and equipment, net (Cont'd)

	Company				
	Land Baht'000	Buildings and buildings improvement Baht'000	Equipment and machinery Baht'000	Office equipment Baht'000	Vehicles Baht'000
For the year ended 31 December 2013					
Opening net book amount	36,104	25,207	45	2,265	-
Additions	-	-	-	2,041	11,599
Disposals, net	(18,692)	(6,966)	-	-	-
Write off, net	-	-	-	(10)	-
Depreciation charge (Note 26)	-	(2,364)	(11)	(810)	(1,213)
Closing net book amount	17,412	15,877	34	3,486	10,386
At 31 December 2013					
Cost	17,412	24,382	51	4,914	11,599
Less Accumulated depreciation	-	(8,505)	(17)	(1,428)	(1,213)
Net book amount	17,412	15,877	34	3,486	10,386

In the Company financial statement, depreciation expense of Baht 4 million (2012: Baht 3 million) has been charged in administrative expenses.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Property, plant and equipment, net (Cont'd)

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicles:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Cost - capitalised finance leases	36,812	18,631	11,599	-
<u>Less</u> Accumulated depreciation	(13,623)	(8,198)	(1,213)	-
Net book amount	23,189	10,433	10,386	-

Borrowings from financial institutions (Note 19) are secured by subsidiaries' property, plant and equipment with the mortgaged amounts of Baht 18,559 million (2012: Baht 8,290 million).

14 Goodwill

	Consolidated	
	2013	2012
	Baht'000	Baht'000
At 1 January		
Cost	11,286	11,286
<u>Less</u> Provision for impairment	-	-
Net book amount	11,286	11,286
For the year ended 31 December		
Opening net book amount	11,286	11,286
Acquisition of subsidiary	-	-
Closing net book amount	11,286	11,286
At 31 December		
Cost	11,286	11,286
<u>Less</u> Provision for impairment	-	-
Net book amount	11,286	11,286

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below:

	Manufacturing, trading and installation service of roof sheets	
	2013	2012
	Baht'000	Baht'000
Goodwill allocation	11,286	11,286

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

14 Goodwill (Cont'd)

The key assumptions used for value-in-use calculations are as follows:

	Manufacturing, trading and installation service of roof sheets	
	2013	2012
EBITDA ¹ (Baht'000)	5,830	2,963
Growth rate ² (%)	0.00	0.00
Discount rate ³ (%)	6.75	7.00

¹ Earnings before interest, taxes, depreciation and amortisation from budget which based on past performance.

² Weighted average growth rate used to extrapolate cash flows beyond the period.

³ Discount rate from average floating interest rate.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined EBITDA based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are reflect specific risks relating to the relevant segments.

The group has tested the impairment by income approach using the average floating interest rate. The result has shown that the recoverable amounts exceed the book value. Thus, the Group did not recognise the allowance for impairment for the years ended 2013 and 2012. However, if the discount rate increase/ decrease 1 percent from the management estimation as at 31 December 2013, the recoverable amounts will increase Baht 1.06 million/decrease Baht 1.03 million, respectively (2012: increase Baht 0.54 million/decrease Baht 0.53 million, respectively) that the recoverable amount still exceed the book value.

15 Other intangible assets, net

	Consolidated			Company
	License for Energy Industry Baht'000	Software Baht'000	Total Baht'000	Software Baht'000
At 1 January 2012				
Cost	-	960	960	-
<u>Less</u> Accumulated amortisation	-	(178)	(178)	-
Net book amount	-	782	782	-
For the year ended 31 December 2012				
Opening net book amount	-	782	782	-
Additions	-	5,059	5,059	33
Amortisation charge (Note 26)	-	(711)	(711)	(3)
Closing net book amount	-	5,130	5,130	30
At 31 December 2012				
Cost	-	6,019	6,019	33
<u>Less</u> Accumulated amortisation	-	(889)	(889)	(3)
Net book amount	-	5,130	5,130	30

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

15 Other intangible assets, net (Cont'd)

	Consolidated			Company
	License for Energy Industry Baht'000	Software Baht'000	Total Baht'000	Software Baht'000
For the year ended 31 December 2013				
Opening net book amount	-	5,130	5,130	30
Additions	-	1,259	1,259	498
Increase from gaining control in a subsidiary (Note 30)	57,895	1,339	59,234	-
Transferred in	-	6,892	6,892	-
Amortisation charge (Note 26)	-	(1,252)	(1,252)	(62)
Closing net book amount	57,895	13,368	71,263	466
At 31 December 2013				
Cost	57,895	15,538	73,433	531
<u>Less</u> Accumulated amortisation	-	(2,170)	(2,170)	(65)
Net book amount	57,895	13,368	71,263	466

In the Consolidated financial statements, amortisation expense of Baht 1.25 million (2012: Baht 0.71 million) has been charged in cost of goods sold and administrative expenses of Baht 1.00 million and Baht 0.25 million, respectively (2012: Baht 0.46 million and Baht 0.25 million, respectively).

In the Company financial statements, amortisation expense of Baht 62,377 (2012: Baht 3,000) has been charged in administrative expenses.

16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after more than 12 months	52,790	30,152	621	162
	52,790	30,152	621	162
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(1,070)	-	-	-
Deferred tax liabilities to be settled after more than 12 months	(4,369)	-	-	-
	(5,439)	-	-	-
Deferred income tax, net	47,351	30,152	621	162

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

16 Deferred income taxes (Cont'd)

The gross movement in the deferred income tax account is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	30,152	15,448	162	148
Credited to profit or loss (Note 27)	17,199	14,704	459	14
At 31 December	47,351	30,152	621	162

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated			
	Inter-segment income from construction solar farm Baht'000	Long-term borrowings using effective interest rate method Baht'000	Employee benefit obligations Baht'000	Total Baht'000
Deferred tax assets				
At 1 January 2013	25,427	4,027	698	30,152
Credited to profit or loss	20,952	1,490	196	22,638
At 31 December 2013	46,379	5,517	894	52,790
At 1 January 2012	14,103	603	742	15,448
Credited/(Charged) to profit or loss	11,324	3,424	(44)	14,704
At 31 December 2012	25,427	4,027	698	30,152

	Consolidated	
	Long-term borrowings using effective interest rate method Baht'000	Total Baht'000
Deferred tax liabilities		
At 1 January 2013	-	-
Charged to profit or loss	(5,439)	(5,439)
At 31 December 2013	(5,439)	(5,439)
At 1 January 2012	-	-
Charged to profit or loss	-	-
At 31 December 2012	-	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

16 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

	Company	
	Employee benefit obligations Baht'000	Total Baht'000
Deferred tax assets		
At 1 January 2013	162	162
Credited to profit or loss	459	459
At 31 December 2013	621	621
At 1 January 2012	148	148
Credited to profit or loss	14	14
At 31 December 2012	162	162

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 196,514 (2012: Baht 37,606), to carry forward against future taxable income; these tax losses will expire between 2014 and 2017.

17 Other non-current assets

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Deferred warranty fees of inventors	539,464	126,054	-	-
Refundable withholding tax for assets	31,183	32,900	-	-
Advance payment	-	789	-	789
Others	1,588	878	323	312
Total other non-current assets	572,235	160,621	323	1,101

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

18 Trade and other payables

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Trade payables	767,165	208,057	4,193	30,089
Account payables - purchase assets	919,540	1,628,152	186	-
Amounts due to related parties (Note 31.3)	226,675	73,963	4,593	10,437
Unearned revenues	15,777	46,957	-	26,811
Accrued expense	121,909	44,193	7,098	6,603
Account payable of financial instruments (Note 29)	-	23,315	-	-
Cash advance received from increase of share capital in subsidiaries	45,000	-	-	-
Others	7,975	9,077	1,534	1,038
Total trade and other payables	2,104,041	2,033,714	17,604	74,978

19 Borrowings

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Current				
Bank overdrafts	-	7,360	-	7,360
Short-term borrowings from financial institutions	-	1,190,510	-	20,000
Total bank overdrafts and short-term borrowings from financial institutions	-	1,197,870	-	27,360
Current portion of long-term borrowings from financial institutions	1,480,300	725,638	-	-
Current portion of liabilities under finance lease agreements	4,961	2,630	1,543	-
Total current borrowings	1,485,261	1,926,138	1,543	27,360
Non-current				
Long-term borrowings from financial institutions	15,150,041	6,241,666	-	-
Liabilities under finance lease Agreements	10,962	3,571	6,448	-
Total non-current borrowings	15,161,003	6,245,237	6,448	-
Total borrowings	16,646,264	8,171,375	7,991	27,360

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Borrowings (Cont'd)

The detail of the Group's borrowings from financial institutions are as follows:

Type	Due Date	Interest rate (%)		Principal and Interest Repayment
		31 December 2013	31 December 2012	
Bank overdrafts	at call	-	MOR	Monthly
Promissory note	at call	-	MLR	Monthly
Long-term borrowings	31 August 2015	MLR+2.00	-	Monthly (Only interest)
	31 March 2016	THBFIX1M+1.80	THBFIX1M+1.80	Monthly
	28 February 2017	MLR+3.00	-	Monthly (Only interest)
	31 December 2017	MLR	MLR-1.25	Monthly
	28 February 2018	MLR+4.00	-	Monthly (Only interest)
	31 May 2018	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 December 2018	MLR	MLR-1.25	Monthly
	31 January 2019	MLR	MLR-1.25	Monthly
	30 November 2019	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 January 2020	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 August 2020	THBFIX3M+2.00	THBFIX3M+2.00	3 Months
	31 March 2021	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	30 June 2022	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 August 2022	4.53	4.53	3 Months
	31 December 2022	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 December 2022	THBFIX3M+1.80	-	3 Months
	30 June 2023	THBFIX3M+2.05	-	3 Months
	30 September 2023	THBFIX3M+1.80	-	3 Months
	31 December 2023	THBFIX3M+1.80	-	3 Months
	31 March 2024	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	30 June 2024	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 August 2025	1.72	1.72	3 Months

Borrowings from financial institutions are secured by mortgages which have detail as follows:

- Bank borrowings are secured by subsidiaries' property, plant and equipment with the mortgaged amounts of Baht 18,559 million (2012: Baht 8,290 million) (Note 13).
- Loan is pledged by right to withdraw proceeds from both saving and current accounts of subsidiaries.
- Loan is pledged by the subsidiaries' share mortgage amount 746.37 million shares and 1.55 million shares, Baht 10 per share and Baht 100 per share respectively, totalling amount Baht 7,618.65 million (2012: share mortgage amount 556 million shares, Baht 10 per share, totalling amount Baht 5,561 million).
- Under the intercompany support agreements among 35 subsidiaries (2012: 19 subsidiaries) guarantee each other for the obligation of debt payment.

The movements of bank overdrafts and short-term borrowings from financial institutions for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Opening amount	1,197,870	493,240	27,360	-
Additions of short-term borrowings	233,721	1,728,580	10,000	114,995
Repayment of short-term borrowings	(1,431,591)	(1,023,950)	(37,360)	(87,635)
Closing amount	-	1,197,870	-	27,360

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Borrowings (Cont'd)

The movements of long-term borrowings from financial institutions which included current portion for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Opening amount	6,967,304	2,466,865	-	-
Additions of long-term borrowings	10,238,742	4,776,826	-	-
Increase from gaining control in a subsidiary (Note 30)	423,298	-	-	-
Repayment of long-term borrowings and interest	(1,585,503)	(486,111)	-	-
Adjusted long-term borrowings per effective interest rate method	579,188	208,931	-	-
Adjusted exchange rate for long-term borrowings	7,312	-	-	-
Adjusted front end fees for long-term borrowings	-	793	-	-
Closing amount	<u>16,630,341</u>	<u>6,967,304</u>	<u>-</u>	<u>-</u>

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Bank overdrafts and short-term borrowings from financial institutions				
- at fixed rates	-	-	-	-
- at floating rates	-	1,197,870	-	27,360
Total bank overdrafts and short-term borrowings from financial institutions	<u>-</u>	<u>1,197,870</u>	<u>-</u>	<u>27,360</u>
Long-term borrowings from financial institutions				
- at fixed rates	318,174	114,939	-	-
- at floating rates	16,312,167	6,852,365	-	-
Total long-term borrowings from financial institutions	<u>16,630,341</u>	<u>6,967,304</u>	<u>-</u>	<u>-</u>

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	%	%	%	%
Bank overdrafts	-	7.48	-	7.48
Borrowings from financial institutions	1.84 - 11.42	1.50 - 5.75	-	5.75
Liabilities under finance lease agreements	2.28 - 9.97	3.94 - 9.97	7.41 - 7.61	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Borrowings (Cont'd)

The carrying amounts and fair values of certain long-term borrowings from financial institutions are as follows:

	Consolidated			
	Carrying amounts		Fair values	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term borrowings from financial institutions	16,630,341	6,967,304	16,630,341	6,967,304
	<u>16,630,341</u>	<u>6,967,304</u>	<u>16,630,341</u>	<u>6,967,304</u>

The fair values of short-term borrowings from financial institutions and liabilities under finance lease agreements approximate their carrying amounts.

Maturity of long-term borrowings from financial institutions (excluding liabilities under finance lease agreements) are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Between 1 and 2 years	2,758,392	704,320	-	-
Between 2 years and 5 years	6,048,057	2,321,318	-	-
Over 5 years	6,343,592	3,216,028	-	-
	<u>15,150,041</u>	<u>6,241,666</u>	<u>-</u>	<u>-</u>

Liabilities under finance lease agreements - minimum lease payments are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Not later than 1 year	5,883	2,964	2,093	-
Later than 1 year but not later than 5 years	12,206	3,820	7,371	-
<u>Less</u> Future finance charges on finance leases	<u>(2,166)</u>	<u>(583)</u>	<u>(1,473)</u>	<u>-</u>
Present value of liabilities under finance lease agreements	<u>15,923</u>	<u>6,201</u>	<u>7,991</u>	<u>-</u>
Representing liabilities under finance lease agreements:				
- Current	4,961	2,630	1,543	-
- Non-current	10,962	3,571	6,448	-
	<u>15,923</u>	<u>6,201</u>	<u>7,991</u>	<u>-</u>

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Borrowings (Cont'd)

The present value of liabilities under finance lease agreements is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Not later than 1 year	4,961	2,630	1,543	-
Later than 1 year but not later than 5 years	10,962	3,571	6,448	-
	15,923	6,201	7,991	-

The Group and the Company entered into long-term financial lease agreements with several leasing companies so as to lease vehicles. The lease contracts determine leased fee payment as monthly installment. The leased period is carried from 4 - 5 years. In addition, ownership of such vehicles will be transferred to the Group when the final installment is paid in accordance with the lease contracts or the payment for bargain purchase option is made at the end of lease contracts.

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Floating rate				
- expiring within 1 year	-	-	-	-
- expiring beyond 1 year	1,395,244	1,996,721	30,000	8,640
Fixed rate				
- expiring within 1 year	-	-	-	-
- expiring beyond 1 year	-	-	-	-
	1,395,244	1,996,721	30,000	8,640

The facilities expiring within one year are annual facilities subject to management review at various dates during the year. The other facilities have been arranged to support finance the proposed expansion of the Group and the Company activities.

20 Employee benefit obligations

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Statement of financial position				
Post-employment benefits	4,609	4,629	3,106	808
	4,609	4,629	3,106	808
Profit or loss				
Post-employment benefits	1,119	918	1,312	472
	1,119	918	1,312	472
Actuarial gain recognised in the income statement in the period	(1,139)	-	-	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

20 Employee benefit obligations (Cont'd)

The amounts recognised in the statements of financial position are determined as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of obligations	4,609	4,629	3,106	808
Liability in the statement of financial position	4,609	4,629	3,106	808

The movement in the employee benefit obligations during the year is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	4,629	3,711	808	740
Past service cost	447	432	84	220
Current service cost	491	302	1,208	192
Interest cost	181	184	20	60
Transfer in (out) to subsidiaries	-	-	986	(404)
Actuarial gains	(1,139)	-	-	-
At 31 December	4,609	4,629	3,106	808

During the years ended on 31 December 2013 and 2012, the Company had transferred some employees between the Company and its subsidiaries. All retirement benefit obligations were also transferred between the Company and its subsidiaries.

The amounts recognised in the income statements are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Past service cost	447	432	84	220
Current service cost	491	302	1,208	192
Interest cost	181	184	20	60
Actuarial gains	(1,139)	-	-	-
Total, included in staff costs	(20)	918	1,312	472

Of the total charge, Baht 0.02 million (2012: Baht 0.92 million) were included in cost of goods sold and administrative expenses in the Consolidated statements of comprehensive income.

Of the total charge, Baht 1.31 million (2012: Baht 0.47 million) were included in administrative expenses in the Company statements of comprehensive income.

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	%	%	%	%
Discount rate	4.00	4.15, 4.41	4.00	4.15, 4.41
Inflation rate	3.00	-	3.00	-
Future salary increases	4.00 - 7.00	3.82, 7.21	4.00 - 7.00	3.82, 7.21

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

21 Ordinary shares of subsidiaries with conditions to buy/sell back

Outstanding balance of ordinary shares of subsidiaries with conditions to buy/sell back as at 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Co-investing with Energy for Environment Foundation				
Investment mutual fund value	41,274	57,800	-	-
Estimation of accrued interest expense	10,364	7,476	-	-
Co-investing with International Finance Corporation				
Investment mutual fund value	89,020	89,020	-	-
Estimation of accrued interest expense	18,326	12,618	-	-
Total	158,984	166,914	-	-

Subsidiaries recognise the estimation of accrued interest expense as Solar Power Company Limited has an obligation to repurchase its subsidiaries' shares. The estimation of accrued interest expense is calculated based on the criteria in the agreements, mostly referred to MLR.

Investments in subsidiaries, which have been co-investing with Energy for Environment Foundation (EFE), have material conditions as follows:

- In 2009 and 2010, Solar Power Company Limited sold investments in ordinary shares of a subsidiary with the agreements to repurchase subsidiary's shares from EFE. Solar Power Company Limited must purchase shares back in the amount of at least 1 million shares per year in the 4th year to the 7th year commences from the date that the subsidiary initially generates revenue from main business operation (COD - Commercial Operation Date) at agreed exercise price.
 - A subsidiary will pay a management fee of 2% per annum of the investment value with Energy for Environment Foundation from the date that the subsidiary received the investment value until the date that subsidiaries initially generates revenue from main business operation (COD).
 - A subsidiary will pay a management fee of 4% per annum of the investment value with Energy for Environment Foundation from the date that subsidiary initially generates revenue from main business operation (COD) until Solar Power Company Limited will completely purchase ordinary shares back.
- In 2010, Solar Power Company Limited sold investments in ordinary shares of 2 subsidiaries with the put option agreements with EFE. EFE has rights to sell subsidiaries' shares, after the earlier of completion of 4th anniversary commenced from the date that subsidiaries initially generate revenue from main business operation (COD) or the 5th anniversary from the cash contribution of capital to subsidiaries. In addition, there is also call option agreements with Solar Power Company Limited. Solar Power Company Limited has rights to repurchase all subsidiaries' shares since subsidiaries initially generate revenue from main business operation (COD). The sell or repurchase price is as agreed under the agreement.
- In 2013, Solar Power Company Limited sold investments in ordinary shares of 2 subsidiaries with the put option agreements with EFE. EFE has rights to sell subsidiaries' shares, after the earlier of completion of 7th anniversary commenced from the date that subsidiaries initially generate revenue from main business operation (COD) or the 8th anniversary from the cash contribution of capital to subsidiaries. In addition, there is also call option agreements with Solar Power Company Limited. Solar Power Company Limited has rights to repurchase all subsidiaries' shares since EFE informs its intention and provides the document to exercise rights.
- A subsidiary will pay a management fee of 2% per annum of the investment value with Energy for Environment Foundation from the date that the subsidiary received the investment until the date that subsidiaries initially generates revenue from main business operation (COD).

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

21 Ordinary shares of subsidiaries with conditions to buy/sell back (Cont'd)

The movements of ordinary shares of subsidiaries with condition to buy/sell back with EFE for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning book value	65,276	86,435	-	-
Additions:				
- Principal	3,474	-	-	-
- Interest expense	4,154	6,701	-	-
Repayment:				
- Principal	(20,000)	(20,000)	-	-
- Interest expense	(1,266)	(7,860)	-	-
Ending book value	51,638	65,276	-	-

Investments in subsidiaries, which have been co-investing with International Finance Corporation (IFC), have material conditions as follows:

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

The movements of ordinary shares of subsidiaries with condition to buy/sell back with IFC for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Beginning book value	101,638	98,729	-	-
Increase in accrued interest expense	5,708	2,909	-	-
Ending book value	107,346	101,638	-	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

22 Share capital and premium on share capital

	Consolidated				
	Number of shares - issued and paid-up Shares'000	Ordinary shares - issued and paid-up Baht'000	Premium on share capital Baht'000	Premium on share capital from business combination Baht'000	Total Baht'000
At 1 January 2012	500,000	500,000	-	89,000	589,000
Issue of shares	60,000	60,000	1,162,825	-	1,222,825
At 31 December 2012	560,000	560,000	1,162,825	89,000	1,811,825
Issue of shares	279,991	279,991	-	-	279,991
At 31 December 2013	839,991	839,991	1,162,825	89,000	2,091,816

	Company				
	Number of shares - issued and paid-up Shares'000	Ordinary shares - issued and paid-up Baht'000	Premium on share capital Baht'000	Premium on share capital from business combination Baht'000	Total Baht'000
At 1 January 2012	500,000	500,000	826,870	-	1,326,870
Issue of shares	60,000	60,000	1,162,825	-	1,222,825
At 31 December 2012	560,000	560,000	1,989,695	-	2,549,695
Issue of shares	279,991	279,991	-	-	279,991
At 31 December 2013	839,991	839,991	1,989,695	-	2,829,686

As at 31 December 2013, the total number of authorised ordinary shares is 840,000 thousand shares (2012: 560,000 thousand shares) with a par value of Baht 1 per share (2012: Baht 1 per share). The total number issued and fully paid-up is 839,991 thousand shares (2012: 560,000 thousand shares).

On 24 February 2012, the Company issued and received proceeds from such allocation of 60 million new ordinary shares at a subscription price of Baht 21 each, totalling of Baht 1,260 million. The proceeds split into an increase in share capital of Baht 60 million and share premium of Baht 1,200 million. The expenses relating to issuance of new ordinary shares amounting to Baht 37 million net of tax, the net proceeds from share premium was Baht 1,163 million.

On 6 March 2012, the warrants of SPCG Public Company Limited No.1 were registered and listed in the Market Alternative Investment.

On 10 May 2012, the ordinary shares and warrants of SPCG Public Company Limited No.1 changed from trading on the Market Alternative Investment to trading on the Stock Exchange of Thailand.

At the Extra-Ordinary Shareholders meeting No. 1/2013 held on 15 July 2013, approved changed in exercise date of warrants of SPCG Public Company Limited No.1 (SPCG-W1) from that warrant holders are able to exercise warrants only once at the last exercise date which is the 3rd anniversary from issue date, 2 March 2015 into three periods as follows:

Period 1st: 25 - 31 July 2013 : As of 31 July 2013, the result of exercise of warrants of SPCG Public Company Limited No.1 (SPCG-W1) for the first period was 68,389,650 units. The number of issued and paid-up ordinary shares was increased by issuance of 68,389,650 new ordinary shares with a par value of Baht 1 each, totalling amount Baht 68,389,650. The Company registered the increase of the share capital with the Ministry of Commerce on 6 August 2013.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

22 Share capital and premium on share capital (Cont'd)

Period 2nd: 26 - 30 August 2013: As of 30 August 2013, the result of exercise of warrants of SPCG Public Company Limited No.2 (SPCG-W1) for the second period was 144,217,430 units. The number of issued and paid-up ordinary shares was increased by issuance of 144,217,430 new ordinary shares with a par value of Baht 1 each, totalling amount Baht 144,217,430. The Company registered the increase of the share capital with the Ministry of Commerce on 12 September 2013.

Period 3rd: 24 - 30 September 2013: As of 30 September 2013, the result of exercise of warrants of SPCG Public Company Limited No.3 (SPCG-W1) for the third period was 67,383,968 units. The number of issued and paid-up ordinary shares was increased by issuance of 67,383,968 new ordinary shares with a par value of Baht 1 each, totalling amount Baht 67,383,968. The Company registered the increase of the share capital with the Ministry of Commerce on 7 October 2013. However, there are unexercised warrants amounting to 8,533 units from the total warrants of 279,999,581 units which have already been expired.

23 Legal reserve

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
At 1 January	-	-	5,415	5,415
Appropriation during the year	-	-	-	-
At 31 December	-	-	5,415	5,415

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

24 Revenue from sales and rendering of services

	Consolidated		Company	
	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
Revenue from electricity distribution	2,063,331	809,676	-	-
Sale revenues	201,930	191,636	93	2,292
Service revenues	151,051	109,597	474	21,083
Revenue from construction contracts	56,552	103,448	34,544	45,456
Total	2,472,864	1,214,357	35,111	68,831

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

25 Other income

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Gain on adjusting fair value of previously held interests (Note 30)	13,450	-	-	-
Interest income	9,307	7,428	3,484	5,605
Income from freight	2,250	2,081	-	144
Management income	1,944	-	26,676	8,500
Gain on disposal of property, plant and equipment	233	-	93	-
Rental income	-	450	6,657	6,719
Gain on exchange rates, net	-	34,895	-	-
Gain on a bargain purchase of an associate (Note 12.2)	-	11,977	-	-
Other income	4,650	4,262	776	2,470
Total	31,834	61,093	37,686	23,438

26 Expenses by nature

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Changes in inventories of finished goods and work in process	(625,522)	11,065	-	(1,141)
Raw material and consumables used	933,581	291,616	25,831	111,527
Depreciation and amortisation (Note 13, 15)	347,057	162,855	4,530	3,142
Management and facilitation fee	151,938	105,057	3,337	2,315
Financial consultant fee	106,108	70,477	162	-
Employee benefit expenses	94,249	102,162	38,333	35,313
Insurance expenses	66,597	28,037	727	712
Professional fee	31,222	28,881	2,727	4,467
Loss on exchange rates, net	10,340	-	-	-
Advertising fee	7,844	9,108	2,014	2,705
Other expenses	86,084	25,653	6,698	12,610
Total	1,209,498	834,911	84,359	102,971

Depreciation has been included depreciation in investment property of Baht 0.07 million in the Consolidated and Company statements of comprehensive income for the year ended 31 December 2013 (2012: nil).

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

27 Income tax expense

	Consolidated		Company	
	2013	(Adjusted) 2012	2013	(Adjusted) 2012
	Baht'000	Baht'000	Baht'000	Baht'000
Current tax:				
Current tax on profits for the year	81,671	42,855	-	-
Adjustments in respect of prior year	-	-	-	-
Total current tax	81,671	42,855	-	-
Deferred tax:				
Origination and reversal of temporary differences	(17,199)	(14,704)	(459)	(14)
Impact of change in tax rate	-	-	-	-
Total deferred tax	(17,199)	(14,704)	(459)	(14)
Total income tax expense (income)	64,472	28,151	(459)	(14)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2013	(Adjusted) 2012	2013	(Adjusted) 2012
	Baht'000	Baht'000	Baht'000	Baht'000
Profit (loss) before income tax	708,428	208,920	(12,162)	(12,216)
Tax calculated at a tax rate of 20% (2012: 23%)	141,686	48,052	(2,433)	(2,810)
Tax effect of:				
Profit from inter-segment	120,288	39,178	-	-
Associates' results reported net of tax	(3,721)	(404)	-	-
Income not subject to tax	(255,626)	(92,465)	(76)	(36)
Expenses not deductible for tax purpose	12,180	4,382	713	862
Tax losses for which no deferred income tax asset was recognised	52,140	32,162	1,337	1,970
Gain on adjusting fair value of previously held interests	(2,690)	-	-	-
Gain on a bargain purchase of associate	-	(2,754)	-	-
Adjustment in respect of prior year	215	-	-	-
Tax charge	64,472	28,151	(459)	(14)

The weighted average applicable tax rate was 9% (2012: 13%). The decrease is caused by a change in corporate income tax rate announced by the Government.

During the year, as a result of the change in corporation tax rate from 23% to 20% that was substantively enacted on 11 October 2011 and that will be effective from 1 January 2012, the relevant deferred tax balances have been re-measured. Deferred tax expected to reverse in the year to 31 December 2013 has been measured using the effective rate that will apply for the period at 20%.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

28 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2013	(Adjusted)	2013	(Adjusted)
	Baht'000	2012	Baht'000	2012
		Baht'000		Baht'000
Profit (loss) attributable to ordinary shareholders of the Company	499,321	54,067	(11,703)	(12,202)
Weighted average number of ordinary shares outstanding (Shares'000)	654,831	551,148	654,831	551,148
Basic earnings (loss) per share (Baht per share)	0.763	0.098	(0.018)	(0.022)

There are no potential dilutive ordinary shares in issue during the years 2013 and 2012.

29 Financial instruments

A financial instrument is any contract that gave rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group have no policy to speculate or trade in off-balance sheet derivative financial instruments.

Outstanding balance of financial instruments that recorded in the statements of financial position as at 31 December 2013 and 2012 as follows:

	Consolidated		Company	
	Assets	Liabilities	Assets	Liabilities
	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2012				
Cross currency interest rate swap contracts	114,321	115,575	-	-
Forward foreign exchange contracts	1,567,671	1,589,732	-	-
	1,681,992	1,705,307	-	-
At 31 December 2013				
Cross currency interest rate swap contracts	112,216	105,836	-	-
Forward foreign exchange contracts	494,665	481,234	-	-
	606,881	587,070	-	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

29 Financial instruments (Cont'd)

29.1) Forward foreign exchange contracts

In order to manage the risks arising from fluctuations in currency exchange rates, the subsidiaries have hedged its foreign currency risk incurred from asset purchased in foreign currencies while performing forward foreign exchange contracts. As at 31 December 2013 and 2012, the settlement dates on open foreign currency forward contracts ranged within six months.

	Consolidated		Company	
	2013	2012	2013	2012
Value as the forward foreign exchange contracts				
Thousand USD	11,427	44,807	-	-
Thousand EUR	2,712	5,011	-	-

29.2) Cross currency interest rate swap contracts

The subsidiaries have entered into cross currency interest rate swap contracts to alter the currency characteristic for partial of long-term loans from other financial institutions (Note 19) from foreign currency into Baht currency.

As at 31 December 2013, the subsidiaries agreed to exchange from foreign currency into Baht currency under the cross currency interest rate swap contract and agreed to alter the difference interest amounts between the fixed rates 1.50% which are calculated by reference to the agreed foreign currency notional principal amounts and fixed rates 1.72% which are calculated by reference to the agreed Baht currency notional principal amounts.

The criterias and notional principal amounts of outstanding cross currency interest rate swap contracts as at 31 December 2013 and 2012 are as follows:

	Currency and received interest as per contract		Currency and paid interest as per contract	
	Principal Million USD	Fixed interest rate (%)	Principal Million Baht	Fixed interest rate (%)
At 31 December 2013	3.43	1.50	105.84	1.72
At 31 December 2012	3.75	1.50	115.58	1.72

29.3) Interest rate swap contracts

The subsidiaries entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of long-term borrowings from financial institutions (Note 19) by changing from floating interest rate to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, subsidiaries agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2013, the notional principal from the contract was amounting to Baht 4,013 million (2012: Baht 3,597 million), the fixed interest rates ranged from 4.72% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00% (2012: the fixed interest rates ranged from 4.75% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00%).

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

29 Financial instruments (Cont'd)

29.4) Net fair values of derivative financial instruments

The net fair values of derivative financial instruments at the statements of financial position date and designated for cash flow hedges were:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Net fair values of derivative financial instruments:				
Interest rate swap contracts	(44,242)	(33,291)	-	-
Cross currency interest rate contracts	9,191	8,532	-	-
Forward foreign exchange contracts	15,984	(4,514)	-	-
	<u>(19,067)</u>	<u>(29,273)</u>	<u>-</u>	<u>-</u>

30 Acquisition

On 31 December 2012, the Company acquired 60% of the share capital of Solar Power Assets Company Limited for Baht 94.80 million which is considered as investment in associate (Note 12.2). Subsequently, at the Board of Directors meeting No. 8/2013, held on 8 November 2013, Board of Directors approved acquisition of Solar Power Asset Company Limited from existing shareholders by subscribing 4.50 million ordinary shares from 11.25 million ordinary shares with a value of Baht 20 each, totally Baht 90 million and represented 39.99% of the total share capital of Solar Power Asset Company Limited.

On 19 December 2013, the Company acquired such 4.50 million ordinary shares, totally Baht 90 million. This is resulted to increase in shareholding from 60% to 99.99% and the Company obtained the control over Solar Power Asset Company Limited onwards.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

30 Acquisition (Cont'd)

The following table summarises the consideration paid for Solar Power Assets Company Limited and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest in Solar Power Assets Company Limited.

Consideration paid as at 19 December 2013

	Baht'000
Cash	90,000
Total consideration transferred	90,000
Fair value of equity interest in Solar Power Assets Company Limited held before the business combination	135,000
Total consideration	225,000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalent	3,503
Restricted deposits - current	888
Trade and other receivables, net	25,410
Other current assets	11,673
Restricted deposits - non-current	67,194
Property, plant and equipment, net (Note 13)	482,116
Other intangible assets, net (Note 15)	1,339
Other non-current assets	20,030
Trade and other payables	(1,317)
Current portion of long-term borrowings from financial institutions (Note 19)	(45,419)
Other current liabilities	(1,683)
Long-term borrowings from financial institutions (Note 19)	(377,879)
Total identifiable net assets	185,855
Non-controlling interest	(18,750)
Licenses for Energy Industry (Note 15)	57,895

The amounts of assets and liabilities were based on financial statements as at 31 December 2013 as it was the nearest accounting closing date, to the acquisition date as of 19 December 2013.

The fair value of the consideration paid of Baht 225 million was estimated by applying the income approach. The fair value estimates are based on a discount rate of 12.17%, growth rate 3.95% and gross margin 35.00% and assumed probability-adjusted profit in Solar Power Assets Company Limited of Baht 18.14 million and Baht 20.35 million

The fair value of 60% interest in Solar Power Assets Company Limited's ordinary shares previously held before acquisition date is based on the offering price of the Company's ordinary shares as of 19 December 2013.

The license for energy industry to sell the solar energy of Baht 57.90 million arising from the acquisition is attributable to the power purchase agreements to sell the solar energy of 2 subsidiary companies of Solar Power Assets Company Limited consist of AJ Technology Company Limited and Tipayanarai Company Limited, which have the purchase agreements to sell the solar energy with the capacity of 3.73 Megawatt of each entities started selling electricity to the Provincial Electricity Authority on 25 June 2013.

The Group recognise gain of Baht 13.45 million (Note 25) on adjusting fair value of previously held equity interest of 60% in share capital of Solar Power Assets Company Limited that held before the Company has gained control. This gain was included in other income in the consolidated statements of comprehensive income for the year ended 31 December 2013.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The Company shares are held by the Khunchornyakong Family and the Kultavarakorn Family in proportion of 54.13% and 0.00%, respectively (2012: 54.05% and 7.32%, respectively). The remaining 45.87% (2012: 38.63%) of the current year shares are widely held.

The following transactions were carried out with related parties:

31.1) Sales of goods and services

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Sales of goods to:				
Associates and joint ventures	16	-	-	-
Other related parties				
sole shareholders	1,758	60	-	-
	<u>1,774</u>	<u>60</u>	<u>-</u>	<u>-</u>
Sales of services to:				
Subsidiaries	-	-	31,389	14,769
Associates and joint ventures	65,119	-	36,488	-
	<u>65,119</u>	<u>-</u>	<u>67,877</u>	<u>14,769</u>

31.2) Cost of purchase inventory, fixed asset and service

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of inventory,				
fixed asset from:				
Associates and joint ventures	87,000	-	3,000	-
Other related parties				
sole shareholders	598	98,871	-	-
	<u>87,598</u>	<u>98,871</u>	<u>3,000</u>	<u>-</u>
Purchases of services from:				
Subsidiaries	-	-	4,567	4,744
Other related parties				
sole shareholders	1,603,757	37,909	17,826	-
	<u>1,603,757</u>	<u>37,909</u>	<u>22,393</u>	<u>4,744</u>

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

31 Related-party transactions (Cont'd)

31.3) Outstanding balances arising from sales/purchases of goods/services

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Receivables from:				
Subsidiaries	-	-	1,441	254
Associates and joint ventures	-	-	-	34,533
Other related parties				
sole shareholders	12,544	231,985	-	-
Total related-party receivables				
(Note 9)	12,544	231,985	1,441	34,787
Payables to:				
Subsidiaries	-	-	4,593	10,437
Associates and joint ventures	19,260	-	-	-
Other related parties				
sole shareholders	207,415	73,963	-	-
Total related-party payables				
(Note 18)	226,675	73,963	4,593	10,437

31.4) Loans to related parties

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	50,000	-	87,500	-
Loans advanced during the year				
Subsidiaries	-	-	36,000	1,367,500
Associates and joint ventures	3,100	50,000	2,100	50,000
Loan repayments received				
Subsidiaries	-	-	(73,500)	(1,330,000)
Associates and joint ventures	(53,100)	-	(52,100)	-
At 31 December	-	50,000	-	87,500

The loans to subsidiaries and associates were made on commercial terms and conditions. The related interest income from subsidiaries was Baht 0.40 million (2012: Baht 4.46 million). The loans are due at call. No provision has been required in 2013 and 2012 for the loans made to associated undertakings.

The loans to subsidiaries and associates carry interest at MLR -1.5% and are due at call.

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

31 Related party transactions (Cont'd)

31.5) Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Salaries and other short-term employee benefits	26,955	20,525	15,852	10,195
Post-employment benefits	715	849	1,576	88
	27,670	21,374	17,428	10,283

31.6) Contingent liabilities

As at 31 December 2012, the Company guaranteed to its subsidiaries for their short-term loan from financial institutions amounting to Baht 1,500 million in form of the promissory notes that had the expiry date less than 180 days.

32 Commitments

The Group has the following commitments and contingencies:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht'000	Baht'000	Baht'000	Baht'000
Capital commitments				
- under land purchase agreements	2,480	6,398	-	-
- under project development contracts	73,935	561,481	-	4,505
Operating commitments	0			
- under service contracts	237,229	128,574	2,222	1,787
- under construction management	85,956	681,290	-	24,418
- under rental agreement	3,341	5,020	2,923	3,338
Total commitments	402,941	1,382,763	5,145	34,048
Contingent liabilities in respect of bank guarantees	887,466	165,583	-	5,183
Contingent liabilities in respect of capital expenditure - Property, plant, equipment				
- US Dollar currency	2,349	137,587	-	-
- Euro currency	262,742	24,037	-	-

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

33 Promotional Privileges according to Investment Promotion Act

The Group receives investment promotion from the Board of Investment Promotion and receives privilege according to Investment Promotion Act, B.E. 2520. The production of electricity from solar energy. By the reduction of import duty on machinery used in production that the machinery must be brought within the period as specified by the investment promotion certificate. The privilege received includes the receipt of corporate income tax exemption for the period of 8 years commenced from the date that the Company generates revenue from electricity production from solar energy and receives lenience of corporate income tax of 50% of normal rate for net profit that received from promoted business for the subsequence period of 5 years, during the 9th to 13rd years period commenced from the date that the Company generates revenue, as follows :

Certificate no.	Approved date	Company's name of promotional activities	First generated revenue date
1914(1)/2552	19 May 2009	Solar Power (Korat1) Company Limited	21 April 2010
1941(1)/2553	24 August 2010	Solar Power (Sakonnakorn1) Company Limited	9 February 2011
2028(1)/2553	24 August 2010	Solar Power (Nakornphanom1) Company Limited	22 April 2011
1180(1)/2554	24 August 2010	Solar Power (Korat2) Company Limited	13 September 2011
1181(1)/2554	24 August 2010	Solar Power (Loei1) Company Limited	15 September 2011
1501(1)/2554	24 August 2010	Solar Power (Khonkaen1) Company Limited	15 February 2012
2465(1)/2554	15 November 2011	Solar Power (Korat3) Company Limited	09 March 2012
2510(1)/2554	15 November 2011	Solar Power (Korat4) Company Limited	14 May 2012
2511(1)/2554	15 November 2011	Solar Power (Korat7) Company Limited	30 May 2012
1462(1)/2555	6 March 2012	Solar Power (Korat5) Company Limited	15 January 2013
1463(1)/2555	6 March 2012	Solar Power (Korat8) Company Limited	15 January 2013
1525(1)/2555	3 April 2012	Solar Power (Korat9) Company Limited	16 January 2013
1526(1)/2555	3 April 2012	Solar Power (Khonkaen3) Company Limited	17 January 2013
1464(1)/2555	6 March 2012	Solar Power (Khonkaen4) Company Limited	17 January 2013
1465(1)/2555	6 March 2012	Solar Power (Khonkaen5) Company Limited	18 January 2013
1621(1)/2555	28 February 2012	Solar Power (Khonkaen8) Company Limited	18 January 2013
1892(1)/2555	28 February 2012	Solar Power (Korat6) Company Limited	26 June 2013
1891(1)/2555	28 February 2012	Solar Power (Khonkaen2) Company Limited	29 July 2013
2017(1)/2555	6 March 2012	Solar Power (Buriram1) Company Limited	26 June 2013
2018(1)/2555	6 March 2012	Solar Power (Buriram2) Company Limited	26 June 2013
2818(1)/2555	6 March 2012	Solar Power (Nakornphanom2) Company Limited	Not generated revenue yet
2281(1)/2555	28 February 2012	Solar Power (Khonkaen7) Company Limited	1 October 2013
2385(1)/2555	6 March 2012	Solar Power (Udonthani1) Company Limited	Not generated revenue yet
2280(1)/2555	22 May 2012	Solar Power (Nongkai1) Company Limited	Not generated revenue yet
2386(1)/2555	6 March 2012	Solar Power (Buriram3) Company Limited	Not generated revenue yet
2717(1)/2555	22 May 2012	Solar Power (Sakonnakorn2) Company Limited	Not generated revenue yet

SPCG Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

33 Promotional Privileges according to Investment Promotion Act (Cont'd)

Certificate no.	Approved date	Company's name of promotional activities	First generated revenue date
2844(1)/2555	22 May 2012	Solar Power (Surin3) Company Limited	Not generated revenue yet
2718(1)/2555	22 May 2012	Solar Power (Nakornphanom3) Company Limited	Not generated revenue yet
2846(1)/2555	22 May 2012	Solar Power (Khonkaen9) Company Limited	Not generated revenue yet
2847(1)/2555	22 May 2012	Solar Power (Khonkaen10) Company Limited	Not generated revenue yet
2845(1)/2555	28 February 2012	Solar Power (Khonkaen6) Company Limited	Not generated revenue yet
2843(1)/2555	22 May 2012	Solar Power (Loei2) Company Limited	Not generated revenue yet
1793(1)/2556	6 March 2012	Solar Power (Surin1) Company Limited	Not generated revenue yet
1224(1)/2556	22 November 2012	Solar Power (Surin2) Company Limited	Not generated revenue yet
1889(1)/2555	12 June 2012	AJ Technology Company Limited	25 June 2013
2042(1)/2555	26 June 2012	Tipayanarai Company Limited	25 June 2013

34 Post statement of financial position event

At the Board of Directors Meeting No.1/2014, held on 21 February 2014, Board of Directors approved a decrease in the share capital by reducing unpaid-up share capital amount 8,952 shares which are derived from unexercised warrants (SPCG-W1) and had already been expired. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2014.

11 Corporate Social Responsibilities (CSR)



11.1 Overview

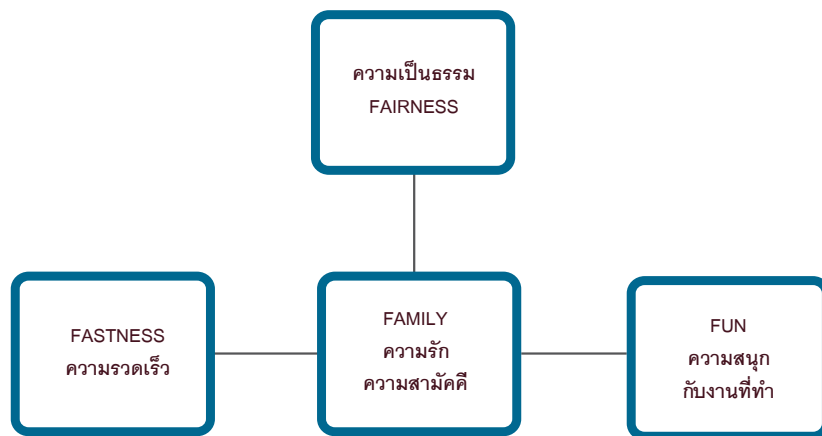
SPCG appreciates to important of production and usage of energy from clean and environment-friendly sources. As per government's policy in Renewable Energy Development Plan (REDP) which focuses on developing in main nation energy, cutting down dependency on fuel importing and enforcing nation energy stability with acceptable price, and counteract on environment and community along with reducing greenhouse gas emission which important factor of global warming. We were therefore developing Solar Farm Project progressively to be national clean energy source. End of 2013, 23 of 36 solar farm projects have been completed and distributable commercially to the Provincial Electricity Authority totally 150 megawatts

per hour. This led to cutting down dependency on energy from fossil and turn to solar power that friendly to environment and renewable.

Our 36 solar farm projects located at 9 provinces of Northeast and Lopburi. We purchased land from the communities that mostly are agriculturists. Public hearings were provided in all projects before constructing. This caused knowledge distribution and created correct understandings on solar power plants together with local workman both construction and operation, in which patronized between our operation and surround communities.

With our policy on clean energy, then caused to implanting in attention and focus on environment both internal and external organization, along with communities surrounding Solar Farm and relatives. We emphasized on good and merit governance, explicit reveal and accountability, and comply with related laws and regulations. These are enhancing our business to growth up for consecutive, permanent, and systematical development. SPCG board of director

have settled policy of governance and business ethics to be basic principle of committee, executive board, and staffs, included emphasized on complying with the law, conduction under good custom and culture, and responsible to the social as well as all stakeholders. We have publicized those policies on our website at http://www.spcg.co.th/th/download/cg/SPCG_Corporate_Governance.pdf, which are following summarized;



Green Industry

In 2013, we have participated into Green Industry project, which founded on year 2011 by the Ministry of Industry to promote corporate who have environment-friendly and social responsibility, for happiness between industrial sectors, social, and communities, and consecutive development. Green Industry project has 5 level development as following;

Level 1

Green Commitment means intention to minimize influence on environment and having communicate to all of organization thoroughly.

Level 2

Green Activity means carrying on activities to minimize influence on environment accordance with targeted.

Level 3

Green System means systematical environment management which be traced, evaluated, and reviewed for continuous development, as well as acceptable environmental awards and certified standards.

Vision of SPCG

SPCG is a leader of Solar Farm development with highest efficiency in power generating by lowest cost both in Thailand and Southeast Asia regional, and is a leader in coated metal roof and pre-engineered buildings.

Mission of SPCG

SPCG is a consult, constructor, and developer in Solar Farm and is a leader of marketer in coated metal roof and pre-engineered building, with qualitative policy of "Best Value : Best Design : Best Output."

Culture of SPCG

Corporate Culture of SPCG emphasizes on stimulate our staffs to get within explicit values, objectives, and visions that will enhance our operation. Corporate Culture of SPCG are following.

FAIRNESS

SPCG abide to good governance and respect to human rights by giving the staffs opportunities to make opinion in performance and political that not interfere others.

FAMILY

All staffs of SPCG are a family which should be assist and care reciprocally to solve any problems and keep going with SPCG.

FASTNESS

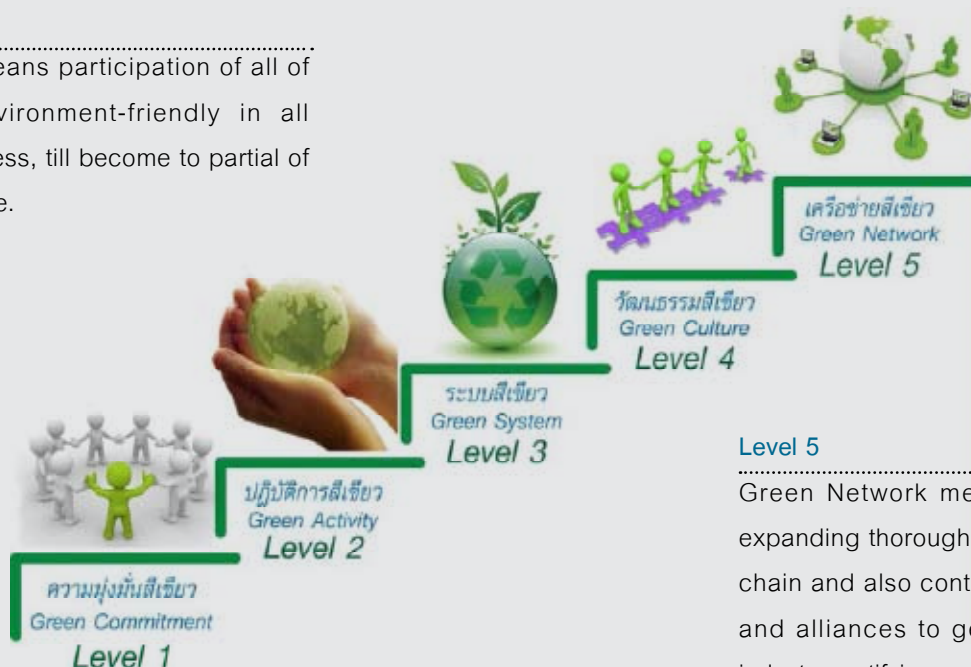
Under competitive circumstances, all staffs are responsible to assigned tasks dramatically and play upon their skillfulness potentially, willingly, and lavishly, and dedicate to successfulness.

FUN

SPCG focuses to utilize any sources for utmost efficiencies and look forward to all succeeded by united efforts and devotions of staffs. Staffs will know to manage their tempers and be happy and funny with their works.

Level 4

Green Culture means participation of all of organization environment-friendly in all activities of business, till become to partial of organization culture.



Level 5

Green Network means network expanding thorough green supply chain and also contribute traders and alliances to get into green industry certifying.



Miss Omsin Siri
Director and Deputy CEO
Represented the company Accepting
CSR – DIW AWARD 2013

CSR-DIW AWARD 2013



In 2013, our 9 Solar Farms, which commenced their production and distribution in year 2012, have participated into green project and already passed level 3 of quality test, now being under plan to level 4. In addition, other Solar Farm which started to produce and distribute electrical in year 2013 will participate gradually later.

Basis of level 4 of Green Industry is covered to basis of standard in social responsibilities according to

ISO 26000. Therefore, we plan to surf this project continuously to create green culture both headquarter, Bangkok and Solar Farm Learning Center, Nakhonratchasima. Participating into Green Office project of the Ministry of Natural Resource and Environment is only first step to fostering green culture. By this project participation, we have been passed and rewarded Green Office Award by the Ministry of Natural Resource and Environment. We will play this activity constantly and expand to all our solar farm.

11.2 Operating and Reporting

Permanence Report Preparing

We planned to prepare permanence report accordance with permanence development report of Global Reporting Initiative (GRI G3.1) in year 2014, and publish in our policies and principle that focuses on green energy business for eternity growth.

SPCG (Public) Company Limited and Affiliates bears to operate businesses that friendly with environment by emphasizes on developing and improving in manufacture process and environment management consistently, along with responsible to the social both internal and external as well as creating green network for permanent development. For social responsibilities, we have settled a policy for all staffs and our representatives to execute as well as publicizing.

Related agents of SPCG functions to create and maintain good relationship to all stakeholders and provide communication channel and amenable. We have settled principle of conducts as following;

1. Shareholders and Investors

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

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

2. Customers

A customer of solar farm business in only the Provincial Electricity Authority (PEA), but customers of solar roof and metal roof are general public, factory, warehouses, government, and state enterprise, etc.

We are aware of customers' satisfaction as well as operational safety standard, then ISO 9001:2000 and ISO 14001 have been applied with policy as "we'll produce quality products with same standard and continuous development for highest satisfaction of customer." By fairness of business, we set qualitative policy as "Best Value, Best Design, Best Output."

3. Traders and/or Creditors

For attaining together, we aims to create good relationship to traders and/or creditors, run business with basis of fairly encouragement, undifferentiated between traders and/or creditors, attend to company's advantages, avoiding any circumstances that may caused interest conflict, and complying with any and all commitments.

4. Competitors

We aims to deal with competitors by basis of fairness rules, not provide for secret of competitors dishonestly or unsuitably. The competition should be flowed fairly, and no distort or deceptive. Sometimes SPCG is necessary to cooperate with competitors explicitly and not conceal from illegal agreement.

5. Staffs

We prefer to our staffs, who are important sources, including safeness and sanitary of working, as well as respect in human rights. This will support us to approach our target. Therefore, we provided our staffs good quality life with fair employment, safety, proper benefits, and progressive opportunity, as well as, immerse to proceed under any and all regulations in environment together with protect any accidents and damages by working that may influenced to staffs and environment.

6. Government and Authorities

We have encouraged and developed nation progression under any and all related laws, rules, orders, and regulations, and accordance with normal business practical. Moreover, we have cooperated to government and authorities to make correct understandings and developing in renewable energy to be nation permanent energy, by both information exchange, linking and exchanging technologies between foreigners, suggesting on industrial development, lecturing for correct understanding, etc.

7. Communities and Socials

We also got in on responsible to communities and socials, and ready to be adjacent to communities and socials. We have implemented the projects by hearing communities' opinion and gave them explicit information and opportunities to join our development. Upon any projects completed, we have accepted generalists who mostly live near to those projects to work with in controlling section and observes solar farm.

Furthermore, we also have emphasized on following any and all standards in safety, securities, sanitary, and environment, as well as regard to affection on natural resources and environments. We have encouraged to make conscious mind in safety, occupational health, and environment, together with contributed education to youth, public activities, social, community, and environment development, maintain religious, and preserve natural resources.

8. Business Alliances

This includes alliances who invest into company and affiliates both domestic and abroad which supported our operation, for example, International Finance Corporation (IFC), Energy for Environment Foundation (E for E), Thai Fah Power Co., Ltd., Ratchaburi Holding (Public) Co., Ltd., etc. We adhered to deal with our alliances by sincerely, revealed, and fairly, under any covenants that encourage our growth and not exploit our alliances, along with reached pleasingly in investment return.

Information Disclosure and Transparency

We emphasized on disclosure in information related to Company whether financial or non-financial correctly, completely, in time, and explicitly, both in Thai and English, such as Annual Report Form 56-1, Meeting Invitation Letter and Minutes of Shareholders Meeting, and useful information, etc., through the Stocks Exchange of Thailand and our website that invariably updated.

We strictly comply with any and all laws, rules, and regulations stipulated by the Securities and Exchange Commission, the Stocks Exchange of Thailand, and others authorities, for instance;

1. Financial information disclosure, especially in financial statement, are correctly under the General Accepted Accounting Standards and verified by independent auditor and approved by our Investigation Commission and Board of Director, before disclose to public.

2. Directors and Executives needs to disclose their interests information, in case of staked into Company.

3. Disclose roles and functions of committee and sub-committee, number of meetings, and number of meeting attending of individuals.

4. Disclose policy in remuneration of committee, includes scheme, identifying, and amount of its remuneration of individuals

We are preparing development project and illustrates in social responsibilities by establishing working team and assigning experts to be project consultant, that may commence in this year.

Anti-Corruption

We settled anti-corruption measurement into our Code of Conduct that staffs have been prohibited to receive any gift and feast that may indistinct and damaged to Company. Moreover, due to our business have to utilize technology in designing that uniquely along with secret information of traders, therefore our executives and staffs together with company's advisories who need to known in such information

need to countersign in non-disclosure agreement and prohibit to use those information dishonestly that may damaged to the Company.

Our internal auditor will investigate performance of executives and staffs annually and evaluate risk of corruption or damage that might be occurred by their performing and then report to the Audit Committee and the meeting of board of director by quarterly.

Communication with Staffs and Employee

We have provided several communication channel to our staffs and affiliates to communicate with related agencies comfortably, other than meet with executives and related for all time, such as bulletin board, email, website, and suggestion box. Moreover, we gave staffs opportunities to make politic opinions in any external activities by respect to human rights and not take Company's name, trademark, or logo to involve.

11.3 Business Operation that may affected to Social Responsibilities (in process)

We have no any legal dispute or accusation in any acting that affected to environment that may lead to legal controversy. We aware that our Solar Farm which located in 10 provinces need to rely on and supported by communities surroundings solar farm. Therefore, we have developed surroundings area and Solar Farm simultaneously, for instance, making wetlands, road, scupper, flood protector, job creation, etc. In addition, there were activities in many festivals that beneficiate to relationship of our Solar Farm and communities.

11.4 Activities for Social and Environment (after process)

11.4.1 Social Activities in 2013

- Succeed Awards

SPCG operated with willful and developed our potentialities for business growth together with socials and environments. Derived awards are guarantee our quality in any operation.



- CSR-DIW Awards

Our executives derived “Corporate Social Responsibilities – Department of Industrial Works Award (CSR-DIW AWARD)” for year 2013 from Department of Industrial Works, Ministry of Industry. It is shown that SPCG group have operate Solar Farm under internal standards with safeness and environment-friendly which regard to social benefits. All 9 Solar Farm Projects participated in this contest, comprised with Solar Power (Korat 1) Co Ltd, Solar Power (Korat 2) Co Ltd, Solar Power (Korat 3) Co Ltd, Solar Power (Korat 4) Co Ltd, Solar Power (Korat 7) Co Ltd, Solar Power (Khonkaen 1) Co Ltd, Solar Power (Nakhonphanom 1) Co Ltd, Solar Power (Loei 1) Co Ltd, and Solar Power (Sakonnakhon 1) Co Ltd, also have been awarded



- **GREEN OFFICE**

SPCG (Public) Company Limited, “SPCG”, by Miss Omsin Siri, Executive Vice President, received a prize of Green Office from Mr. Wichet Kasemthongsri, Minister of Natural Resources and Environment. The Green Office award is honor award stressed that organization or agents had managed their office to friendly with residents, environment, and social. SPCG and 2 affiliates, Solar Power Co Ltd, and Solar Power (Korat 1) Co Ltd, had also been awarded.

- **Awarded to our CEO**

Miss Wandee Kunchonyakhong, President and General Manager of SPCG (Public) Company Limited,

received “Woman Entrepreneur of the Year Award 2013” in Asia Pacific Entrepreneurship Award 2013 by Enterprise Asia, awarded by Mr. Yanyong Phuangrat, Minister of Commerce. The Woman Entrepreneur of the Year Award 2013 is honorable and acceptable globally on selecting succeeded founder in modern business development which determined by their outcomes that contributed by government or private that transparency, good governance, permanency, and enhance regional economic and social stabilities. For this award, the committee will select a succeeded business leader per country from Malaysia, Indonesia, Brunei, Singapore, Hong Kong, Vietnam, Thai, India, and China.



- **Social Return**

SPCG group concentrated to be leader in Solar Farm Development together with social returning, especially, surroundings Solar Farm, create green energy to live with communities happily, and lead most benefit to our nation.

- **Scholarship**

SPCG (Public) Company Limited or SPCG proactively exerted to “Corporate Social Responsibilities (CSR)” project to communities surrounding Solar Farm by providing “SPCG Scholarship” Year 2013 activity, cooperated with Donchomphu Sub-district Administrative Organization, Nongsoong district, Nakhonratchasima province. 75 good and poor students of five schools in Donchomphu sub-district, primary and secondary school, had been selected for scholarships in education and return to make benefits to their communities. Furthermore, learning manual in

renewable energy from solar - clean energy and environment friendly – usage in daily life with efficiency had been distributed. There are 2 Solar Farm of SPCG as Solar Power Korat 1 and Korat 2, totally 12 Megawatts capacity.

- **Help Philippines**

Miss Wandee Kunchonyakhong, President and General Manager of SPCG (Public) Company Limited, endowed 1,000,000 Baht for Philippines Flood Relief, in which received by Mr. Phongsak Raktaphongphaisan, Minister of Energy.

- **Deliver towels on the occasion of Songkran Festival 2013**

SPCG (Public) Company Limited has delivered towels for gifts on the occasion of Songkran Festival between 13 – 15 April 2013, to any Sub-district Administrative Organization surround 17 Solar Farm Projects.



- Standard Certifying
- CSR DIW

Miss Wandee Kunchonyakhong, President and General Manager of SPCG (Public) Company Limited or SPCG, assigned Khun Phenroong Yaisamsen, Director of Organization Relationship Department, to take Mr. Phuchong Phanitlertamphai and groups who appointed by the Department of Industrial Works, Ministry of Industry, to examine performance of Solar Farm Operation Department of Solar Power Company Limited and affiliates who participated in standard certificating of CSR-DIW project year 2013, and welcomed by Mr. Natthaphong Phusaengsan, Manager of Operation Department. Today, 9 projects as Solar Power Korat 1, 2, 3, 4, 7, Solar Power Sakonnakhon 1, Solar Nakhonphanom 1, and Solar Power Loei 1, had been already examined.



11.4.2 SPCG on International Stage

- The World Bank's Associating

Miss Wandee Kunchonyakhong, President and General Manager of SPCG (Public) Company Limited, had been invited to associate in Large Scale PV power plans for developing countries, provided by the World Bank, at Kathmandu, Nepal.

11.4.3 Special Lecturer in Energy

- Special Lecturer in "Solar Energy for Security" (Waiting)
- JGSEE, at BITEC Bangkok, in "Asia" (Waiting)
- Asian Utility Week ที่ Convention Centre, Central World, Bangkok, Thailand, in "penetration and integration in Asia : Point of view leading Asian generation, transmission, distribution utilities"

11.4.4 Visiting Solar Farm

Solar Farm Learning Center located at Solar Farm Project or Solar Farm Korat 1, Donchomphu sub-district, Nonsoong district, Nakhonratchasima province, which is exhibition on solar energy plant and seminar room for visitors to learning in its details and procedures of solar energy plants development, that is green renewable energy and environment-friendly. In 2013, we have been visited by many important person includes government, private section, and educational institutes, both domestic and aboard.

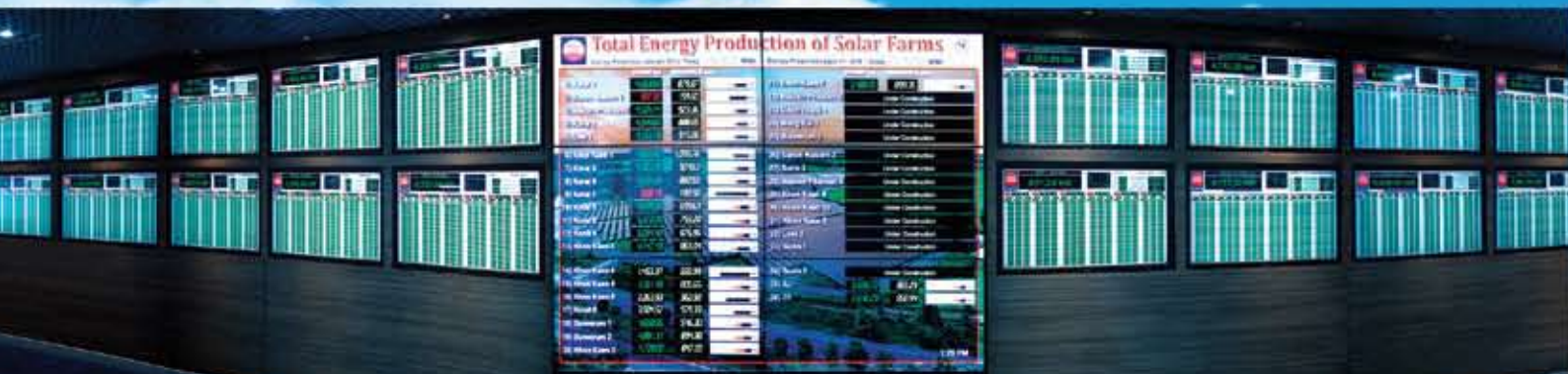


11.5 Anti-Corruption

11.5.1 Policy in Anti-Corruption

We are studying and drafting policy in anti-corruption for highest efficiency and really usable. The Organization Relationship Department has been assigned to collect information and coordinate both internal and external organization to submit such information to the committee for approval, that may be completed in year 2014.

However, Company's board of director have decided and acknowledged in complying with any related laws and settled into work manual since 2012 and updated annually.



Strategic Partners



บริษัท เอสพีซีจี จำกัด (มหาชน)
 333/20 อาคารยูไนเต็ดทาวเวอร์ ชั้น 14 ซ.สุขุมวิท 55
 ก.สุขุมวิท แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพฯ 10110
 โทร: +662 712 9501-5 แฟกซ์: +662 712 7383-4
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