



[www.spcg.co.th](http://www.spcg.co.th)

# **รายงานประจำปี 2557** **Annual Report 2014**

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

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



ENGLISH VERSION

2014



2557



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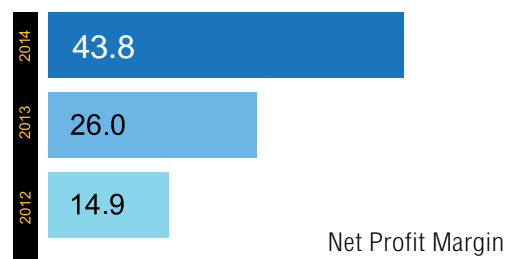
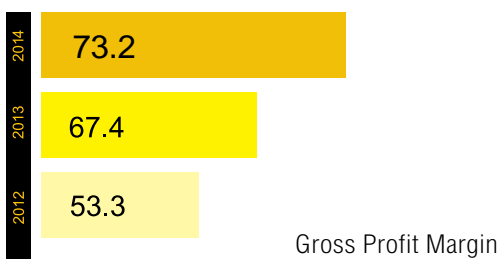
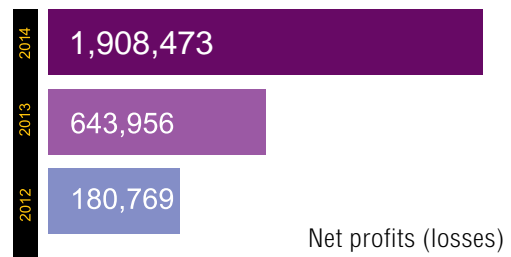
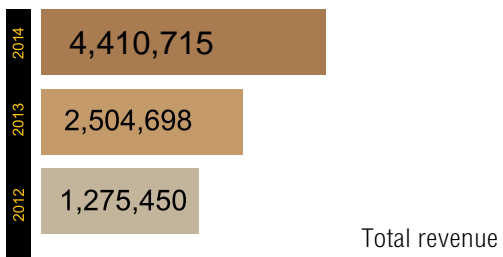
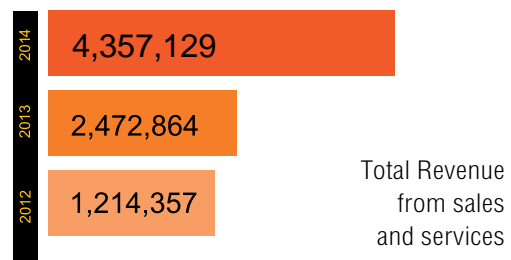
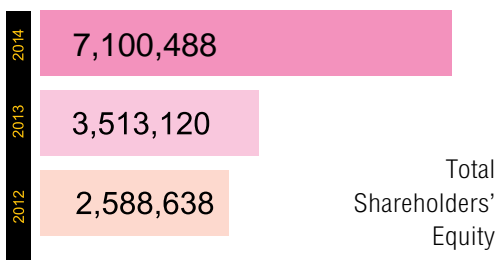
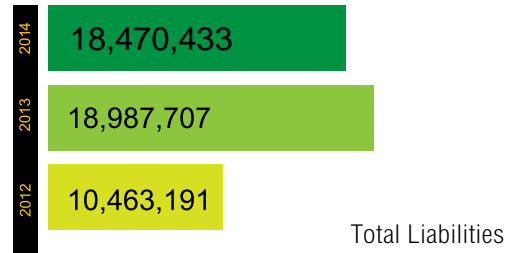
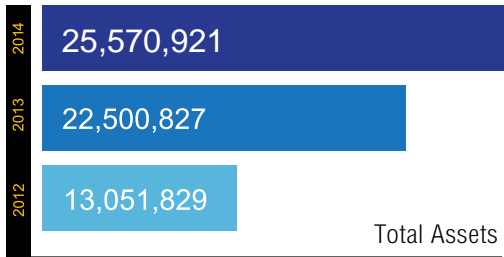
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## Financial Highlights

Unit : thousand Baht

	2557/2014	2556/2013	2555/2012
<b>Consolidated Statements of Financial Position</b>			
Current Assets	4,766,524	2,188,442	1,295,426
Property, plant and equipment	18,779,094	18,937,045	11,147,901
Total Assets	25,570,921	22,500,827	13,051,829
Current Liabilities	2,816,757	3,657,672	4,046,411
Total Liabilities	18,470,433	18,987,707	10,463,191
Issued and Paid-Up share capital	923,990	839,991	560,000
Total Shareholders' Equity	7,100,488	3,513,120	2,588,638
<b>Consolidated Statements of Comprehensive Income</b>			
Revenue from electricity distribution	3,957,338	2,063,331	809,676
Sales revenues	169,685	201,930	191,636
Service revenues	230,106	151,051	109,597
Revenue from construction contracts	-	56,552	103,448
Total Revenue from sales and services	4,357,129	2,472,864	1,214,357
Total revenue	4,410,715	2,504,698	1,275,450
Total expense	2,502,242	1,860,742	1,094,681
Net profits (losses)	1,908,473	643,956	180,769
Net profits (losses) attributable to owners of the parent	1,674,116	499,321	54,067
Earnings (losses) per share (Baht)	1.886	0.763	0.098
<b>Key Financial Ratios</b>			
Gross Profit Margin	73.2	67.4	53.3
Net Profit Margin	43.8	26.0	14.9
EBITDA Margin	78.7	67.2	49.5







## Vision

**SPCG** is the Leader in Solar Power Development with the Highest Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.



## Mission

**SPCG** is the Leading Developer in Solar Power System with the Highest Quality, Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand and Southeast Asia under the Standard Policy :

**“Best Value : Best Design : Best Output : Best Service”**









## Message from the Chairperson

The Overall Operation in 2014, SPCG Public Company Limited (SPCG) was considered to be “The Year of Significant Success of SPCG” that we could achieved all 36 Solar Farm Projects Development with total installed capacity of 260 Megawatts connecting to the Provincial Electricity Authority (PEA)’s Grid system with COD in due time. The total of execution time from the 1st Solar Farm Projects Development “Solar Power (Korat 1) Company Limited” with COD on 21 April 2010 to The 36th Solar Farm (Surin 1) Company Limited with COD on 27 June 2014, consumed 5 years of projects development.

SPCG has invested about 24,000 million Baht to develop Solar Farm Projects in 10 provinces consist of Nakhon Ratchasima, Khon Kean, Surin, Buriram, Sakon Nakorn, Nakhon Phanom, Udon Thani, Nong Kai, Loei and Lopburi. These was treated as a stimulation of a large scale provincial business investment, created more than 20,000 jobs within the past 5 years project developments and will create more than 1,000 permanent jobs within the next 30 years, creates career and makes a learning system of Solar Power Energy. Solar Farm Education Center has been in operation for staffs training and open for all students, learners and general interested public to pay a study visit to Solar Farm Project and learn about the Solar Power Energy System is located at No.60 Moo 11 Don Chomphu Sub-District, Non Sung District, Nakhon Ratchasima province.

SPCG, as the Pioneers in Large Scale of Solar Farm Grid Connected Development since 2008-2009. It is the First Largest Scale of Solar

Farm Development System in Thailand and ASEAN Community with equity support from The Energy for Environment Foundation (EforE), International Finance Corporation (IFC) Member of World Bank Group, Thai Fah Power Company Limited, Ratchaburi Electricity Generating Holding Public Company Limited and PEA ENCOM ( the only one subsidiary of Provincial Electricity Authority of Thailand), who have confidence in SPCG by investing in 13 Subsidiaries Solar Farm Development Projects. Moreover, SPCG has Kyocera Corporation as the pioneer investor. Kyocera Corporation is one of the World’s Largest Solar Energy Panel Manufacturer who have the record being manufacturer from upstream “Solar Cell” to downstream “ Solar Module” for more than 40 years. From the track record, Koycera’s GRID Connected System still have over 92% efficiency capacity or only 8% degradation for more than 30 years period of time. Kyocera guarantee their solar module at 80% power output for 25 years . Furthermore, Kyocera Corporation is the only manufacturer in the World who has the past record in Solar Module manufacturing and usability for over 35 years. Moreover, Kyocera has a very strong financial status which made SPCG confidence in choosing to use Kyocera Solar Module in our Solar Farms.

SPCG got the first financial support from Kasikorn Bank Public Company Limited to develop The First Solar Farm in Thailand under Solar Power (Korat 1) Company Limited, subsequently has appointed Kasikorn Bank Public Company Limited to become our loan lead

arranger. SPCG got more 7 supporters namely Kasilorn Bank Public Company Limited (KBank), International Finance Corporation (IFC) Member of World Bank Group, Bank of Ayudhya Public Company Limited (BAY), Thanachart (TBank), KBC (Thai) (ICBC), Krungthai Bank Public Company Limited (KTB) and TMB Bank Public Company Limited (TMB).

From 36 Solar Farm Projects, SPCG can generate electricity around 350 million units per year, can distribute electricity to over 600,000 households with the average of electricity consuming around 600 units/ household. It helps oil saving equivalent to over 100 million liters, decreasing of foreign currency loss, reduce CO2 over 200,000 tons/year. It's result to United Nation (UN) awarded SPCG "The UNFCCC Momentum for Change Lighthouse Award 2014" and named Dr. Wandee Khunchornyakong as the "Leading a women-empowered Solar Energy Transformation" at the UN Climate Conference in Lima, Peru on December 10, 2014

SPCG realizes in a Role of Social Responsibility, especially to the Community nearby our Solar Farms, therefore, SPCG has established a Children's Day Scholarships Project and continuously done so many public activities with the Community in order to make every sector to participate in learning about Solar Energy Production which is the "Clean Energy" without any effected environmental pollution. There is no noise during operating, no dust smoke, no fuel cost, decrease Global Warming and is the "Future Energy".



นางสาววันดี คุญชรยา คง  
ประธานกรรมการ

## Message from the Chairman of the Audit Committee

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A handwritten signature in blue ink, appearing to read 'N. Pongpanich'.

**Mr. Kiatchai Pongpanich**  
**Chairman of the Audit Committee**

Since 2014, SPCG has already completed all 36 Solar Farm Project Developments. It really made SPCG so proud to be “The First Leading of Solar Farm Developer” and is ready to expand our capabilities to be “Leader in Solar Rooftop Business Developer” for small households, small, medium up to large business as well as industrial building in Thailand and ASEAN Community.

The task of the Audit Committee of SPCG is to still preserve the working standard to oversee in the matter of operational processes towards the righteousness as well as good governance. Moreover, we pay attention to monitor the compliance with laws and regulations of the Securities Exchanges and taking into consideration of our Investor’s Upmost Benefits. Even though, in last 2014, there was some complicated in hurry forward to finish the construction of Solar Farm Projects on time, SPCG could smoothly overcome all the obstacles and finally achieved our Goal.

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





BEST  
**VALUE**



BEST  
**DESIGN**



BEST  
**OUTPUT**



BEST  
**SERVICE**



## General Information

**COMPANY NAME** SPCG PUBLIC COMPANY LIMITED

**ENGLISH NAME** SPCG PUBLIC COMPANY LIMITED

**TYPE OF BUSINESS:** Run business in investment by holding shares in subsidiary companies and associates to operate 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](http://www.spcg.co.th)

**TELEPHONE** 0-2712-9501-5

**FACSIMILIE** 0-2712-7383-4

**REGISTERED CAPITAL** 923,990,000 THB

**PAID-UP CAPITAL** 923,990,000 THB

**PAR VALUE** 1 THB per share

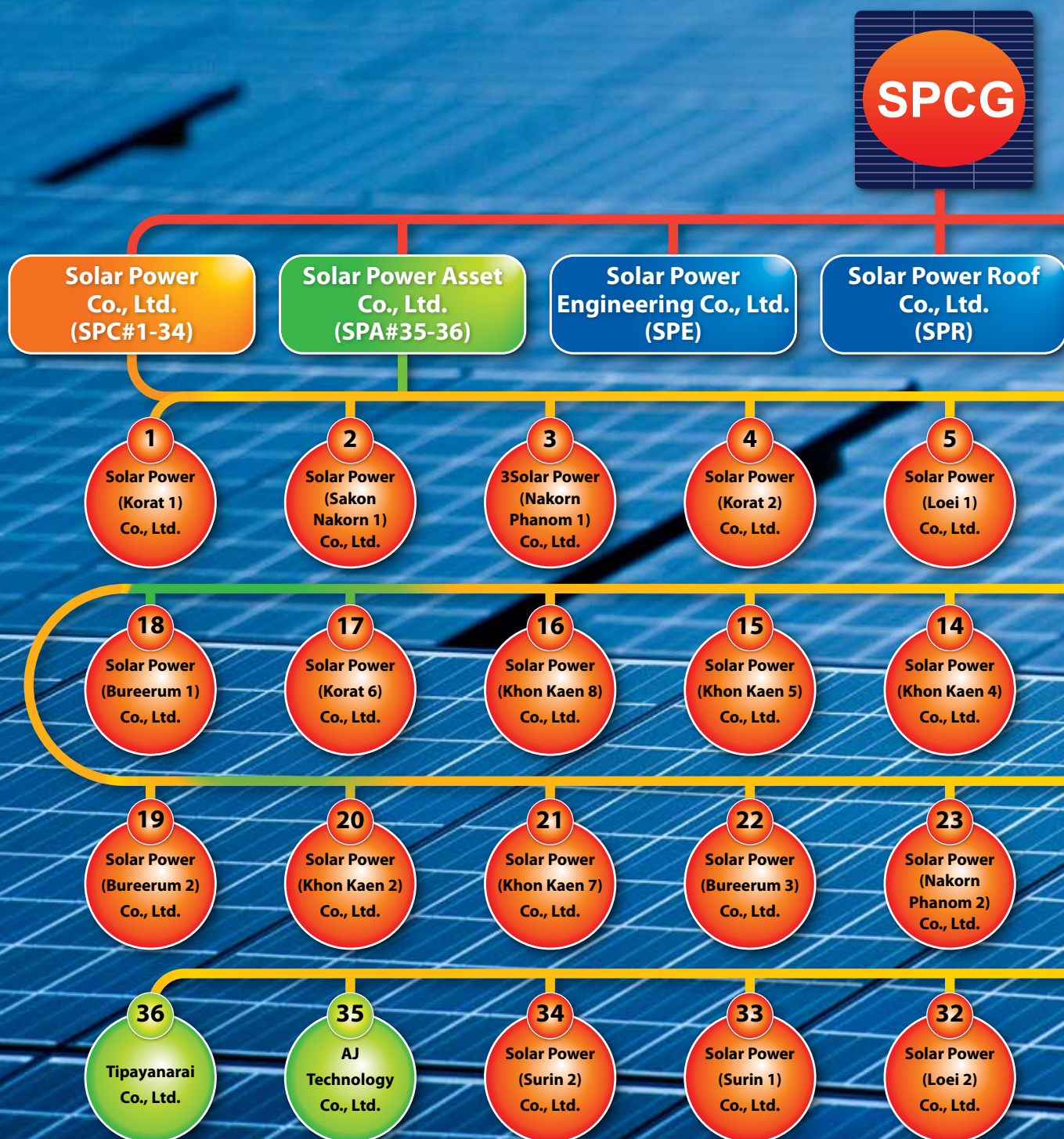
**REGISTRAR** Thailand Securities Depository Co., Ltd.  
The Stock Exchange of Thailand Building, 4th and 7th Floor  
62 Rachadapisek Rd., Klongtoey, Bangkok 10110  
Telephone: 0-2229-2800 Fax: 0-2359-1259

**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

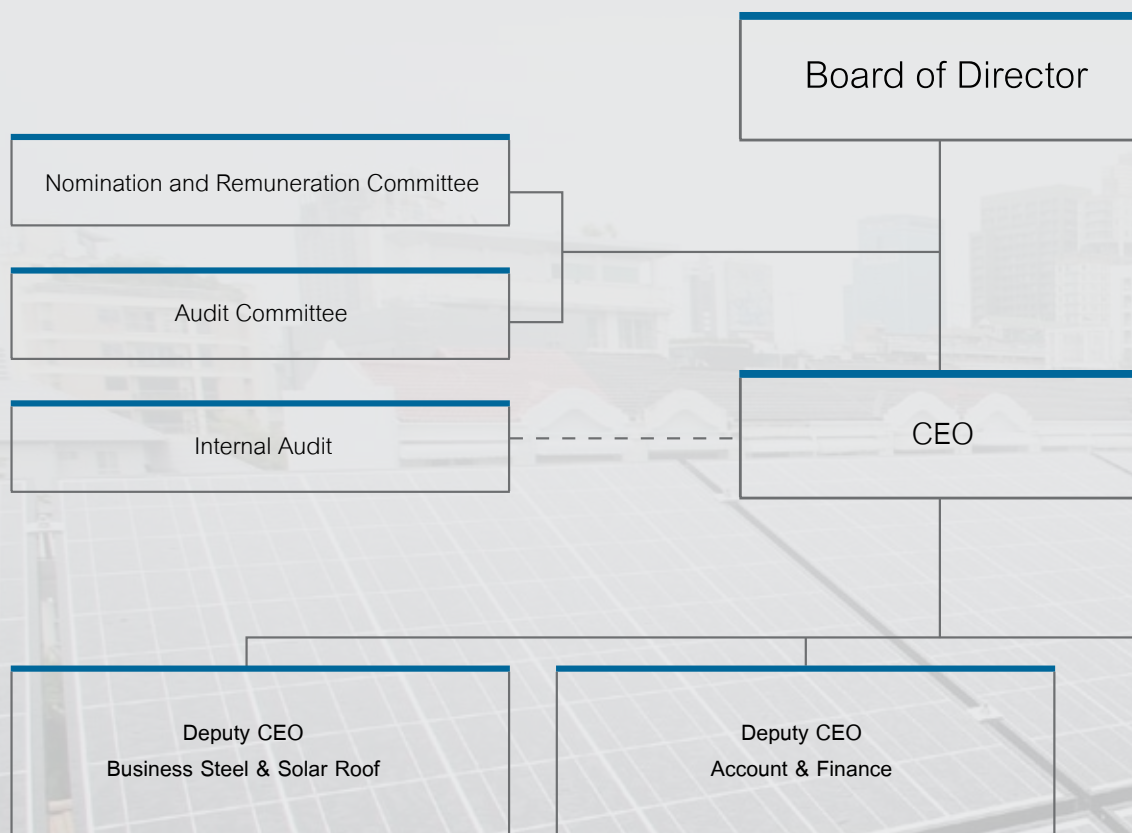




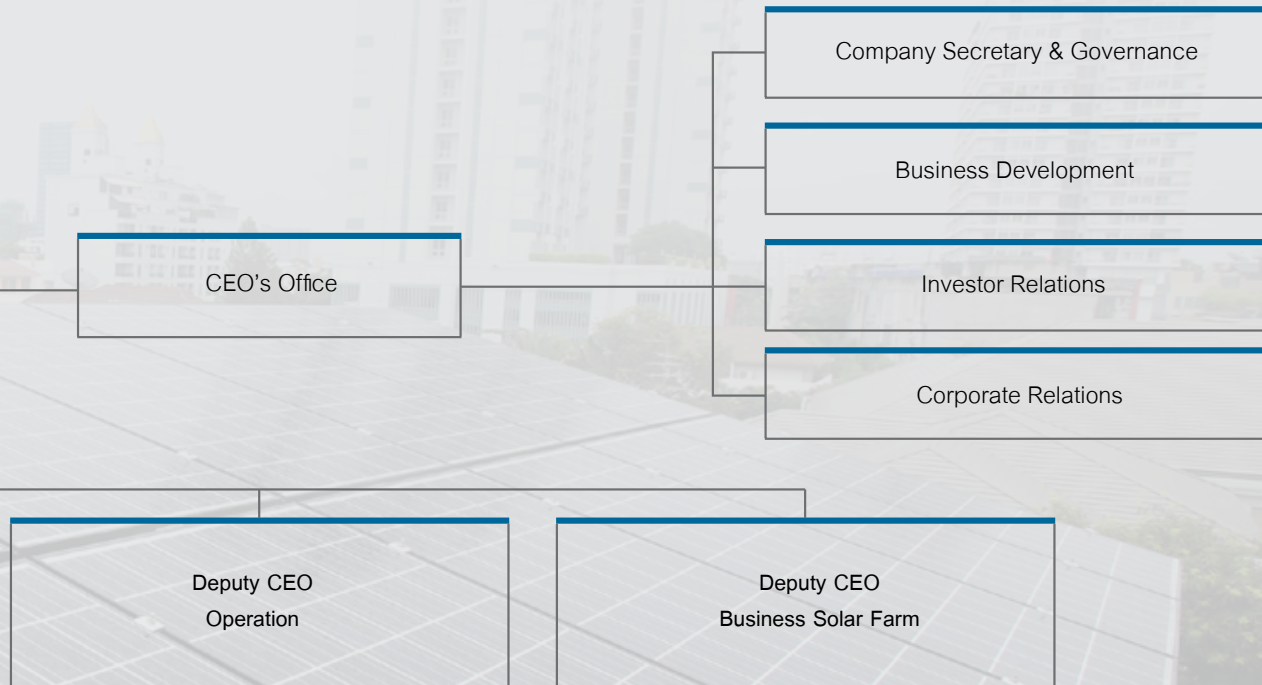




## Organization Chart









## 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

**Dr. Art-ong Jumsai Na Ayudhya**

Director



**Mr. Kiaticchai Pongpanich**

Chairman of Audit Committee &  
Independent Director

**Asst. Prof. Dr. Siripong Preutthipan**

Audit Committee & Independent Director

**Mr. Wanchai Lawattanatrakul**

Audit Committee &  
Independent Director

**Police Major General Wanchai Wisuttinan**

Director

**Mrs. Prapatsorn Kantawong**

Company Secretary



**Dr. Wande Kunchornyakong**

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

**Education**

- Doctor of Philosophy (Ph.D.)  
Suan Dusit Rajabhat University
- Honorary Doctor of Philosophy (Ph.D.)  
Sripatum University
- Honorary Doctor of Philosophy (Ph.D.)  
Western University
- Master of Science, Renewable Energy Technology,  
Naresuan University
- Bachelor of Law, Kasem Bundit University

**Training**

- IOD's Director Accreditation Program (DAP)  
class 26 of year 2004
- IOD's Director Certification Program (DCP)  
class 51 year 2004
- Advanced Certificate Course in Politics and  
Governance in Democratic Systems for Executives,  
class 9, King Prajadhipok's Institute
- 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)
- Capital Market Academy for Executives, Class 12  
(CMA 12)
- Thailand Energy Academy, class 2 (TEA 2)

**Other current positions**

- Chairperson of Board of Directors of  
Solar Power Co., Ltd. and its subsidiaries
- Chairperson of Board of Directors of Capital  
Residence Co., Ltd.
- Chairperson of Board of Directors of  
Datron Thai Co., Ltd.
- Director of ENERGATE (THAILAND) Co., Ltd.
- Director of Smart Energy Management System  
Co., Ltd.
- President of Chainat Red Cross Chapter

**Experiences**

- Since 2011 Chief Executive Officer of SPCG Public  
Company Limited

**Mr. Kiattichai Pongpanich**

- Chairman of Audit Committee
- Independent Director

**Education**

- 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**

- IOD's Director Accreditation Program (DAP) class  
15 of year 2004
- IOD's Audit Committee Program (ACP) class 38 of  
year 2012

**Experiences**

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

**Mr. Wanchai Lawattanatrakul**

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

**Education**

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

**Training**

- 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

**Other current positions**

- Director of Eastern Water Resources Development and Management PLC.
- Director of Chachoengsao Water Supply Co., Ltd.
- Director of Bangpakong Water Supply Co., Ltd.
- Director of Nakhonsawan Water Supply Co., Ltd.

**Experiences**

- Since 2013 Chief Executive Officer of Eastern Water Resources Development and Management PLC.
- 2008-2009 Director of Metropolitan Waterworks Authority (Thailand)
- 2009-2012 Director of Industrial Estate Authority of Thailand
- 2010-2014 Director of Thai Waterwork Association Special Asst.

**Prof. Dr. Siripong Preutthipan**

- Member of Audit Committee
- Independent Director

**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

**Other current positions**

- Director of SRT Electrified Train Co., Ltd.
- Independent Director and Audit Committee of M Link Asia Corporation PLC.

**Experiences**

- 2008 – 2012 Assistant Governor of State Railway of Thailand
- Since 2006 Independent Director and Audit Committee of M Link Asia Corporation PLC.



**Mr. Somsak Kunchornyakong**

- Director
- Member of Recruitment and Remuneration Committee
- Deputy CEO

**Education**

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

**Training**

- IOD's Director Accreditation Program (DAP), class 25 of year 2004
- IOD's Director Certification Program (DCP), class 66 of year 2005

**Other current positions**

- Director of Solar Power Co., Ltd. and its subsidiaries

**Experiences**

- Since 2007 Managing Director of Solar Power Co., Ltd.
- 2007-2008 Chief Operating Officer of Solartron PLC.
- 1986-2008 Managing 4 International Solar Projects
- 1982-2010 Managing 11 Domestic Solar Projects

**Mr. Jirakom Padumanon**

- Director

**Education**

- Bachelor of Engineering (Electrical), Chulalongkorn University

**Training**

- IOD's Director Accreditation Program (DAP), class 92 of year 2011

**Other current positions**

- Project Director of JPEN Co., Ltd.

**Experiences**

- 2009 – 2010 Deputy Managing Director of Solar Power Co., Ltd.
- 2008 – 2009 Engineering Advisor of Sanguan Wongse Industries Co., Ltd.
- 1990 – 2008 Electrical Engineering at Power Line Engineering Co., Ltd.

**Mr. Withoon Manonaiikul**

- Director

**Education**

- Bachelor of Business Administration, Suan Sunandha Rajabhat University

**Other current positions**

- Director and Managing Director General Record International Industry Co., Ltd.

**Experiences**

- 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.

### Police Major General Wanchai Wisuttinan

- Director

#### Education

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

#### Training

- IOD's Director Accreditation Program (DAP) class 43 year 2005
- IOD's Finance for Non- Finance Directors (FN) class 22 year 2005
- IOD's Audit Committee Program (ACP) class 11 year 2006
- IOD's Improving the Quality of Financial Reporting (QFR) class 4 year 2006
- IOD's Director Certification Program (DCP) class 72 year 2006
- Long-Term Incentive: The Stock Appreciation Rights (SARs) Way 2006
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, class 9, King Prajadhipok's Institute

- 2008-2012 Honorary Advisor Labour Commissioner
- 2010-2011 Advisor to the Deputy Minister of Finance
- 2010-2013 Director of Ethics Committee, the Medical Department of the Ministry of Public Health
- 2010-2014 Committee for the Ministry of Culture, Film and video.
- 2554-present Counsel of the Senate Committee on Justice and the Police
- Former government server Commander of Immigration Division
- Former government server Commander of Railway Police Division

#### Other current positions

- Chairman of Advisor of MSS Cable T.V. Co., Ltd.
- Chairman of Recruitment and Remuneration Committee of Yarnapund PLC
- Member of Audit Committee of Yarnapund PLC

#### Experiences

- 2005-2013 Advisor to the Police Commission, House of Representatives
- 2005-Present Director and Member of Audit Committee of Yarnapund Public Co.,Ltd.
- 2006-Present Chairman of Recruitment and Remuneration Committee of Yarnapund PLC
- 2007-2013 Advisor to ASEAN Secretariat (Dr. Surin Pitsuwan).
- 2008-2008 Advisor to the Minister of Information and Communication Technology (ICT)



**Dr. Art-ong Jumsai Na Ayudhya**

- Director

**Education**

- Ph.D. Education - Curriculum and Instruction, Faculty of Education, Chulalongkorn University
- D.I.C., Ph.D. Communications, Imperial College of Science and Technology, London University
- B.A. (Hons), M.A. Mechanical Sciences, Cambridge, U.K.

**Training**

- IOD's Director Accreditation Program (DAP) class 146 of year 2011
- IOD's Audit Committee Program (ACP) class 38 of year 2012

**Other current positions**

- Director of Sathya Sai School in Lobpuri
- Director of Thaicom Network Co., Ltd.
- Independent Director and Chairman of Audit Committee of Lam Soon (Thailand) PLC
- Director of Tipayanarai Co., Ltd.
- Director of AJ Technology Co., Ltd.
- Teacher Training Colleges Advisor to the Curriculum Development Board, Ministry of Education

**Experiences**

- Secretary to the Minister of Foreign Affairs
- Advisor to the Deputy Minister of Public Health
- Advisor to the Minister of Science and Technology
- Deputy Chairman of the House Committee on Education
- Secretary of the House Committee on Science, Technology and Energy Executive
- Director of the Asia –Pacific Parliamentary Union
- Executive Director of the Asian inter-Parliamentary Organization
- Member of the Parliament, Bangkok

**Mr. Somchai Vongratanaichit**

- Deputy CEO
- Managing Director of Steel and Solar Roof Co., Ltd.

**Education**

- Master of Business Administrator, Kasetsart University
- B.E. (MECHANICAL ENGINEERING) RMIT UNIVERSITY (Royal Melbourne Institute of Technology)

**Training**

- IOD's Director Accreditation Program (DAP) class 43

**Experiences**

- Since 2011 Managing Director of Steel and Solar Roof Co., Ltd.
- 2005 – 2011 Director and Executive Director of Steel Intertech PLC.

**Mr. Chaiwat Tangsuwanphanit**

- Deputy CEO of Accounting and Finance

**Education**

- Master of Business Administrator, Thammasat University
- Bachelor of Accountancy, Chulalongkorn Business School

**Training**

- IOD's Director Accreditation Program (DAP) class 31 of year 2005

**Experiences**

- 2013-2014 Assistant CEO of SPCG PLC.
- 2007-2011 Vice President of Accounting and Finance of Steel Intertech PLC.



**Mr. Kowit Nuangsuk**

- Assistant CEO

**Education**

- Bachelor degree of Accountancy (Honor), Faculty of Commerce and Accountancy, Thammasat University
- Certified Public Accountant (CPA)

**Training**

- Financial Reporting Update 2013, PricewaterhouseCoopers ABAS Ltd.
- Maximize Shareholder Value through Effective Tax Planning 2014, PricewaterhouseCoopers Legal & Tax Consultants Ltd.

**Experiences**

- 2009 – 2013 Senior Audit Manager  
PricewaterhouseCoopers ABAS Ltd.

*\* Mr. Kowit has resigned from his position.*

*Effective from 31 January 2015*

**Mrs. Prapatsorn Kantawong**

- Company Secretary

**Education**

- Master of Law, Ramkhamhang University
- Master of Business Studies/Administration/Management Ramkhamhang University
- Bachelor of Laws, Thammasat University

**Training**

- IOD's Company Secretary Program (CSP), Class 6, Year 2004
- IOD's Effective Minute Taking (EMT), Class 4, Year 2006
- 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

**Experiences**

- 2003 – 2008 Legal Department Manager & Company Secretary at Yarnapund PLC.

*\* Mrs. Prapatsorn has resigned from her position. Effective from 31 January 2015*

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



# 1 Policy and Overall Business Operation

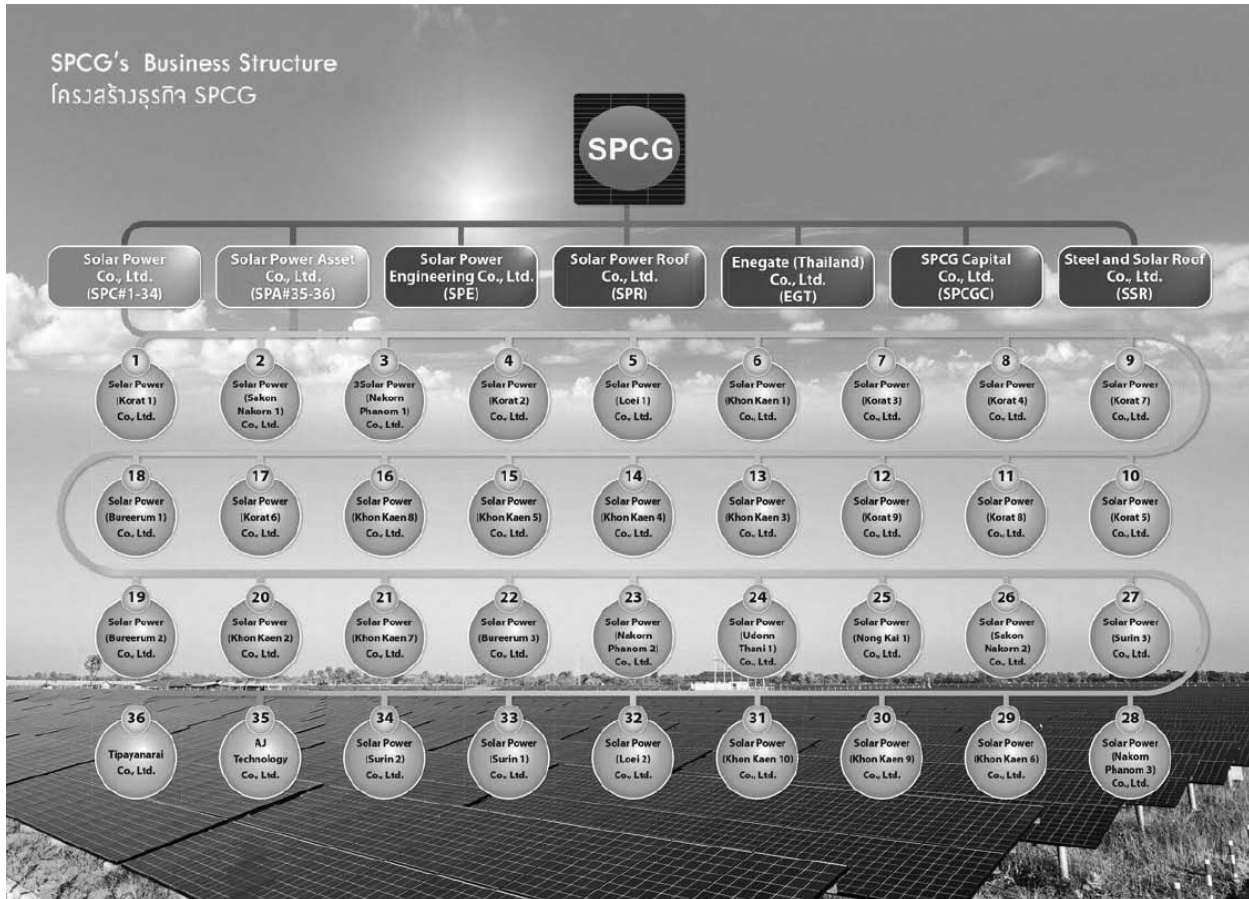


SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand under the Energy sector. SPCG is a holding company with the main purpose to own 43 companies. SPCG has registered a total of 923,990,000 shares at 1 Baht per share with the paid-up capital Baht 923,990,000.

SPCG is the pioneer of the Solar Farm Developer in Thailand and ASEAN. SPCG has completed the last 13 Solar Farms in June, 2014. The Solar Farm project consists of 36 Solar Farms with installed capacity of 260 Megawatts located in 10 provinces. The following

provinces are NakhonRatchasima, Sakonnakhon, Nakhonpanom, Khonkaen, Bureerum, Surin, Nongkhai, Udonthani and Loei in the Northeast of Thailand and Lopburi in the Central part of Thailand. The total land area is about 5,000 Rais. (2,000 Acres)

SPCG is the pioneer in Solar Roof Developer since 2013 for residence, business, office as well as government and industry building.



No.	Name of Company and Subsidiaries	Initial	Registered capital	Business Type	COD
1	SPCG Public Company Limited	SPCG	923,990,000	Holding Company	-
2	Solar Power Company Limited	SPC	1,500,000,000	<ul style="list-style-type: none"> <li>Solar Farm Business</li> <li>Procurement Engineering and Construction (EPC)</li> <li>Operation, Maintenance and Monitoring (OMM)</li> </ul> Providing services for Solar Farm under Solar Power Company Limited	-
3	Solar Power Engineering Co.,Ltd.	SPE	10,000,000	Providing services EPC and OMM for other customers	-
4	Solar Power Asset Company Limited	SPA	112,500,000	A Joint Venture Business for Solar Farm Development.	-
5	Solar Power Roof Company Limited	SPR	400,000,000	The Leader of Solar Power Roof Business	-
6	SPCG Capital Company Limited	SPCGC	1,000,000	Investment Business both domestic and international	-
7	Steel and Solar Roof Company Limited	SSR	57,373,340	Manufacturing, distribution and installation services for steel roofing with structure and all fittings	-



ลำดับที่	Name of Company and Subsidiaries	Initial	Registered capital	Business Type	COD
8	ENEGATE (THAILAND) Co.,Ltd.	EGT	10,000,000	High Voltage Cubicles and Energy Management System Business	-
9	Solar Power (Korat 1) Co.,Ltd.	KR1	320,000,000	Solar Farm Business	21 Apr. 2010
10	SolarPower (Sakonnakhon1) Co.,Ltd.	SN1	217,800,000	Solar Farm Business	9 Feb.2011
11	SolarPower (Nakhonpanom1) Co.,Ltd.	NP1	218,100,000	Solar Farm Business	22 Apr. 2011
12	SolarPower (Korat 2) Co.,Ltd.	KR2	219,900,000	Solar Farm Business	13 Sep. 2011
13	SolarPower (Loei 1) Co.,Ltd.	LO1	220,500,000	Solar Farm Business	15 Sep. 2011
14	SolarPower (Khonkaen1) Co.,Ltd.	KK1	226,500,000	Solar Farm Business	15 Feb. 2012
15	SolarPower (Korat 3) Co.,Ltd.	KR3	188,750,000	Solar Farm Business	9 Mar. 2012
16	SolarPower (Korat 4) Co.,Ltd.	KR4	199,250,000	Solar Farm Business	14 May 2012
17	SolarPower (Korat 7) Co.,Ltd.	KR7	188,750,000	Solar Farm Business	30 May 2012
18	SolarPower (Korat 5) Co.,Ltd.	KR5	157,500,000	Solar Farm Business	15 Jan.2013
19	SolarPower (Korat 8) Co.,Ltd.	KR8	157,500,000	Solar Farm Business	15 Jan.2013
20	SolarPower (Korat 9) Co.,Ltd.	KR9	160,000,000	Solar Farm Business	16Jan.2013
21	SolarPower (Khonkaen3) Co.,Ltd.	KK3	157,500,000	Solar Farm Business	17Jan.2013
22	SolarPower (Khonkaen4) Co.,Ltd.	KK4	157,500,000	Solar Farm Business	17Jan.2013
23	SolarPower (Khonkaen5) Co.,Ltd.	KK5	157,500,000	Solar Farm Business	18Jan.2013
24	SolarPower (Khonkaen8) Co.,Ltd.	KK8	157,500,000	Solar Farm Business	18Jan.2013
25	SolarPower (Korat 6) Co.,Ltd.	KR6	160,000,000	Solar Farm Business	26 June 2013
26	Solar Power (Bureerum 1) Co.,Ltd.	BR1	160,000,000	Solar Farm Business	26 June 2013
27	Solar Power (Bureerum 2) Co.,Ltd.	BR2	160,000,000	Solar Farm Business	26 June 2013
28	SolarPower (Khonkaen2) Co.,Ltd.	KK2	165,000,000	Solar Farm Business	29 July 2013
29	SolarPower (Khonkaen7) Co.,Ltd.	KK7	162,500,000	Solar Farm Business	1 Oct.2013
30	Solar Power (Nakhonpanom2) Co.,Ltd.	NP2	157,500,000	Solar Farm Business	27 Feb.2014
31	Solar Power (Nongkhai 1) Co.,Ltd.	NK1	157,500,000	Solar Farm Business	28 Feb.2014
32	Solar Power (Bureerum 3) Co.,Ltd.	BR3	157,500,000	Solar Farm Business	6 Mar. 2014
33	Solar Power (Nakhonpanom3) Co.,Ltd.	NP3	157,500,000	Solar Farm Business	10 Mar.2014
34	Solar Power (Udonthani 1) Co.,Ltd.	UD1	162,500,000	Solar Farm Business	1 Apr.2014
35	Solar Power (Loei 2) Co., Ltd.	LO2	165,000,000	Solar Farm Business	24 Apr.2014
36	Solar Power (Sakonnakhom 2) Co.,Ltd.	SN2	157,500,000	Solar Farm Business	25 Apr.2014

๑	Name of Company and Subsidiaries	Initial	Registered capital	Business Type	COD
37	Solar Power (Surin 3) Co.,Ltd.	SR3	157,500,000	Solar Farm Business	29 Apr.2014
38	Solar Power (Khonkaen 9)Co.,Ltd.	KK9	157,500,000	Solar Farm Business	20 May 2014
39	Solar Power (Khonkaen10)Co.,Ltd.	KK10	165,000,000	Solar Farm Business	20 May 2014
40	Solar Power (Khonkaen6)Co.,Ltd.	KK6	157,500,000	Solar Farm Business	30 May 2014
41	Solar Power (Surin ) Co.,Ltd.	SR1	165,000,000	Solar Farm Business	27June 2014
42	Solar Power (Surin2) Co.,Ltd.	SR2	165,000,000	Solar Farm Business	27 June 2014
43	AJ Technology Company Limited	AJ	75,000,000	Solar Farm Business	25 June 2013
44	Tippayanarai Solar Power Company Limited.	TP	75,000,000	Solar Farm Business	25June 2013

Remark: COD (Commercial Operation Date)

## 1.1 Vision Mission Business Goals of SPCG and Subsidiaries

**Vision:** SPCG is the Leader in Solar Power Development with the Highest Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.

**Mission:** SPCG is the Leading Developer in Solar Power System with the Highest Quality, Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand and Southeast Asia under the Standard Policy : “Best Value : Best Design : Best Output : Best Service”

**Business Goals:** SPCG currently operates 3 types of business: Invest Development and Maintenance of Solar Farms, Coated Corrugated Steel Roof and Installation of Solar Power System on the Rooftop with details business goals of these 3 types of business as follows:

### 1.1.1 Investment and Development of Solar Farms and Maintenance Business

Solar Farms are the Main or Core Business of SPCG Group which conducts by SPCG's Subsidiaries Solar Power Company Limited (SPC), Solar Power Asset Company Limited (SPA) and Solar Power Engineering Company Limited (SPE) which comprises of Expertise Management Teams in Solar Plant Business with Strong Business Goals as follows:

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

(2) To be the Leader in Engineering, Procurement and Construction (EPC) of Solar Farms with One-Stop Service.

(3) To be the Leader of Solar Farms' Operation, Maintenance and Monitoring (OMM).

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

(5) To find an opportunity to expand the Solar Energy Business which is the company's Expertise both Domestic and International businesses as well as Investment and EPC Business in order to increase the Business Growth in the Future.

The year 2014, was the most successful year of SPCG in completion of all 36 Solar Farms development with the Commercial Operation Date (COD) Selling Electricity to Provincial Electricity Authority (PEA).

#### 1.1.2 Steel Roof and Structure Business

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

(1) To focus on expansion in the areas related to Solar Farm to strengthen the company's own affiliations.

For example ; Panel Rack and Solar Rooftop etc. in order to support Business' Growth as the result of Government Policy to promote the Installation of Solar Power Energy.

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

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

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

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

#### 1.1.3 Business of Supply and Installation of Solar Rooftop

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, therefore, the company has continually developed in order to provide our customers products and services with the upmost quality and satisfaction. The Company has set its Business Goals to increase market share for sales and



service of installation of Solar Power Rooftop, thus, on May 1, 2013, the Company has established Solar Power Roof Company Limited (SPR) to be the Leading Developer in Installation of Solar Power Rooftop for residence, business building, office building, government building and industry factory.

Therefore, on 18 September 2014, SPR has appointed Home Product Center Public Company Limited or HomePro to be the only dealer of SPR Solar Roof for residences with 4 standard sizes as follows:

<b>Size S</b> พื้นที่ขนาดติดตั้ง ประมาณ 22 ตร.ม. น้ำหนัก 11.39 กก./ม <sup>2</sup>	<b>2.75 kWp</b> <b>4,015</b> หน่วย/ปี	หลอดไฟ LED 4W 40 ดวง	LED TV 40 นิ้ว 3 เครื่อง	ตู้เย็น 10.5 คิว 2 เครื่อง (12,000 BTU)	เครื่องปรับอากาศ (12,000 BTU) 2 เครื่อง	<b>ประหยัด</b> <b>ค่าไฟฟ้าได้ 917,543 บาท*</b> (ภายใน 25 ปี)
<b>Size M</b> พื้นที่ขนาดติดตั้ง ประมาณ 30 ตร.ม. น้ำหนัก 11.35 กก./ม <sup>2</sup>	<b>3.75 kWp</b> <b>5,475</b> หน่วย/ปี	หลอดไฟ LED 4W 45 ดวง	LED TV 40 นิ้ว 3 เครื่อง	ตู้เย็น 10.5 คิว 2 เครื่อง (12,000 BTU)	เครื่องปรับอากาศ (12,000 BTU) 3 เครื่อง	<b>ประหยัด</b> <b>ค่าไฟฟ้าได้ 1,251,195 บาท*</b> (ภายใน 25 ปี)
<b>Size L</b> พื้นที่ขนาดติดตั้ง ประมาณ 36 ตร.ม. น้ำหนัก 11.33 กก./ม <sup>2</sup>	<b>4.50 kWp</b> <b>6,570</b> หน่วย/ปี	หลอดไฟ LED 4 W 40 ดวง	LED TV 40 นิ้ว 3 เครื่อง	ตู้เย็น 10.5 คิว 2 เครื่อง (12,000 BTU)	เครื่องปรับอากาศ (12,000 BTU) 4 เครื่อง	<b>ประหยัด</b> <b>ค่าไฟฟ้าได้ 1,501,434 บาท*</b> (ภายใน 25 ปี)
<b>Size XL</b> พื้นที่ขนาดติดตั้ง ประมาณ 80 ตร.ม. น้ำหนัก 11.35 กก./ม <sup>2</sup>	<b>10 kWp</b> <b>14,600</b> หน่วย/ปี	หลอดไฟ LED 4 W 80 ดวง	LED TV 40 นิ้ว 6 เครื่อง	ตู้เย็น 10.5 คิว 4 เครื่อง (12,000 BTU)	เครื่องปรับอากาศ (12,000 BTU) 8 เครื่อง	<b>ประหยัด</b> <b>ค่าไฟฟ้าได้ 3,336,520 บาท*</b> (ภายใน 25 ปี)



Recently, HomePro has provided PR advertisement space for SPR in their 49 branches all over the country with Sell & Service Points for all customers throughout the country. You may find more details information in our websites: [www.sprsolarroof.co.th](http://www.sprsolarroof.co.th) or HomePro Call Center: +66 2 831 6000

## 1.2 Significant Changes & Development

### 1.2.1 Significant Changes and Milestones of SPCG Public Company Limited.

13 February 2012	The Board of Directors' Meeting No.3/2012 issued and offered the warrants to purchase the ordinary shares to its existing shareholders in proportion to their existing holding (Warrant Right Offering)
25 April 2012	The Board of Directors' Meeting No.7/2012 resolved to approve in principle and methods of establishing Infrastructure Fund (IFF) for Solar Farm Project No.10-16
10 May 2012	The Securities exchange shifted its securities trading from MAI to SET. The Company developed four more Solar Farms, namely, Solar Power (Bureerum 1, Bureerum 2, Korat 6 and Khonkaen 2) Co., Ltd. through SPC.
17 May 2012	Signed a joint venture agreement with Enegate (Japan) Company Limited and Thai Aichi Denki Company Limited which there were the purpose of research in the control system of high voltage equipment 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. (ENEGATE)
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 Tippayanarai 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, Solar Power (NongKhai 1, UdonThani 1, KhonKaen 7, Bureerum 3, NakhonPhanom 2, and KhonKaen 6) Co., Ltd. through SPC.
31 August 2012	The Company developed 2 more solar farm projects which were Project No.27-28, namely, Solar Power (Surin 2 and NakhonPhanom 3) Co.,Ltd. through SPC.
9 October 2012	The Board of Directors' Meeting No.15/2012 resolved the expansion of 1-9 projects with capital about Baht145.87 Million. The Company developed 4 more solar farm projects which were Project No.29-32, namely Surin 3, Loei 2, KhonKaen 9, KhonKaen 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 through SPC.
25 February 2012	The Company developed Solar Farms of the remaining two which are #33 and #34 namely (Surin 1 and Surin 2) Co.,Ltd. through SPC by initially acquiring land under the area as specified in the contract.
1 May 2013	The Company established Solar Power Roof Co.,Ltd. (SPR)to expand its business in the sales and installation of Solar Electric System on the roof (Solar Rooftop)
9 May 2013	The Company's investment in the ordinary shares of Solar Power Roof Company Limited of 0.30million shares. Value of the payment of Baht 25 per share for a total investment of 7.50 million baht.

14 May 2013	<p>The Board of Directors' Meeting No.2/2013 approved the acquisition of shares of Solar Power Roof Company Limited 0.30 million shares of the total share of 1 million shares traded value per share price of Baht 100 worth of shares to be traded a total of 30 million baht, representing 30 percent of all shares of Solar Power Roof Company limited.</p> <p>Moreover, the Board of Directors' Meeting approved to cancel the agreement to purchase ordinary shares of Thai Solar Future Company Limited (TSF)</p>
15 July 2013	<p>The Extraordinary General Meeting of Shareholders (EGM) No.1/2556 and the Warrants representing the right to purchase ordinary shares No.1/2013, Approval of amendments regarding the date of claim or right based on warrants, from the previously assigned date to exercise the right to purchase the shares of SPCG Public Company Limited no. 1 (SPCG-W1) (Warrant) of 279,999,581 units. The date of exercise, which was previously scheduled as the date of the third anniversary of the issuing warrants (March 2nd, 2015), is to be moved to the following 3 time periods.</p> <p>1<sup>st</sup> Period : 25<sup>th</sup>-31<sup>st</sup> July 2013</p> <p>2<sup>nd</sup> Period : 26<sup>th</sup>-30<sup>th</sup> August 2013</p> <p>3<sup>rd</sup> Period : 24<sup>th</sup>-30<sup>th</sup> September 2013</p> <p>And in case of exercise date is the holiday of the Stock Exchange of Thailand, the date is to be moved to the last working day before the exercise date.</p> <p>After exercise date of the 3rd Period in September 2013, there were 279,991,048 units of exercised warrants. The Company has received Baht 279,991,048 to pay the loan in Solar Farm development.</p>
26 July 2013	<p>Company's Board of Directors' Meeting No.5/2013 has approved to establish the new subsidiary namely SPCG Capital Co., Ltd. (SPCGC) to support business growth. SPCGC, with registered capital of Baht 1,000,000, is 100% owned by SPCG to be the investment vehicle for both domestic and international investment.</p>
31 October 2013	<p>Solar Power Roof Co.,Ltd. (SPR) which is a subsidiary, increased its registered capital from Baht 100,000,000 to Baht 400,000,000.</p>
8 November 2013	<p>Company's Board of Directors' Meeting No.8/2013 has approved the purchase of ordinary shares of Steel &amp; Solar Roof Co., Ltd. (SSR), which increased its registered capital in the amount of 2,737,334 shares at 10 baht worth Baht 27,373,340 in total a registered capital of Baht 57,373,340 to finance the restructuring of holding assets and support the growth of the company in the future.</p>
8 November 2013	<p>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 3.75MW 2 projects in Lopburi with Adder 8 baht per unit for a period of 10 years and commercial power distribution from 25 June 2013 onwards.</p>
18 November 2013	<p>The Company bought back 2,000,000 shares of Solar Power (Korat 1) Co.,Ltd. from Energy for Environment Foundation (EforE) according to put and call option contract for the amount of Baht 21,265,753.42</p>



6 December 2013	Company's Board of Directors' Meeting No.9/2013 has approved the purchase of 1,840,000 shares of Solar Power Roof Co., Ltd. (SPR) from Ms. Wandee Khunchornyakong at the price calculated from 25% of paid-up capital at the par value Baht 100. Net value of transaction is Baht 46,000,000. After the transaction, SPCG holds SPR shares at the amount of 3,040,000 shares or 76% of the registered capital.
25 April 2014	At the 2014 Annual General Meeting of Shareholders, the shareholders approved the issuance and offering of the Guaranteed and Amortised Debentures at the amount of Baht 4,000,000,000 with the interest rate 5.55% per annum and repayment in principal every 6 months and interest every 3 months. Its maturity date is 30 June 2019. The purposes of these debentures are to refinance the existing long-term borrowings of Solar Power Company Limited, a subsidiary, and/or to use for business operation or working capital of the Company and the Group.
25 April 2014	The Shareholders approved the Company's Transferable Subscription Authorized Capital to allocate ordinary share to increase the capital at the quantity of 83,998,952 shares, par value Baht 1 in order to increase the General Mandate Share Capital by Private Placement offering of 83,998,952 shares.
9 May 2014	Company's Board of Directors' Meeting No.3/2014 approved to sell the 25% of ordinary shares of Solar Power (KhonKaen 10, Loei 2, Surin 1, and Surin 2) Co.,Ltd. to PEA ENCOM International Co.,Ltd. resulting in 4 Shareholder's Agreements.
5 June 2014	Company's Board of Directors' Meeting No.4/2014 approved to sell the increasing capital ordinary of 83,998,952 shares through Private Placement Offering to Gulf Energy Development Company Limited (GED) or GED Subsidiaries which GED has assigned. That is not involved and has no related relationship with SPCG. The selling rate is Baht 21.93 which must not be lower than 90 % of the market price.
8 August 2014	The Board of Directors' Meeting No. 5/2014 approved to pay interim dividend from the Company's retained earnings of the Company's Separate Financial Statements for the accounting period ended June 30, 2014. The dividend payment at Satang 40 per share is amount 923,990,000 share, amounting to Baht 369,596,000.
5 September 2014	SPCG distributed the Interim Dividend 40 satang per share for 923,990,000 shares at the amount of 369,596,000 Baht
7 September 2014	The Board of Directors' Meeting No.6/2014 approved the payment of tax withholding for interim dividend payment amount 10% of the total valued at baht 36,615,950 to the Revenue Department.

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

15 February 2012	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (KhonKaen 1) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
9 March 2012	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 3) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
14 May 2012	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 4) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
30 May 2012	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Korat 7) Co., Ltd. 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. 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. 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 (KhonKaen 3) and (KhonKaen 4) Co., Ltd. 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 (KhonKaen 5) and (KhonKaen 8) Co., Ltd. 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. 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 (KhonKaen 2) Co., Ltd. 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 (KhonKaen 7) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
18 November 2013	SPC had bought back 2,000,000 shares Solar Power (Korat 1) Co.,Ltd. from Energy for Environment Foundation (EforE) at the amount of Baht 21,265,753.42 making shareholding of the Company increased to 65 % and has increased investment in the expansion project 1-9 with the amount of Baht 13,000,000.

27 February 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nakorn Phanom2 ) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
28 February 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nong Kai 1) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
6 March 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Buriram 3) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
10 March 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (NakornPhanom 3 ) Co., Ltd. by means of connecting transmission lines and distributing electricity to PEA
9 May 2014	SPC sold Shares and signed Shareholder's Agreements with PEA ENCOM International Company Limited in Solar Power (Loei 2, KhonKaen 10, Surin 1, and Surin 2) Co.,Ltd.
28 May 2014	SPC borrowed Baht 3,300,000,000 from SPCG and paid Baht 2,500,000,000 for company's Equity Bridging loan to financial institutes. Distributed the interim dividend from retained earnings of the Company's Separate Financial Statements for the accounting period ended March 31, 2014 at the amount of Baht 596,172,778.70
17 December 2014	SPC approved the interim dividend Baht 300,000,000. SPC approved to buy back shares from Energy for Environment Foundation (EforE) in accordance with Put and Call Option contract of Solar Power (SakonNakorn 1) Co.,Ltd. and Solar Power (NakonPhanom 1) Co.,Ltd. for 2,178,000 shares and 2,180,000 shares respectively at the amount of 50,148,995 Baht making shareholding of the Company increased to 61 %



### 1.3 Business Structure and Overview of the Holding Subsidiaries of SPCG

No.	Solar Farm Name	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
1	SPCG Public Company Limited	SPCG	16 March 2005	923,990,000	923,990,000	1 BHT	1. Khunchornyakong Family Group 2. Gulf International Investment (Hongkong) Limited 3. Kyocera Corporation 4. Others	49.03 9.09 1.46 40.42
2	Solar Power Company Limited	SPC	20 August 1996	1,500,000,000	150,000,000	10 BHT	SPCG Public Co.,Ltd.	100
3	Solar Power Engineering Co.,Ltd.	SPE	3 August 2011	10,000,000	1,000,000	10 BHT	SPCG Public Co.,Ltd.	100
4	Solar Power Asset Co.,Ltd.	SPA	4 May 2012	112,500,000	11,250,000	10 BHT	SPCG Public Co.,Ltd.	100
5	Solar Power Roof Co.,Ltd.	SPR	1 May 2013	400,000,000	4,000,000	100 BHT	SPCG Public Co.,Ltd.)	76
6	SPCG Capital Co.,Ltd.	SPCGC	29 August 2013	1,000,000	100,000	10 BHT	SPCG Public Co.,Ltd.	100
7	Steel and Solar Roof Co.,Ltd.	SSR	5 Sept. 2011	57,373,340	5,737,334	10 BHT	SPCG Public Co.,Ltd.)	100
8	ENEGATE (Thailand) Co.,Ltd.	EGT	4 July 2012	10,000,000	100,000	100 BHT	SPCG Public Co.,Ltd.)	30
9	Solar Power (Korat 1) Co.,LTd.	KR1	19 August 2009	320,000,000	32,000,000	10 BHT	1.Solar Power Co.,Ltd. 2.International Finance Corporation 3.ThaiFah Power Co.,Ltd.	65 20 15
10	Solar Power (Sakon Nakorn1) Co.,LTd	SN1	25 December 2009	217,800,000	21,780,000	10 BHT	1.Solar Power Co.,Ltd. 2.International Finance Corporation 3.Thai-Fah Power Co.,Ltd.	61 9 30
11	Solar Power (NakonPhanom 1) Co.,LTd.	NP1	5 January 2010	218,100,000	21,810,000	10 BHT	1.Solar Power Co.,Ltd. 2.International Finance Corporation 3.Thai-Fah Power Co.,Ltd.	61 9 30

No.	Solar Farm Name	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
12	Solar Power (Korat 2) Co.,Ltd.	KR2	25 February 2010	219,900,000	21,990,000	10 BHT	1.Solar Power Co.,Ltd. 2. Thai-Fah Power Co.,Ltd.	56 44
13	Solar Power (Loei 1) Co.,Ltd.	LO1	25 September 2009	220,500,000	22,050,000	10 BHT	1 Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	56 44
14	Solar Power (KhonKhen 1) Co.,Ltd.	KK1	29 September 2009	226,500,000	22,650,000	10 BHT	1 Solar Power Co.,Ltd. 2.Thai-Fah Power Co.,Ltd.	70 30
15	Solar Power (Korat 3) Co.,Ltd.	KR3	26 March 2010	188,750,000	18,875,000	10 BHT	1.Solar Power Co.,Ltd. 2.Ratchaburi Electricity Generating Holding Public Company Limited	60 40
16	Solar Power (Korat 4) Co.,Ltd.	KR4	26 March 2010	199,250,000	19,925,000	10 BHT	3. Solar Power Co.,Ltd. 4.Ratchaburi Electricity Generating Holding Public Company Limited	60 40
17	Solar Power (Korat 7) Co.,Ltd.	KR7	26 March 2010	188,750,000	18,875,000	10 BHT	5. Solar Power Co.,Ltd. 6. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
18	Solar Power (Korat 5) Co.,Ltd.	KR5	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
19	Solar Power (Korat 8) Co.,Ltd.	KR8	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
20	Solar Power (Korat 9) Co.,Ltd.	KR9	26 March 2010	160,000,000	16,000,000	10 BHT	Solar Power Co.,Ltd.	100
21	Solar Power (KhonKhen 3) Co.,Ltd.	KK3	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
22	Solar Power (KhonKhen 4) Co.,Ltd.	KK4	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
23	Solar Power (KhonKhen 5) Co.,Ltd.	KK5	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
24	Solar Power (KhonKhen 8) Co.,Ltd.	KK8	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
25	Solar Power (Korat 6) Co.,Ltd.	KR6	26 March 2010	160,000,000	16,000,000	10 BHT	Solar Power Co.,Ltd.	100
26	Solar Power (Buriram 1) Co.,Ltd.	BR1	29 March 2009	160,000,000	16,000,000	10 BHT	Solar Power Co.,Ltd.	100

No.	Solar Farm Name	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
27	Solar Power (Buriram 2) Co.,Ltd.	BR2	25 March 2010	160,000,000	16,000,000	10 BHT	Solar Power Co.,Ltd.	100
28	Solar Power (KhonKhen 2) Co.,Ltd.	KK2	26 March 2010	165,000,000	16,500,000	10 BHT	Solar Power Co.,Ltd.	100
29	Solar Power (KhonKhen 7) Co.,Ltd.	KK7	26 March 2010	162,500,000	16,250,000	10 BHT	Solar Power Co.,Ltd.	100
30	Solar Power (NakonPhanom 2) Co.,Ltd.	NP2	25 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
31	Solar Power (NongKai 1) Co.,Ltd.	NK1	5 January 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
32	Solar Power (Buriram 3) Co.,Ltd.	BR3	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
33	Solar Power (NakonPhanom 3) Co.,Ltd.	NP3	25 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
34	Solar Power (UdonThani 1) Co.,Ltd.	UD1	6 January 2010	162,500,000	16,250,000	10 BHT	Solar Power Co.,Ltd.	100
35	Solar Power (Loei 2) Co.,Ltd.	LO2	25 March 2010	165,000,000	16,500,000	10 BHT	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
36	Solar Power (Sakon Nakorn2) Co.,Ltd.	SN2	25 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
37	Solar Power (Surin 3) Co.,Ltd.	SR3	25 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
38	Solar Power (KhonKhen 9) Co.,Ltd.	KK9	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
39	Solar Power (KhonKhen 10) Co.,Ltd.	KK10	26 March 2010	165,000,000	16,500,000	10 BHT	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
40	Solar Power (KhonKhen 6) Co.,Ltd.	KK6	26 March 2010	157,500,000	15,750,000	10 BHT	Solar Power Co.,Ltd.	100
41	Solar Power (Surin 1) Co.,Ltd.	SR1	24 December 2009	165,000,000	16,500,000	10 BHT	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
42	Solar Power (Surin 2) Co.,Ltd.	SR2	25 March 2010	165,000,000	16,500,000	10 BHT	1. Solar Power Co.,Ltd. 2. PEA Encom International Co.,Ltd.	75 25
43	AJ Technology Co.,Ltd.	AJ	18 February 1987	75,000,000	750,000	100 BHT	1. Solar Power Asset Co.,Ltd. 2. Dr.Art-OngChumsai Na Ayudthaya	75 25
44	ThippayanaraiCo.,Ltd.	TP	18 March 2005	75,000,000	750,000	100 BHT	Solar Power Asset Co.,Ltd.	100



## 2 Nature of Business



### SPCG Public Company Limited

SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand under the Energy Sector. SPCG is a holding company with the main purpose to own other companies through holding total or majority shares of 43 subsidiaries. SPCG has registered capital totaling THB 923,990,000.

SPCG has three main businesses: investment and development of 36 Solar Farm Projects in Thailand with total installed capacity of about 260 megawatts in 10 provinces throughout the Northeast of Thailand and Lopburi Province with total land area about 5000 Rais (2000 Acres), Solar Roof business and Steel Roof, Structure and all Fitting business.

### Solar Power Company Limited

SPCG holds 100 percent in Solar Power Company Limited (SPC) established on 20 August 1996 with

registered capital of Baht 10,000,000. Then, SPC increased capital to Baht 1,500,000,000. SPC main business is to operate 34 Solar Farm projects, provide services “Engineering, Procurement and Construction” (EPC) and “Operation, Maintenance and Monitoring” (OMM) for Solar Farms under SPCG.

SPC has started business on June 1, 2008 by getting 34 Solar Power Purchase Agreement (PPAs) with Provincial Electricity Authority (PEA) with the installed capacity approximately 7.46 megawatts per project, total installed capacity for 34 Solar Farm Projects is about 253 megawatts. SPC is considered as a “Very Small Power Producer” (VSPP) by receiving Adder at Baht 8 per kilowatt/hour for 10 years from Commercial Operation Date (COD) of each Solar Farm. SPC has completed Engineering, Procurement and Construction (EPC) of all 34 Solar Farms by mid of 2014.

#### Solar Power Engineering Company Limited

Solar Power Engineering Company Limited (SPE) is registered on August 3, 2011 with registered capital Baht 10,000,000 doing business in Engineering, Procurement and Construction (EPC) Service as well as provides Operation, Maintenance and Monitoring (OMM) Service of solar farms both domestically and internationally. SPCG holds 100% shares.

#### Steel and Solar Roof Company Limited

SPCG holds 100% shares of Steel and Solar Roof Co.,Ltd (SSR), established on September 5, 2011, in order to support business transferring after merger and acquisition of Steel Intertech Public Company Limited. SSR has a registered capital of baht 57,373,340. It provides manufacturing, distribution and installation services of steel or metal roofing sheets under the trademark of ROLLFORM which is certified by Thai industrial standard (TIS) 1128-2535 metal roofing sheets. With the company's commitment to research and development, the products were designed to be modern, colorful and affordable. The preferred base metal thickness (BMT) is available within the range of 0.30 – 0.55 mm.

#### ENEGATE (THAILAND) Company Limited

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

services of such products.

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

#### Solar Power Assets Company Limited (SPA)

SPCG holds 100% shares of Solar Power Asset Co., Ltd. (SPA) established on May 4, 2012 with a registered capital of Baht 112,500,000. SPA has 2 subsidiaries, AJ Technology Co., Ltd. (AJ) and Tipayanarai Co., Ltd. (TP) which hold the Power Purchase Agreement (PPAs) to sell the Solar energy with the installed capacity of 3 MW. Both companies are located in Lopburi Province. SPA has completed both Solar Farms and COD since June 25, 2013

#### Solar Power Roof Company Limited

Solar Power Roof Company Limited (SPR) is established on May 1, 2013 with registered capital of Baht 400,000,000 to 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. In addition, since September 18, 2014 SPR appointed the Home Product Center Public Company Limited (HomePro) to be the only dealer of SPR Solar Roof for residences.

## 2.1 Overview of the Company business

Business structure and overview and subsidiaries 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. (Mw)	The Province	registered Capital	The proportion of investment SPC	Agreement dated	COD <sup>1</sup>
1	Solar Power (Korat 1) Co., Ltd.	5.88	Nakhon Ratchasima	320,000,000	65%	15 May 2009	21 April 2010
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	5.88	Sakon Nakhon	217,800,000	61%	19 Jun 2009	9 February 2011
3	Solar Power (Nakhon Phanom 1) Co., Ltd.	5.88	Nakhon Phanom	218,100,000	61%	18 Jun 2009	22 April 2011
4	Solar Power (Korat 2) Co., Ltd.	5.88	Nakhon Ratchasima	219,000,000	56%	27 July 2009	13 August 2011
5	Solar Power (Loei 1) Co., Ltd.	5.88	Loei	205,500,000	56%	29 July 2009	15 August 2011
6	Solar Power (Khon Kean 1) Co., Ltd.	5.88	Khon Kaen	226,500,000	70%	28 July 2009	15 February 2012
7	Solar Power (Korat 3) Co., Ltd.	5.88	Nakhon Ratchasima	188,750,000	60%	8 Jan 2010	9 March 2012
8	Solar Power (Korat 4) Co., Ltd.	5.88	Nakhon Ratchasima	199,250,000	60%	8 Jan 2010	14 May 2012
9	Solar Power (Korat 7) Co., Ltd.	5.88	Nakhon Ratchasima	188,750,000	60%	8 Jan 2010	30 May 2012
10	Solar Power (Korat 5) Co., Ltd.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
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	160,000,000	100%	8 Jan 2010	26 June 2013
18	Solar Power (Bureerum 1) Co., Ltd.	5.88	Buriram	160,000,000	100%	8 Jan 2010	26 June 2013



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

<sup>1</sup> COD : Commercial Operation Date

## 2.2 Revenue Structure

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

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

1.1 Revenue from investment and development of Solar Farms

1.2 Revenue from Engineering Procurement Construction (EPC) services

1.3 Revenue from Operation Maintenance and Monitoring (OMM) services

### 2.2.2 Revenue from Steel business is divided into 2 parts

2.1 Revenue from Sales

2.2 Revenue from Installation

### 2.2.3 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 31<sup>st</sup> December 2012, 2013 and 2014 are summarized as below;

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

	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-12		31-Dec-13		31-Dec-14		31-Dec-12		31-Dec-13		31-Dec-14	
	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*	Amount (\$Million)	%*
	-	-	-	-	-	-	809.7	63.5	2,063.3	82.4	3,957.3	89.7
	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	-	-	913.1	71.6	2,126.4	85.0	3,957.3	89.7
	2.3	2.5	0.1	0.1	-	-	191.6	15.0	200.9	8.0	167.9	3.8
	21.1	22.9	0.5	0.7	-	-	109.6	8.6	113.5	4.5	106.0	2.4
	23.4	25.4	0.6	0.8	-	-	301.2	23.6	314.4	12.5	273.9	6.2
	-	-	-	-	-	-	-	-	1.0	-	1.8	0.1
	-	-	-	-	-	-	-	-	31.1	1.2	124.1	2.8
	-	-	-	-	-	-	-	-	32.1	1.2	125.9	2.9
	23.4	25.4	37.7	51.8	1,138.1	100.0	61.1	4.8	31.8	1.3	53.6	1.2
	92.2	100.0	72.8	100.0	1,138.1	100.0	1,275.4	100.0	2,504.7	100.0	4,410.7	100.0

Remark: \* Percentage of the total revenues

\*\* 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.



## 2.3 Revenue structure of solar power plant business

The Company's revenue structures of the solar power plant business that was operated through SPC for the year ended 31st December 2012, 2013 and 2014 are summarized as below

Revenue structure		For the year ended		For the year ended		For the year ended	
		31-Dec-12		31-Dec-13		31-Dec-14	
		Amount (฿Million)	%*	Amount (฿Million)	%*	Amount (฿Million)	%*
Consolidated financial statement	1 – Solar Power Company Limited (Korat1)	106.8	11.7	107.3	5.0	123.7	3.1
	2 - Solar Power Company Limited (Sakonnakorn1)	101.1	11.1	103.4	4.9	114.6	2.9
	3 - Solar Power Company Limited (Nakhonpranom1)	99.8	10.9	101.7	4.8	114.3	2.9
	4 - Solar Power Company Limited (Korat2)	107.1	11.7	107.8	5.1	125.1	3.2
	5 - Solar Power Company Limited (Loei1)	97.2	10.6	99.3	4.7	114.9	2.9
	6 - Solar Power Company Limited (Khonkean1)	89.4	9.8	102.7	4.8	116.2	2.9
	7 - Solar Power Company Limited (Korat3)	85.2	9.3	107.3	5.0	122.5	3.1
	8 - Solar Power Company Limited (Korat4)	63.5	7.0	103.2	4.9	119.4	3.0
	9 - Solar Power Company Limited (Korat7)	59.6	6.5	104.7	4.9	120.6	3.0
	10- Solar Power Company Limited (Korat5)	-	-	125.3	5.9	133.8	3.4
	11- Solar Power Company Limited (Korat8)	-	-	124.5	5.9	133.5	3.4
	12- Solar Power Company Limited (Korat9)	-	-	119.7	5.6	132.9	3.4
	13- Solar Power Company Limited (Khonkean3)	-	-	119.5	5.6	130.2	3.3
	14- Solar Power Company Limited (Khonkean4)	-	-	113.0	5.3	128.5	3.2
	15- Solar Power Company Limited (Khonkean5)	-	-	122.4	5.8	134.7	3.4
	16- Solar Power Company Limited (Khonkean8)	-	-	122.8	5.8	135.4	3.4
	17- Solar Power Company Limited (Korat6)	-	-	63.9	3.0	134.4	3.4
	18- Solar Power Company Limited (Buriram1)	-	-	64.5	3.0	135.8	3.4
	19- Solar Power Company Limited (Buriram2)	-	-	63.3	3.0	134.6	3.4
	20- Solar Power Company Limited (Khonkean2)	-	-	53.3	2.5	131.8	3.3
	21- Solar Power Company Limited (Khonkean7)	-	-	33.7	1.6	133.2	3.4

Revenue structure		For the year ended		For the year ended		For the year ended	
		31-Dec-12		31-Dec-13		31-Dec-14	
		Amount (฿Million)	%*	Amount (฿Million)	%*	Amount (฿Million)	%*
	Total revenue from sales of electricity	-	-	-	-	104.2	2.6
	Revenue from Engineering Procurement Construction ("EPC") ***	-	-	-	-	105.3	2.7
	Revenue from Operation, Maintenance and Monitoring ("OMM") **	-	-	-	-	108.6	2.7
	Total revenue from solar power plant business	-	-	-	-	101.2	2.6
Company financial statement - SPC ***	Revenue from Engineering Procurement Construction ("EPC")	-	-	-	-	94.9	2.4
	Revenue from Operation, Maintenance and Monitoring ("OMM")	-	-	-	-	84.1	2.1

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 Thipaya 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 main areas of business as follows:

3.1 Our Solar Farm business operates under SPC, SPA and SPE which are separated into three business units:

- Investment in Solar Farm business
- Engineering, Procurement, and Construction Services (ECP) for the Solar Farm Projects.
- Operation, Maintenance, and Monitoring Services (OMM)

3.2 Solar Roof business under “Solar Power Roof Co., Ltd.” (SPR)

3.3 Steel Roof, Structure and all Fittings business under “Steel and Solar roof Co., Ltd.” (SSR)

### 3.1 RISKS OF SOLAR FARM BUSINESS

#### 3.1.1 Risks of Investment in Solar Farm Business

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

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

Kyocera Corporation, Japan was established on 1 April 1959 and listed on New York Stock Exchange and Tokyo Stock Exchange. Kyocera has long term financial strength, no loss for over its 55 Years operation. As at 31 March 2014, Kyocera has paid-up capital of 115,703 million Yen. Its consolidated net sales is 1,447,369 million Yen with net income amount of 88,765 million Yen. Kyocera has 69,789 employees under 230 companies. Details are as shown in the following figures:



## Summary

Financial data from the fiscal year ended March 31, 2014.

Company name:	KYOCERA Corporation	Consolidated net sales:	1,447,369	million yen
Established:	April 1, 1959	Consolidated net income:	88,756	million yen
President:	Goro Yamaguchi	Group companies:	230	(including KYOCERA Corporation)
Capital:	115,703 million yen	Group employees:	69,789	(excluding non-consolidated subsidiaries and affiliates accounted for by the equity method)

## Consolidated Sales by Region

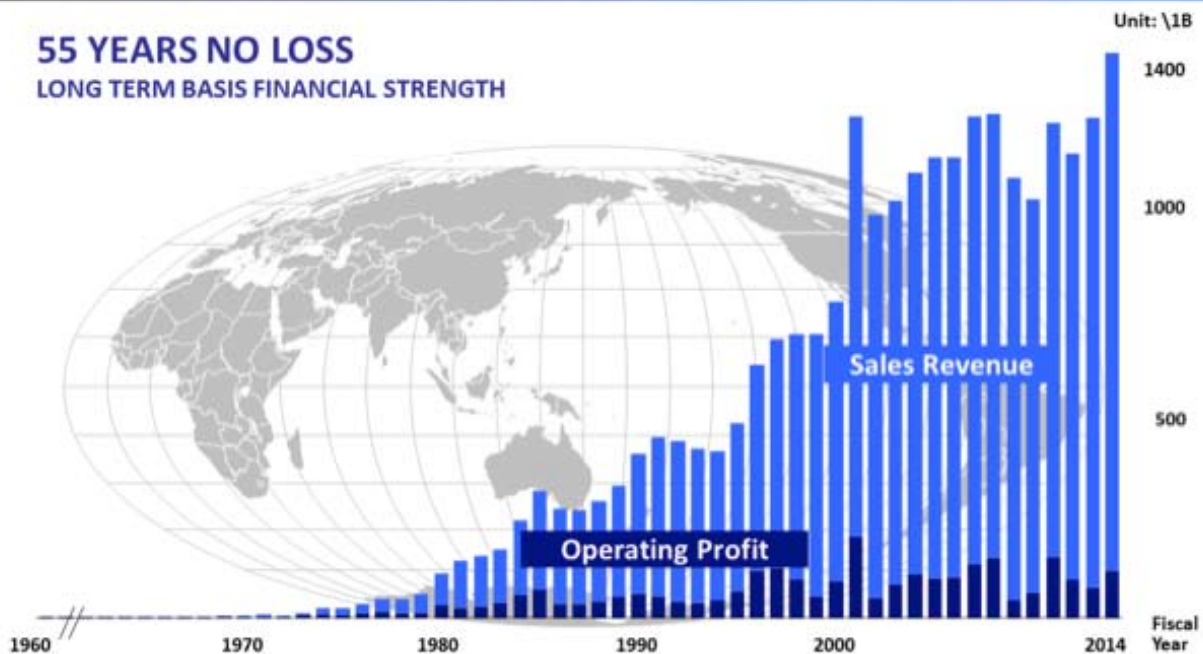
(Year ended March 31, 2014)



## KYOCERA FINANCIAL STRENGTH



**55 YEARS NO LOSS**  
LONG TERM BASIS FINANCIAL STRENGTH



Source: Kyocera Corporation, Japan <http://global.kyocera.com/ir/index.html>

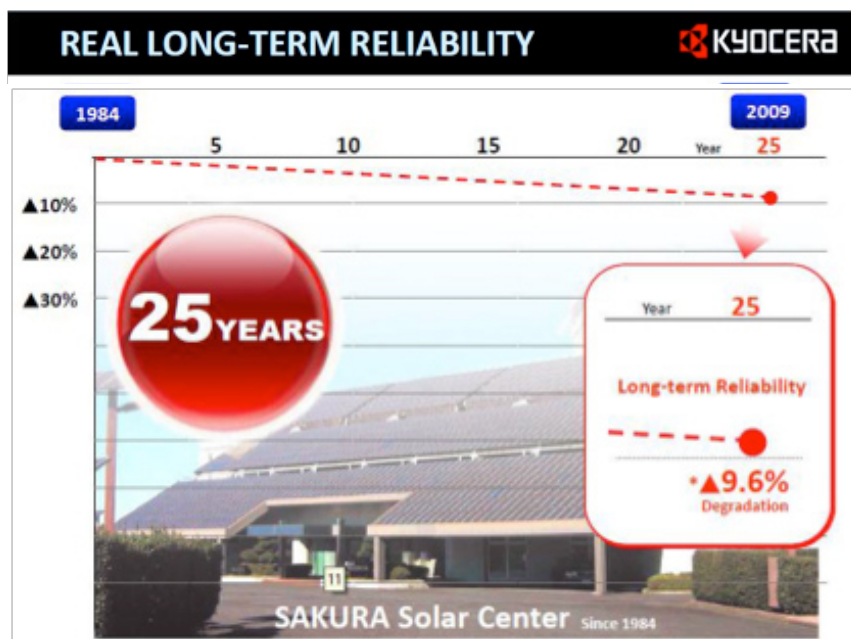
SMA is listed on the Frankfurt Stock Exchange. SMA is a global technology leader in inverter manufacturing for over 30 years of experience and more than 35 Gigawatts installed base worldwide. SMA has approximately 20% of sales of global market share. At the end of December 2013, SMA has total investor output sold around 5,361 Megawatts with net cash of Euro 308.1 million and total assets Euro 1,259.9 million. Furthermore, its employees are 5,141 persons (SMA Annual Report 2013).

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

- Direct exposure to the global solar market
- SMA is the No. 1 for solar inverters for more than two decades
- Proven technology and up-to-date products
- Flexible business model and best-cost sourcing strategy

- Powerful sales and service infrastructure
- Transformation process will lead to significant cost reduction
- Bankable partner due to high equity ratio and net cash position
- Unique positioning
- Stable shareholder structure with Danfoss as strategic anchor

SPCG strongly believes in Financial strength, Technology strength and long-term track record of both manufacturers so that SPCG can rely on their quality of products such as SMA high technology inverter model from Germany with 20 years warranty and 25 years warranty for Kyocera Solar Modules. Moreover, Kyocera Solar Modules were installed with the grid connected in Japan about 30 years which still working under good conditions and loss in power only 9.6% from 20%.



Source: Kyocera Corporation <http://global.kyocera.com/ir/index.html>

### (2) Risk from Exchange Rate Fluctuations

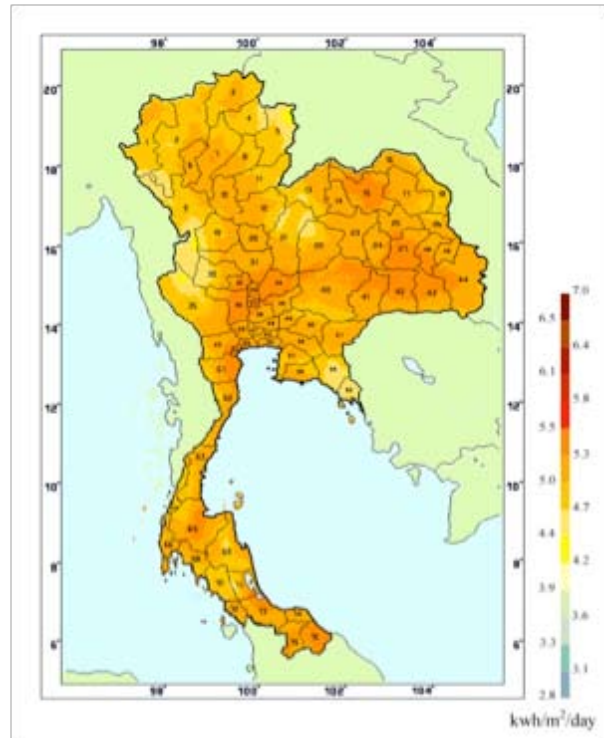
SPCG has already completed development and construction all 36 Solar Farms since June 2014. SPCG imports solar module from Kyocera Corporation, Japan and inverter from SMA Technology AG, Germany. SPCG closely monitoring the fluctuation of the exchange and manages the risk by means of a FX Forward Contract and the right to exchange money through a financial instrument called FX Option in order to fully hedge fluctuations in the foreign exchange rates. The company will engage in a full amount of a forward foreign exchange transaction (FX Forward) or a foreign-exchange option (FX Option) when solar panels and inverters are recorded as assets of the company.

### (3) Risk from the Lower Intensity of Sunlight

SPCG business is a providing energy from solar as the key resources, so solar irradiance is the key to be successful. If SPCG cannot receive enough sunshine to our Solar Farm, it may cause reduction of energy from forecasting which may affect the revenue.

However, SPCG has seriously studied and gathered statistic of solar irradiance for the past 10 years by using information from NASA and we are confident that all of our Solar Farm's locations are in the high level of the solar radiance in Thailand. Since 2010, Solar Power (Korat 1) has the solar irradiance almost 20% better than our forecast.

Moreover, the Company has installed the intensity of solar radiation measure equipment in every Solar Farms to use for analysing and following in the track of the climate change result. From data entry report, the Company's Solar Farms Production in average was 20% higher than the probability of electricity production which financial institute has set.



Resource : Electricity Generating Authority of Thailand

[http://www3.egat.co.th/re/egat\\_pv/sun\\_thailand.htm](http://www3.egat.co.th/re/egat_pv/sun_thailand.htm)

### (4) Risk from Natural Disasters

36 Solar Farms of SPCG are located in 10 provinces in the Northeast of Thailand, which are considered to be on a high flat zone. The 2 Solar Farms that are located in Lopburi are considered to be on a high flat zone area too. SPCG has seriously studied the location to develop all of our solar farm projects by considering from protection of flooding and strong wind from typhoons.

SPCG has studied statistic of flooding level in all areas as well as wind speed of typhoons for the past 20 years. Every Solar Farms have land level higher than that of highways and the foundation of the support structure of solar modules are designed to withstand of 80 km/hr. to protect damages from thunderstorm.

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

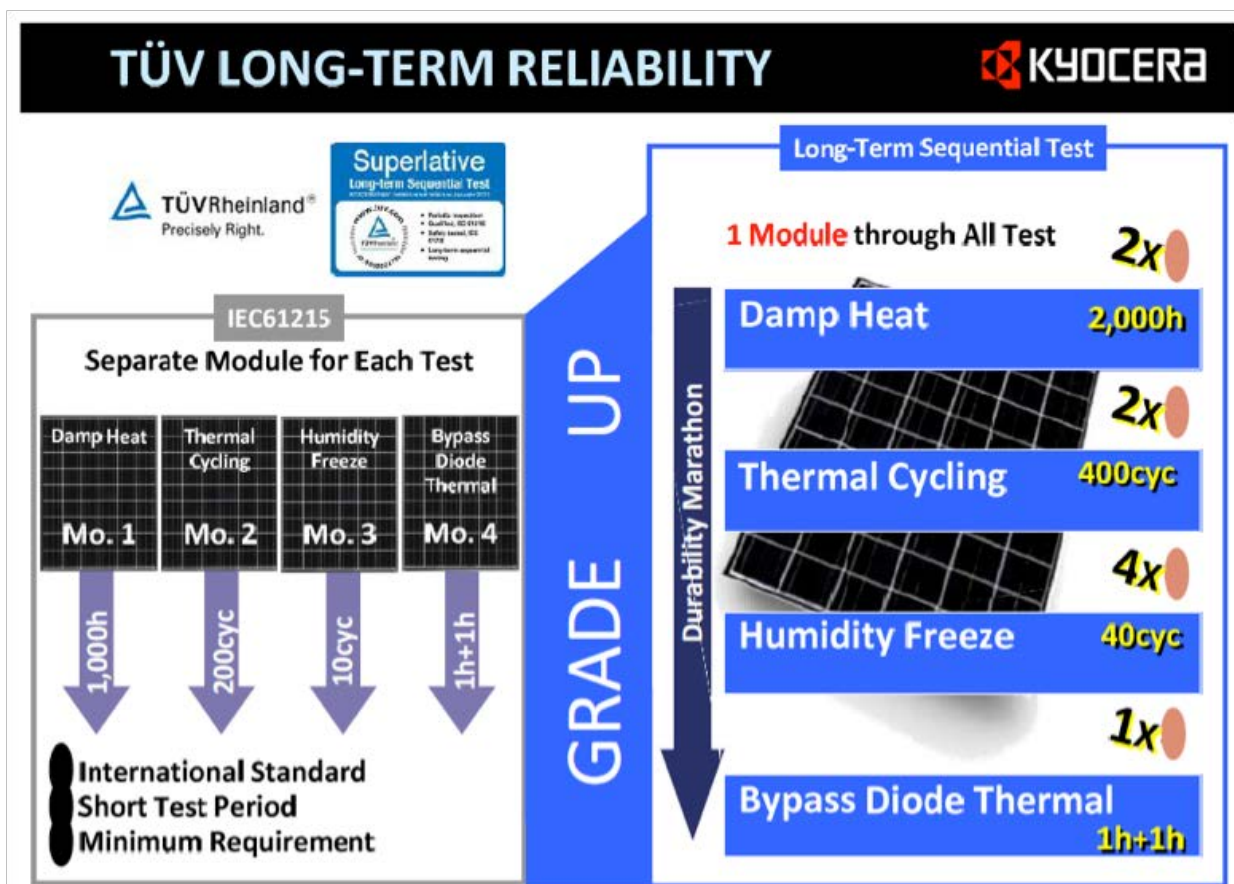


### (5) Risk of Degradation of Solar Modules

Electricity Quantity from Solar Farms depend on several factors, one of the factors, which has an effect on electricity quantity is solar modules' Degradation. If Solar Modules have deteriorated quicker than usual, it might have an effect on the electricity quantity production resulting in less than expected income.

However, the Company is using Photovoltaic Solar Module which had Degradation guaranteed by Kyocera for 25 Years. Kyocera has guaranteed that within 12 years from the operation date, the solar module from the operation will produce electricity not less than 90% of peak power and within 25 years of

Solar Module from the operation date, the solar module will produce electricity not less than 80% of its efficiency. If it was found that the peak power were less than guaranteed, Kyocera will add more solar module in order to return to the guaranteed peak power or change solar module or refund under contract agreement between Solar Farms and Kyocera. Moreover, Kyocera has given information about Kyocera's Solar Farm Module in Japan, which within period of time 30 years, that Kyocera Solar Module in Solar Farm produce electricity up to 91.4% of its peak power.



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

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

#### (1) Risk from Personnel Recruitment

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

However, the construction of solar farms is not complicated and is easy to supervise. Hence, it is not necessary to permanent 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 has hired local employees to construct the projects which need to use a lot of manpower. Each of SPC's project constructions will require approximately 180 workers in the construction. This might make the quality of solar farm construction labor change.

However, the Company realized about this risk and prevented the problem by appointing 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. Even though, the Solar Farm Development under PPA and SPA were completed but for the future development of new Solar Farm, the

company will use the same high efficiency and proficiently strategic operation.

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

#### (1) Risk from Monitoring System Failure

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

However, SPC has leased transponder from Thailand Telecom Public Company (CAT) to use in sending data information from Solar Farms to SPC Head Office through Optic Fiber. Thus

SPC has recorded 2 sources of monitoring data i.e. at each of solar farms' control centers and SPC office. Recording 2 sources reduces the risk of data loss in case of such error of a data system. Moreover, SPC has backup information system in daily report both in normal type as well as in electronic files, to use as another Risk preventive level too.

#### (2) Risk of Accident during Maintenance

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

Nevertheless, SPC has held the training course and educated local labors before taking up work in order to clearly 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 can help reducing accident risks. Apart from that, the reviewed training and instructing of new turn are yearly held. However, any accident has not been occur under these operations yet.

## 3.2 RISK from Solar Roof Business

### 3.2.1 Risk from industry competition

On February 9, 2015, the Energy Regulatory Commission has announced policy to buy back solar energy with the capacity not more than 10 Kilowatts in the quantity of 68,221 kWp which Feed-in-Tariff (FIT) at 6.85 baht per unit and interested people to sell solar energy to PEA or MEA have to submit application within June 30, 2015 including operate to install system, fitting and distributing to PEA or MEA within December 31, 2015.

The announcement has been motivated entrepreneurs to distribute and install Solar Roof to the market so SPR, one of the subsidiaries of SPCG, signed a contract with Home Product Center Public Company Limited (HomePro) and appointed HomePro to be the only one distributor for households Solar Roof. We provide demonstration of solar Roof system in over 50 branches in Thailand in order to be a distribution channel that help to be more convenient for our operation and continuous providing services.

### 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 not so long. From previous time, they were mostly Solar

Farms which installed on the ground and very little of them were installed on the rooftop. Hence, we need more time to educate consumers for good understanding of this business model which worth for long term investment as well as trust in safety system which is installed on the roof.

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

### 3.2.3 Risk from limited period of time operation

From a declaration of Energy Regulatory Commission about electricity buying from Solar Rooftop ( for the electricity buying to reach 100 Megawatts, dated 2 February 2015, the period of document applying not beyond 30 June 2015 and the COD of SDOD not beyond 31 December 2015, makes every operations have to end on fixed time. In case of operator who lack installation experiences or skills or even document management, it will surely effect on late COD from the fixed time.

So that SPR under SPCG who has experienced personnel, has better expansive competition toward other operators.



### 3.3 Risk from Steel Industry

#### 3.3.1 Risk from Relying on a Leading Manufacturer for Raw Materials

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

However, BlueScope Steel is a major manufacturer of cold rolled steel sheet plated with zinc on aluminum that has invested to build up its factories in Thailand. Furthermore, BlueScope Steel is a subsidiary of BlueScope Steel Limited listed on the Australia Securities Exchange. SSR and BlueScope Steel have been business partners for more than 10 years. 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 in low-level.

#### 3.3.2 Risk from a Business Competitor Relating to BlueScope Steel

BlueScope Steel who is a distributor of almost main raw materials for SSR has a related company having the same shareholders and directors that is BlueScope Lysaght (Thailand) Limited (BlueScope Lysaght) established in 1988. BlueScope Lysaght has run manufacturing and distribution business of waved metal sheet that is the same as SSR and has used the

identical raw materials from BlueScope Steel as well. In case BlueScope Steel distribute to BlueScope Lysaght under conditions and prices which will 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.

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

#### 3.3.3 Risk from Fluctuations in the Price of Raw Materials

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

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

#### 3.3.4 Risk from Hiring Subcontractors to Project Installation

The Selection of Subcontractors: Generally, companies in the industry of roofing manufacturing

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

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

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

### 3.3.5 Risk of Competition in Substitute Products

The main product of the company which is manufactured and distributed is waved metal sheets

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

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

### 3.3.6 Risk on Giving Trade Credit

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

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

operations to pay off the amount of due to the account payables on time.

### 3.3.6 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 lead to hazards in manufacturing process and preservation of the raw materials which include explosion, fire, weather variance and natural disasters, machinery defects, shutting down of machines beyond the schedule, labor strike, transportation disruption, and other environmental risks. Those hazards may lead to injury or fatality, severely damaged properties or tools and cause of environmental damages, or forfeit, or debt, along with the effect on overall operations of SSR.

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

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

The company has realized and placed importance on the risk of manufacturing process which may have the effect on social and communities including the impact on the environment, safety, or the economic and social. The company tries to avoid engaging in the activities which cause problems to social and the communities around them, for instance, any manufacturing processes that create loud noise and cause a disturbance in social and surrounding areas will be outsourced by SSR. Then, the 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, and Mrs. Ka-

nokporn Khunchornyakong (collectively called “the Majority Shareholders) who have collective intentions to cast the majority of votes in the same direction in order to control the voting rights or to supervise the business together. In addition, they hold the mutual relationship and behaviors in accordance with the Notification of Capital Market Supervisory Board TorChor 7/2552 Re: Acting in concert as a result of the nature of a relationship or behaviors. The majority shareholders hold 49.03 percent of the company's total issued shares and they are the executives and directors who have signing authority for the company's budget. As a result, they are the authority who manages and nearly controls the crucial majority votes such as an appointment of director, or engaging in other matters requiring approval by the majority of the general meeting with the exception of laws and company's regulations requiring three-fourth of the number of shareholders attending the meeting and having the voting rights. Therefore, the other shareholders who attend the meeting and have the voting rights may not gather the votes to counterbalance the management of the majority shareholder.

The management structure of the company is comprised of 3 sets of the board of directors and the subcommittees which are, namely, the board of directors, the audit committee, and the nomination and remuneration committee. The duties and responsibilities of each subcommittee are set clearly. Hence, the operations of the board of directors and the 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 does not 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

As at December 31, 2014, SPCG and its subsidiary carried debt total amount of 18,014.2 million baht consist project financing loan= 13,967.6 million baht, unsubordinated, guarantee and amortizing debenture 4,000 million baht with the interest rate of 32.3 million baht ( pay back period within 5 years with fixed interest rate at 5.5% and starting to pay debt since 2015) and others 14.3 million baht. SPCG has managed the risks of cash management by setting up 5 years cash flow from 2015 to 2019 to control our cash flows from Solar Farm Projects to SPC and SPCG level. After Solar Farms starting from general operation COD date, each Solar Farm has generated its own income, to pay for project financing plus interest and operating maintenance and operating expenses. SPCG has 5 years cash flow plan to control our revenue and expenses plus debenture pay back with the highest safety factor.

### 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.

Price



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

#### (2) Share Transfer Restriction

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

### 4.2 The Shareholders of the Company

#### 4.2.1 List of Shareholders of SPCG

Here is a list of the first 10 shareholders<sup>1</sup> of the company regarding the latest book closure date on 17 March 2015 as follows:

No.	NAME OF SHAREHOLDERS	No. OF SHARES	% OF SHARES
1	<u>The KHUNCHORNYAKONG Consist of</u>	<u>452,988,687</u>	<u>49.03</u>
	Ms.Wandee Khunchornyakong	395,200,050	
	Mrs.Prakhong Khunchornyakong	32,400,000	
	Ms.Sompong Khunchornyakong	9,863,637	
	Ms.Somsak Khunchornyakong	13,500,000	
	Mrs.Kanokporn Khunchornyakong	2,025,000	
2	<u>Gulf International Investment (Hong Kong) Limited</u>	<u>83,998,952</u>	<u>9.09</u>
3	<u>Thai NVDR Company Limited</u>	<u>54,927,871</u>	<u>5.94</u>
4	<u>HSBC (SINGAPORE) NOMINEES PTE LTD</u>	<u>35,436,600</u>	<u>3.84</u>
5	<u>Mr.Withoon Manomaikul</u>	<u>19,290,000</u>	<u>2.09</u>
6	<u>Kyocera Corporation</u>	<u>13,500,000</u>	<u>1.46</u>
7	<u>The AKEUDOMSHIN Consist of</u>	<u>17,580,100</u>	<u>1.90</u>
	Mr.Jarern Akeudomshin	10,780,000	
	Mr.Wichai Akeudomshin	6,800,000	
	Mr.Somchai Akeudomshin	100	
8	<u>The SETHIWAN Consist of</u>	<u>9,312,000</u>	<u>1.01</u>
	Mr.Suchart Sethiwan	5,400,000	
	Mr.Pongchai Sethiwan	2,333,500	
	Mr.Ponthep Sethiwan	1,515,500	
	Ms.Warunee Sethiwan	33,000	
	Mr.Pongchai Sethiwan	30,000	
9	<u>STATE STREET BANK EUROPE LIMITED</u>	<u>7,297,365</u>	<u>0.79</u>
10	<u>allianz Ayudhya Assurance Public Company Thailand</u>	<u>4,900,000</u>	<u>0.53</u>
	Total	699,231,575	75.68

**Remark<sup>1</sup>** Ref : A List of shareholders on 17 March 2015 of the book closure date by Thailand securities Depository Company Limited (TSD)



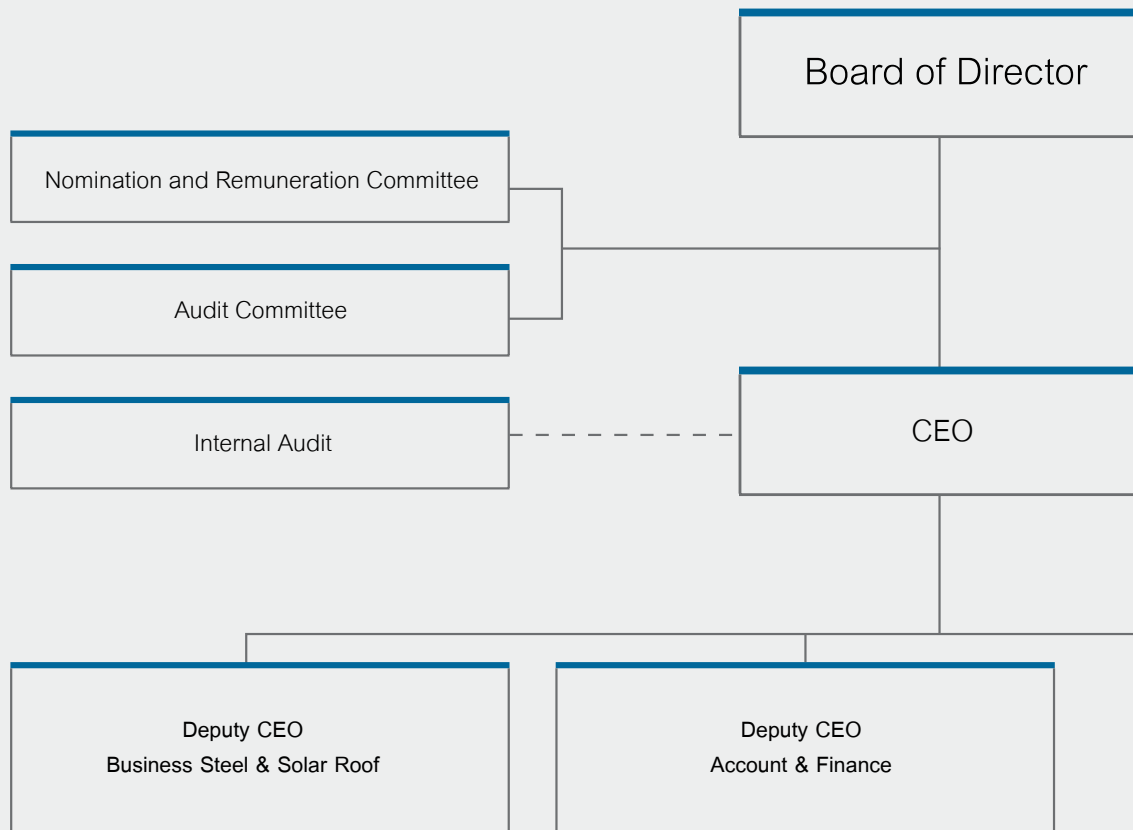
## 4.2 DIVIDEND POLICY

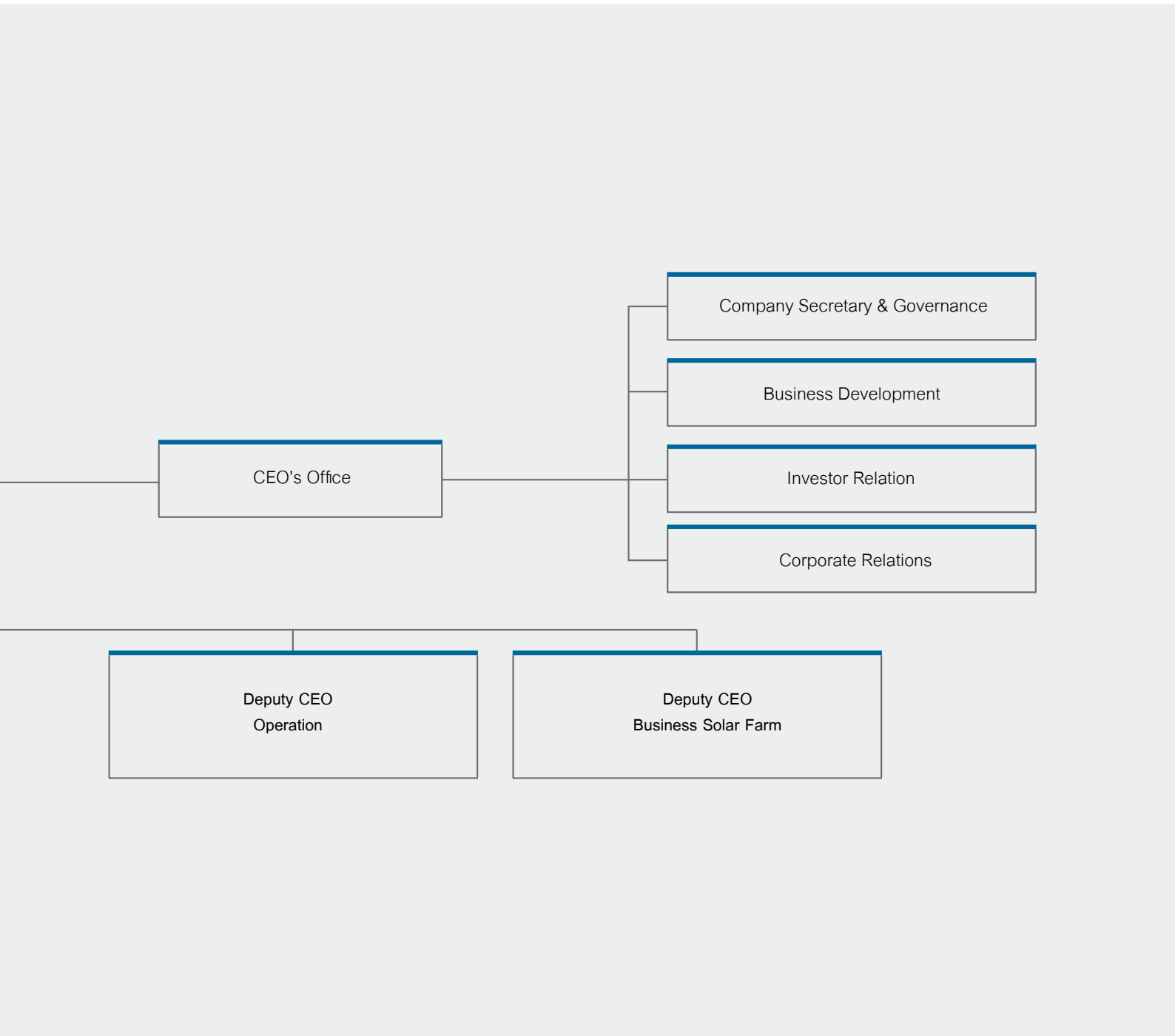
The company has set the dividend policy to pay dividend to shareholders not less than 40 percent of net profit of the separate financial statement after legal reserve in compliance with the company regulations and laws, if for no other reason and such dividend payment shall have no impact on the normal 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 reasons and such dividend payment shall have no impacts on the normal operations of SPCG and its subsidiaries significantly concerning the board's consideration. In addition, such operations will create the maximum benefit to the shareholders. The board resolution of SPCG and its subsidiaries considering such payment must be presented for approval from the general meeting of SPCG and its subsidiaries as well.

## 5 Management Structure

### 5.1 Organization Chart of SPCG Public Company Limited





## 5.2 Management Structure

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

### 5.2.1 Board of Directors

As at 31 December 2014 The Company has the total of 9 Directors as listed below :

NO.	Name	Position
1.	Ms. Wandee Khunchornyakong	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Dr. Art-ong Jumsai Na Ayudhya	Director
4.	Mr. Jirakom Padumanon	Director
5.	Mr. Withoon Manomaikul	Director
6.	Police Major General Wanchai Wisuttinan	Director
7.	Mr. Kiatichai Pongpanich	Chairman of the Audit Committee and Independent Director
8.	Mr. Wanchai Lawatanatrakul	Independent Director
9.	Asst. Prof. Dr. Siripong Preutthipan	Independent Director

Company's authorized directors are as follows:

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

### Authority and Responsibility of the Board of Director

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

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



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

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

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

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

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

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

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

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

NO.	Name	Position
1.	Ms. Wandee Khunchornyakong	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Kevin Gerald Parnell	Director

### 5.2.2 Audit Committee

As at 31 December 2014, Audit Committee consists of 3 Independent Director as follow:

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 venter or legal of 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 Comapny 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 ofr 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 2014 The Company has 3 remuneration committee members, which are as follow:

NO.	Name	Posltion
1.	Mr. Wanchai Lawatanatrakul	Chairman of Recruitment and Remuneration Committee
2.	Ms. 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 assigned 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 2014 consisted of 7 persons which are as follow



NO.	Name	Position
1.	Ms. Wandee Khunchornyakong	Chief executive officer
2.	Mr. Somsak Khunchornyakong	Deputy Chief executive officer (Operation)
3.	Mr. Somchai Vongratanavichit	Deputy Chief executive officer (Business Steel&Solar Roof)
4.	Mr. Chaiwat Tungsuwanpanit	Deputy Chief executive officer (Account&Finance)
5.	Mr. Chanchai Banditsaowapak	Deputy Chief executive officer (Business Solar Farm)
6.	Mr. Kowit Nuangsuk	Assistant Chief Executive Officer (Account&Finance)
7.	Mr. Kree Kuntianara	Assistant Chief Executive Officer (Corporate Administration)

Remark: \* Mr. Kowit Nuangsuk resigned on 31 January 2015

\*\* Mr. Kree Kuntianara resigned on 28 February 2015

#### 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 remuneration. The details of the total remuneration for each directors are as follow:

Unit:THB

Name	Monthly Allowance*	Meeting Allowance	Total
For the year 2014			
Ms. Wandee Khunchornyakong	-	150,000	150,000
Mr. Somsak Khunchornyakong	-	105,000	105,000
Mr. Jirakom Padumanon	240,000	90,000	330,000
Mr. Kevin Gerald Parnell	80,000	30,000	110,000
Mr. Withoon Manomaikul	240,000	90,000	330,000
Police Major General Wanchai Wisuttinan	160,000	60,000	220,000
Dr. Art-ong Jumsai Na Ayudhya	-	45,000	45,000
Mr. Kiatichai Pongpanich	660,000	170,000	830,000
Asst.Prof.Dr.Siripong Preutthipan	600,000	135,000	735,000
Mr. Wanchai Lawatanatrakul	600,000	190,000	790,000
Total	2,580,000	1,065,000	3,645,000

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

\*\*2. Mr. Kevin Gerald Parnell resigned on 25 April 2014

In the year 2014, 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
Miss Omsin Siri	Director	7 February 2014
Mr. Kevin Gerald Parnell	Director	25 April 2014

In the Company's annual ordinary shareholders meeting for the year 2014 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.

For the year 2014, SPCG paid bonus to the Board of Directors in a total of 7,495.890 Baht.

### Executives Remuneration

In the year 2014 the Company has a total of 8 executives, however, as at 31 December 2014, the Company has 6 Executives left (Mr. Prachitpol Himathongkam and Ms. Busaraporn Chanchucherdas resigned on 31 October 2014 )

Therefore, the Company's executive remuneration in 2013 and 2014 are at the total of 14.46 million baht and 19.06 million baht respectively.

### 5.4.2 Other Remuneration

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

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

### 5.4.3 Category 1: Shareholder Rights

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

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

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

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

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

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

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

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

#### 5.4.4 Category 2: Equal treatment for all shareholders

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

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

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

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

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

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

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

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

#### 5.4.5 Category 3 The Roles of Stakeholders

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

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

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

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

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

#### 5.4.6 Category 4: Disclosure of Information and Transparency

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

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

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

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

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

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

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

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

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

#### 5.4.7 Category 5: Directors Responsibilities

##### 1. Committee Structure

The Company's Board of Directors consist of knowledgeable individuals who are the key players in setting company policies. Together with executive officers, who are responsible for the planning and execution of the Company's long and short term operations as well as financial policies, risk management and the overall image of the Company. Additionally they play a crucial role on the governance and evaluating the Company's operating performance as well as to freely evaluate the executive officers performance to be inline with the plan that was set freely. Currently there are 9 members of board of director, 6 of which are executive directors and the other 3 are independent directors that are not executive and with no relations to major shareholders and is not a director or executives of the major shareholder or not the executive or representatives of shareholders or major shareholders.

##### 2. Sub-Committees

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **4. Board of Directors Meeting**

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

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

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

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

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

In 2014, the board of director and sub-committees that the board of director had appointed held meetings that are appropriate with nature of business and tasks that were assigned.

No	Name	Board of Diretors ( Total 6)	Audit Committee ( Total 4)	Recruitment and Remuneration Committee ( Total 2)
1.	Ms. Wandee Khunchornyakong	6/6		2/2
2.	Mr. Somsak Khunchornyakong	5/6		2/2
3.	Dr. Art-ong Jumsai Na Ayudhya	4/4		
4.	Mr. Jirakom Padumanon	6/6		
5.	Mr. Withoon Manomaikul	6/6		
6.	Police Major General Wanchai Wisuttinan	4/4		
7.	Mr. Kiatichai Pongpanich	6/6	4/4	
8.	Mr. Wanchai Lawatanatrakul	5/6	3/4	2/2
9.	Asst. Prof. Dr. Siripong Preutthipan	5/6	4/4	

## 5. Remuneration

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

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

## 6. Development of Directors and Executive

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

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

#### 7. Committee Self-Assessment

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

#### 8. Board of Directors Selection Criteria

The board of directors or director, one or the other may nominate individual to be elected 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 elected by considering from the following qualification: In some instances, a board member must be selected according to his/her relevance towards the company, having efficient risks because of existing contracts which states that such shareholders must be represented in the board of directors. In addition, the selection criteria for the board of directors are as follow;

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

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

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

## 5.5 Governance in using Internal Information

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

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



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

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

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

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

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

## 5.6 Personnel

### 5.6.1 Personnel

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

Unit : Person

Number of employees at	SPCG	SPC	SSR	SPR	SPC's Subsidiaries (34 Companies)	Total
December 31,2012	32	25	84	-	0	141
December 31,2013	45	15	86	19	0	165
December 31,2014	56	16	86	16	0	174

Source: PGD. 51<sup>st</sup> of each company.

As of December 31, 2014 employees of the Company And subsidiaries Received compensation from the company. A total number of 174 persons The details are as follows.

Unit : Person

The main work	SPCG	SPC	SSR	SPR	SPC & SPA and its Subsidiaries (36 Companies)	Total
Executive	3	3	4	1	0	11
HR	5	0	6	0	0	11
Accounting & Financing staffs	20	0	8	0	0	28
Office staffs	28	6	1	2	0	37
Production & Maintenance	0	1	34	0	0	35
Sales & Marketing	0	0	11	6	0	17
Engineering	0	2	19	5	0	26
IT	0	2	1	1	0	4
Quality Assurance	0	2	2	1	0	5
<b>Total</b>	<b>56</b>	<b>16</b>	<b>86</b>	<b>16</b>	<b>0</b>	<b>174</b>

Source: Registration employees.

\* No employees of the subsidiaries of the 36<sup>th</sup> 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 use supervisor regularly evaluates new employees during the probationary period. To ensure that company's 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 are trained by both internal trainers and hired trainers from outside.

The Company has a policy of maintaining personnel. By providing opportunities employees who have shown their abilities to be promoted as appropriate to the addition, the Company also has a policy to pay salary based on the ability of workers and employees as well as employees' expectation to be paid too.

## 6

## Internal Control



### 6.1 Internal Control Policies

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

SPCG has hired BK IA&IC Co., Ltd. (BK IA&IC) as SPCG's internal control from BK IA&IC will conduct the Internal Audit Plan to support the Audit Committee to review, monitor and assess the sufficiency of the internal control system, operation efficiency and effectiveness control on the company's assets and property.

The Audit Committee will review the internal control plan purpose by BK IA&IC. That the current internal control system is sufficient and cover important section of the company as follow:

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

After the evaluation of internal control system the Board of Director has opinion that the Company has sufficient internal control system. By which all of the 5 sections of internal control are appropriate,



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

In 2014 BK IA&IC proposed plan to examine performance which are as follows:

- SPCG : 1. Control of Cash flow, Cash in advance and the control of Corporate Relation works.  
2. Control of HR and Payroll.
- SPC : 1. Control of Purchasing and Stock.  
2. Control of Account Payable and Payment.
- SPV : 1. Control of Solar Farm Management.  
2. Control of Solar Farm Assets.
- SPR : Control of Sells and Payment.
- SSR : Control Cost and Letter of installation and Guarantee

## 6.2 Roles of Audit Committee with Internal Control

The Audit Committee of SPCG Public Company Limited comprises of 3 independent directors, namely, Mr. Kiatchai Pongpanich as the Chairman of the Audit Committee, Mr.Wanchai Lawatanatakul and Asst. Prof. Dr. Siripong Preutthipan as member of the audit committee. Both committees have professional skilled with experiences in accounting, finance, organization management and development of solar farm project. The Audit Committee act in accordance with the roles and responsibilities that were assigned by the Board of Director. There are 4 Audit Committee Meetings altogether. The detail of the meeting attendance that each audit committee attends are as follows:

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

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 2014. It was found that the Company and its subsidiaries financial report are correct, appropriate and in accordance with the generally accepted accounting standard. Accounting data and financial statements are accurate and reliable, disclosed financial report sufficiently, completely and in time with the Securities and Exchange Commission and the Stock Exchange of Thailand 's rule and regulations.

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

**Reviewed Internal Control System** The Audit Committee had reviewed the sufficiency of the Company and its Subsidiaries internal control system for the year 2014 by considering from internal audits and auditors' reports. The Audit Committee had opinion that internal control system are sufficient and appropriate, operating of management team were conform to the policies and to approve all the works.

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

the good corporate governance principles as to build confidence to investors and parties of interest.

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

**Reviewed and Selected Auditors and Determine Remuneration** The Audit Committee had reviewed and selected auditors for the year 2014, by considering from knowledge in business, experienced, and represent international standard including suitable for remuneration. The audit committee had come to conclusion to propose to the Board of Director for approval from the Annual General Shareholders' Meeting for the year 2014 to appoint PricewaterhouseCoopers ABAS Limited (PWC) as the Company's auditor for the year 2014, name as follow:

1. Ms. Unakorn Phruthithada  
Certified Public Accountant No. 3257
2. Ms. Sukuna Yamsakul  
Certified Public Accountant No. 4906
3. Mr. Paiboon Tunkoon  
Certified Public Accountant No. 4298

## 6.3 SCPG Public Company Limited and Subsidiary Companies

BK IA&IC reported that the results of internal control on 31 December 2014 to the Audit Committee to review previous performance concluded on the main issues as follows:

Overview, the results of internal control for the year 2014 shows that internal control is appropriate and sufficient. Most of the issues that were found are the results of error which have no significant impact and had notify the individual who are responsible to correct the error or has suggests appropriate guidelines. Most of the inspected issued has been solved or on solving process.

## 7 Related Transactions



SPCG and its 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, 2014. The audit committee has approved and advised about necessity and reasonability of the related transaction of SPC, SPE and SPCG of 2014 with the following details:

Related Company Related person & details	<p>: JPEN Company Limited ("JPEN")</p> <p>: Mr. Jirakom Padumanon</p> <ul style="list-style-type: none"> <li>- Director and shareholder of SPCG holding 0.12% of SPCG's total shares</li> <li>- Shareholder of JPEN holding 10% of JPEN's total shares and Mrs. Piyarat Suksombat (related person of Mr. Jirakom Padumanon) holds 70% of JPEN's total shares</li> </ul>
1. Nature of the related transactions	<p>: <b>Construction Costs</b></p> <p>The transactions are constructions of 22<sup>nd</sup>, 24<sup>th</sup>, 26<sup>th</sup>-34<sup>th</sup> solar farms of SPC's Project which are as follows: Nakorn Phanom 2 (NP2), Buriram 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), and the expansion projects of 1<sup>st</sup>-9<sup>th</sup> 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).</p>

Transaction Value :	: Baht 98.01 Million
Transaction Date :	: All of the transactions have been continuing since the year 2013 which were approved by the Audit Committee meeting. All purchase orders have been completely issued after being approved by CEO during the year 2013 in accordance to the defined procedures
Rationales and Appropriateness :	: This is due to JPEN executive and working team have strong experience in developing Solar Power system for SPC in many projects and the selection of sub-contractors had been evaluated and negotiated the offer prices therefore the Assessment Committee and the Audit committee approved in hiring JPEN as the sub-contractors.
2. Nature of the Related Transactions :	: <b>Operation, Maintenance &amp; Monitoring (O&amp;MM) fee</b> SPC hired JPEN for O&MM service for all Solar Farm Projects which are as follows: 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), Buriram 1 (BR1), Buriram 2 (BR2), Khon Kaen 2 (KK2), Khon Kaen 7 (KK7), Nakorn Phanom 2 (NP2), Nong Kai 1 (NK1), Buriram 3 (BR3), Nakorn Phanom 3 (NP3), Udon Thani 1 (UD1), Loei 2 (LO2), Sakon Nakorn 2 (SN2), Surin 3 (SR3), Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Khon Kaen 6 (KK6), Surin 1 (SR1), Surin 2 (SR2). A.J. Technology (AJ) and Tipayanarai (TP).
Transaction Value	: Baht 148.46 Million
Transaction Date	: Most of the transactions have been continuing since the year 2012-2013, which were approved by the Audit Committee in the AC's Meeting. The purchase orders were issued after being approved by CEO during the year 2012 and 2013. In addition, at the late year 2013, purchase orders were issued after being approved by CEO for additional projects during the year 2014 which are as follows: Nakorn Phanom 2 (NP2), Nong Kai 1 (NK1), Buriram 3 (BR3), Nakorn Phanom 3 (NP3), Udon Thani 1 (UD1), Loei 2 (LO2), Sakon Nakorn 2 (SN2), Surin 3 (SR3), Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Khon Kaen 6 (KK6), Surin 1 (SN1) and Surin 2 (SN2).  Purchase Orders dated November 18, 2013 that have been approved by the CEO are as follows: No.PO5611003 (For the NP2 Project) No.PO5611005 (For the NK1 Project) No.PO5611006 (For the BR3 Project) No.PO56110039 (For the NP3 Project) No.PO5611-004 (For the UD1 Project) No.PO5612-004 (For the LO2 Project) No.PO5611-007 (For the SN2 Project) No.PO5611-008 (For the SR3 Project) No.PO5612-002 (For the KK9 Project) No.PO5612-003 (For the KK10 Project) No.PO5612-001 (For the KK6 Project) No.PO5612-005 (For the SR1 Project) No.PO5612-006 (For the SR2 Project)



Pricing Policy	: SPC announced the bidding in the Company's website which is opened for public. The O&MM price for Solar Farm is disclosed to the public. According to the defined procedure for transparency, SPC has to compare at least 2 bidders in the terms of price and technique from each bidder.
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 independent engineer (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 finish the O&MM work within timeframe to prevent disruption of the business.
3. Nature of related transactions	: <b>Account Payable of Construction</b> The transactions are construction of Solar Farm which is Nakorn Phanom 1 (NP1) and the expansion of projects as follows: Korat 1 (KR1), Sakon Nakorn 1 (SN1), Nakhon Phanom 1 (NP1), Korat 2 (KR2), Loei 1 (LO1), Khon Kaen 1 (KK1), Korat 3 (KR3), Korat 4 (KR4), Korat 7 (KK7)
Transaction Value	: Baht 13.24 Million
Transaction Date	: The transactions have been occurred continuously since the year 2013. Each project has been approved by the Audit Committee Meeting. The purchase orders were completely issued after being approved by CEO during the year 2013, according to the defined procedure.
Rationales and Appropriateness	: Same as No. 1
4. Nature of the related transactions	: <b>Account payable of Operation, Maintenance &amp; Monitoring (O&amp;MM) fee</b> The transactions are O&MM services for all of Solar Power Farm Projects which are as follows: 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), Buriram 1 (BR1), Buriram 2 (BR2), Khon Kaen 2 (KK2), Khon Kaen 7 (KK7), Nakorn Phanom 2 (NP2), Nong Kai 1 (NK1), Buriram 3 (BR3), Nakorn Phanom 3 (NP3), Udon Thani 1 (UD1), Loei 2 (LO2), Sakon Nakorn 2 (SN2), Surin 3 (SR3), Khon Kaen 9 (KK9), Khon Kaen 10 (KK10), Khon Kaen 6 (KK6), Surin 1 (SR1), Surin 2 (SR2), A.J. Technology (AJ) and Tipayanarai (TP).

Transaction Value	: Baht 28.98 Million
Transaction Date	: Most of the transactions have been continuing since the year 2012-2013 which have been approved by the Audit Committee Meeting. The purchase orders were issued after being approved by CEO during the year 2012-2013, Moreover, in the late year 2013 purchase orders have been issued after being approved by CEO for additional projects in the year 2014 which are as follows: Nakorn Phanon 2 (NP2), Nong Kai 1 (NK1), Buriram 3 (BR3), Nakorn Phanom 3 (NP3), Udon Thani 1 (UD1), Loei 2 (LO2), Sakon Nakhon 2 (SN2), Surin 3 (SR3), Khon Kaen 9 (KK9), Khon Kaen 10, (KK10), Khon Kaen 6 (KK6), Surin 1 (SN1) and Surin 2 (SN2)
Pricing Policy	: Same as No. 2
Rationales and Appropriateness	: Same as No. 2

The Audit Committee expressed their opinions on the related transactions between SPCG's subsidiaries and JPEN, a related party, as mentioned above. The operation is to achieve the objective of core business which is to develop and complete the Solar Farms within the timeframe as mentioned in the contracts. The Company complied with the defined procedures by Audit Committee and the offering prices were reasonable and less than others. In addition to give assurance of management's operation the summary of procurement and EPC sub-contracting should be reported to Audit Committee for approval in accordance to the regulation of listed company as stated by SET regarding to acquisition and dispositions of assets and related party transactions. To mitigate conflict of interests, all transactions with JPEN have to report to Board of Directors. In addition,

the related party transaction report along with the interim financial statements will be submitted to SET quarterly basis.

## 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 31<sup>st</sup>, 2014, and also disclosure more of the related transactions at the end of the year on December 31<sup>st</sup>, 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 2014 Ended December 2014	Year 2013 Ended December 2013	
1. JPEN Co.,Ltd (JPEN) is the solar power plant construction contractor company	<p><b>1. Mr.Jirakom Patumanon</b></p> <ul style="list-style-type: none"> <li>- Taking a position of the board of directors and holds 0.18% of the shares as of March 11<sup>th</sup>, 2013</li> <li>- One of the company major shareholder holding 10.0% of JPEN Co.,Ltd shares</li> </ul> <p><b>2. Mrs.Piyarat Suksombat</b></p> <ul style="list-style-type: none"> <li>- Sister of Mr.Jirakom Patumanon holding 70% of JPEN Co.,Ltd. shares However in accordance to section 258 of the securities and exchange act B.E 2535, Ms.Wandee Khunchornyakong 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</li> </ul>	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 2013 and 2014 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 2014 Ended December 2014	Year 2013 Ended December 2013	
		<b>1. Value of Capital Expenditure</b> This transaction is cost recognition of solar power plant construction from hiring JPEN Co.,Ltd	98,009	1,514,265	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
		<b>2. Cost of OMM</b> This transaction is cost recognition of solar power plant system from hiring JPEN Co.,Ltd	148,462	88,512	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
		<b>3. Advanced payment to the contractor</b> This transaction is advanced payment for construction of solar farm	-	12,007	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
		<b>4. Other receivables</b> This transaction is advertisement that charged by SPCG and damages from installation charged by SPR	346	-	4. This transactions is an ordinary business transactions and in accordance with the conditions of creative design and construction contract between JPEN Co.,LTD, SPCG and SPR
		<b>5. Creditor of construction expenses</b> This transaction is outstanding payment of construction regarding to the solar power plant construction contract of SPC (EPC&OMM)	13,238	188,219	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



Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
		<b>6. Creditor of OMM</b> This transaction is outstanding payment of OMM contract regarding to the solar power plant of SPC and SPE	28,980	-	6. 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
		<b>7. Creditor of Solar Roof Installation</b> This transaction is outstanding payment of installation regarding to the Solar Roof Installation contract of SPR	3,216	-	7. This transaction is a normal business transaction and in accordance to the condition of Solar Roof Installation contract between JPEN Co.,LTD and SPR
		<b>8. Revenue from selling equipment</b> This transactions is revenue from selling equipment of solar power plant development project to JPEN Co.,Ltd	136	-	8. 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
		<b>9. Costs of Solar Rooftop Installation</b> This transaction is acquired of Solar Rooftop installation system from hiring JPEN Co.,Ltd	2,233	-	9. 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 SPR

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
<b>2. Woracha Holding Co., Ltd.</b> Is a company of property and asset management	<b>1. Ms. Wandee Khunchornyakong</b> - is a director and holds 42.77% shares - is one of the major shareholders - holds 2.00% shares in Woracha Holding Co., Ltd. <b>2. Mr. Somsak Khunchornyakong</b> - is a director and holds 1.46% shares - holds 2.00% shares in Woracha Holding Co., Ltd. <b>3. Ms. Prakong Khunchornyakong</b> - holds 3.51% shares - is a director and holds 1.00% shares in Woracha Holding Co., Ltd. <b>4. Ms. Sompong Khunchornyakong</b> - holds 1.07% shares - is a director and holds 90% shares in Woracha Holding Co., Ltd. <b>5. Ms. Kanokporn Khunchornyakong</b> - holds 0.22% shares - is a director and holds 5% shares in Woracha Holding Co., Ltd.	<b>Costs of Warehouse leasing</b> This transaction is acquired of warehouse leasing contract between SPR and Woracha Holding	3,493	-	This transaction is a normal business transaction and in accordance to the condition of leasing asset contract between Woracha Holding and SPR

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
<b>3. Thai Fa Power Company</b> Is a power plant business and architectural Services	<b>1. Mr. Suchart Sethiwan</b> - holds 0.54% shares - is a director and holds 30.00% shares in Thai Fa Power Company <b>2. is a shareholder in subsidiaries as follows</b> - holds 15% shares in Solar Power (Korat 1) Co.,Ltd. - holds 30% shares in Solar Power (Sakon Nakhon 1) Co.,Ltd. - holds 30% shares in Solar Power (Nakhon Phanom 1) Co.,Ltd. - holds 44% shares in Solar Power (Korat 2) Co.,Ltd. - holds 44% shares in Solar Power (Loei 1) Co.,Ltd. - holds 30% shares in Solar Power (KhonKean 1) Co.,Ltd.	<b>1. Revenue Solar Rooftop Installation</b> This transactions is revenue from selling equipment of Solar Rooftop system and installation from SPR to Thai Fa Power Company	3,493	-	This transaction is a normal business transaction and in accordance to the condition of leasing asset contract between Woracha Holding and SPR

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
4. ENEGATE (Thailand) Company Limited.	1. Ms. Wandee Khunchornyakong - is a director and holds 0.001 shares - is a director of ENEGATE 2. ENEGATE is a joint venture that SPCG holds 30% shares	Other receivables This transaction is advertisement charged by SPCG	161	-	This transactions is an ordinary business transactions and in accordance with the conditions between ENEGATE and SPCG
5. Solar Power Company Limited (SPC)	SPC is SPCG's subsidiary which SPCG holds 99% shares and is managed by related persons. SPC invests and develop 34 Solar Farms and borrowed from SPCG at interest MLR -1.5% and are due at call.	Related Transactions between SPC and SPCG has details as follows: Short-term borrowings SPCG loans SPC for the investment of Solar Farms	3,250,000	-	This transaction is a loan to subsidiary and associates made on commercial terms and conditions. The related interest income from subsidiaries was Baht 108 million (2013: Baht 0.40 million) The loans are due at call. No provision has been required in 2014 and 2013 for the loans made to subsidised and associated undertakings

Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
6. Solar Power Roof Company Limited ("SPR")	The Seller who 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 is a major shareholder who holds 54.34 percent of the Company's shares, including her related persons hold 55.2 percent of SPR's shares	The Board of Directors Meeting No. 9/2013, held on December 6, 2013, resolved to approve the purchase of ordinary shares from Ms. 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.	-	46,000,000	The Board of Directors Meeting (excluding Ms. 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.



Person/Potential ARM's Length Basis Juristic Person	Relationship Details	Transactions Details	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2014 Ended December 2014	Year 2013 Ended December 2013	
7. Mr. Pongchai Sethiwan	- is a director and shareholder holds 20% shares in Thai Fa Power Company	<b>Revenue from selling equipment</b> This transactions is revenue from selling equipment of Solar Rooftop system and installation to Mr. Pongchai Sethiwan	675	-	This transactions is an ordinary business transactions and in accordance with the conditions of sell and installation contract between Mr. Pongchai Sethiwan and SPR
8. Mr.Chokchai Sethiwan	- is a director and shareholder holds 20% shares in Thai Fa Power Company	<b>Revenue from selling equipment</b> This transactions is revenue from selling equipment of Solar Rooftop system and installation to Mr. Chokchai Sethiwan	774	-	This transactions is an ordinary business transactions and in accordance with the conditions of sell and installation contract between Mr. Chokchai Sethiwan and SPR

On February 20<sup>th</sup>, 2015, The board of director has considered the related transaction of the company at the end of fiscal year on December 31<sup>st</sup>, 2014, the board of director said that related transaction of the company in the fiscal year ended December 31<sup>st</sup>, 2014 was the information for running the business as usual and according to general trade conditions as a person of ordinary prudence would have done to the general party under the same circumstances with trade negotiation power without influence. In the event of the other party being as individual that might be arm's length basis and there is no transferring of benefit between company and a person who might be arm's length basis

## 7.2 Related Transactions Approval Policies or Procedure

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

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

### Policies and sub contractor selection procedures

The company and SPE 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

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.

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.

### 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.



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

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## 8 Financial Position and Operating Performance



### 8.1 Key Financial Information

#### 8.1.1 Name of auditors for the consolidated and company financial statements

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

Mrs. Unakorn Phruthithada Certified Public Accountant No. 3257

PricewaterhouseCoopers ABAS Limited

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

Mrs. Unakorn Phruthithada Certified Public Accountant No. 3257

PricewaterhouseCoopers ABAS Limited

The consolidated and company financial statements for the year ended 31st December 2014

Mrs. Unakorn Phruthithada Certified Public Accountant No. 3257

PricewaterhouseCoopers ABAS Limited



### 8.1.2 Summary of the auditor reports for the past 3 years

#### 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.

#### Auditor's opinion on the company and consolidated financial statements for the year ended 31st December 2014 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 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## 8.1.3 Summary Table of the company and its subsidiaries financial statements

Statement of Consolidated and Company Financial Position

List	Audited Financial Statements as at						Audited Financial Statements as at					
	31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<b>Current assets</b>												
Cash and cash equivalents	72.2	0.6	288.5	1.3	90.6	0.4	10.5	0.4	152.7	5.3	58.4	0.6
Short-term investments	-	-	-	-	2,743.7	10.7	-	-	-	-	2,694.4	29.1
Restricted cash - current	265.1	2.0	197.3	0.9	241.7	0.9	-	-	-	-	-	-
Trade and other receivables, net	584.4	4.5	620.7	2.8	1,021.5	4.0	60.8	2.3	21.3	0.7	6.7	0.1
Short-term loans to related parties	50.0	0.4	-	-	-	-	87.5	3.3	-	-	3,250.0	35.1
Inventories, net	54.9	0.4	667.4	3.0	428.3	1.7	1.5	0.1	-	-	-	-
Other current assets	268.8	2.2	414.5	1.8	240.8	0.9	5.5	0.1	3.4	0.2	7.7	0.1
Total current assets	1,295.4	10.1	2,188.4	9.8	4,766.6	18.6	165.8	6.2	177.4	6.2	6,017.2	65.0
<b>Non-current assets</b>												
Restricted cash - non current	293.3	2.2	660.1	2.9	1,204.8	4.7	-	-	-	-	340.0	3.7
Investments in subsidiaries	-	-	-	-	-	-	2,334.5	87.7	2,622.9	91.9	2,850.9	30.8
Investments in associates and joint ventures	108.0	0.8	5.1	-	4.4	-	97.8	3.7	3.0	0.1	3.0	-
Investment property, net	-	-	2.6	-	14.4	0.1	-	-	2.6	0.1	2.4	-
Property, plant and equipment, net	11,147.9	85.4	18,937.0	84.2	18,779.1	73.4	63.6	2.4	47.2	1.7	44.5	0.5
Goodwill	11.3	0.1	11.3	0.1	11.3	-	-	-	-	-	-	-
Other intangible assets, net	5.1		71.3	0.3	81.7	0.3	-	-	0.5	-	0.5	-
Deferred tax assets	30.2	0.2	52.8	0.2	76.5	0.3	0.2	-	0.6	-	-	-
Other non-current assets	160.6	1.2	572.2	2.5	632.2	2.6	1.1	-	0.3	-	0.3	-
Total non-current assets	11,756.4	89.9	20,312.4	90.2	20,804.4	81.4	2,497.2	93.8	2,677.1	93.8	3,241.6	35.0
Total assets	13,051.8	100.0	22,500.8	100.0	25,571.0	100.0	2,663.0	100.0	2,854.5	100.0	9,258.8	100.0

List	Audited Financial Statements as at						Audited Financial Statements as at					
	31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<u>Current liabilities</u>												
Bank overdrafts and short-term borrowings from financial institutions	1,197.9	9.2	-	-	2.7	-	27.4	1.0	-	-	-	-
Trade and other payables	2,033.7	15.6	2,104.0	9.4	266.3	1.0	75.0	2.8	17.6	0.6	15.2	0.2
Current portion of long-term borrowings from financial institutions	725.6	5.6	1,480.3	6.6	1,737.3	6.8	-	-	-	-	-	-
Current portion of debentures	-	-	-	-	728.5	2.8	-	-	-	-	728.5	7.9
Current portion of liabilities under finance lease agreements	2.6	-	5.0	-	4.1	-	-	-	1.5	0.1	1.9	-
Income tax payable	0.4	-	20.2	0.1	1.9	-	-	-	-	-	-	-
Other current liabilities	86.2	0.7	48.2	0.3	76.2	0.6	3.1	0.2	0.8	0.1	4.7	-
Total current liabilities	4,046.4	31.1	3,657.7	16.4	2,817.0	11.2	105.5	4.0	19.9	0.8	750.3	8.1
<u>Non-current liabilities</u>												
Long-term borrowings from financial institutions	6,241.7	47.8	15,150.0	67.3	12,230.3	47.8	-	-	-	-	-	-
Debentures	-	-	-	-	3,303.8	12.9	-	-	-	-	3,303.8	35.7
Liabilities under finance lease agreements, net	3.6	-	11.0	-	7.5	-	-	-	6.4	0.2	5.4	0.1
Employee benefit obligations	4.6	-	4.6	-	6.3	-	0.8	-	3.1	0.1	3.6	-
Deferred tax liabilities	-	-	5.4	-	7.9	-	-	-	-	-	8.7	0.1
Ordinary shares of subsidiaries with conditions to buy/sell back	166.9	1.3	159.0	0.7	97.8	0.4	-	-	-	-	-	-
Total non-current liabilities	6,416.8	49.1	15,330.0	68.0	15,653.6	61.1	0.8	-	9.5	0.3	3,321.5	35.9
Total liabilities	10,463.2	80.2	18,987.7	84.4	18,470.6	72.3	106.3	4.0	29.4	1.1	4,071.8	44.0

List	Audited Financial Statements as at						Audited Financial Statements as at					
	31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<u>Shareholders' equity</u>												
Authorised share capital												
Ordinary shares, 923,990,000 shares **	-	-	-	-	924.0	-	-	-	-	-	924.0	10.0
Ordinary shares, 840,000,000 shares **	840.0	-	840.0	-	-	-	840.0	-	840.0	-	-	-
Issued and paid-up share capital												-
Ordinary shares, 923,990,000 shares **	-	-	-	-	924.0	3.6					924.0	10.0
Ordinary shares, 839,991,048 shares**	-	-	840.0	3.7	-	-	-	-	840.0	29.4	-	-
Ordinary shares, 560,000,000 shares **	560.0	4.3	-	-	-	-	560.0	21.0	-	-	-	-
Premium on share capital	1,162.8	8.9	1,162.8	5.2	2,920.9	11.4	1,989.7	74.7	1,989.7	69.7	3,747.8	40.5
Premium on share capital from business combination	89.0	0.7	89.0	0.4	89.0	0.3	-	-	-	-	-	-
Retained earnings – Appropriated - Legal reserve	-	-	-	-	43.4	0.2	5.4	0.2	5.4	0.2	48.8	0.5
Retained earnings – Unappropriated	52.9	0.4	547.6	2.4	1,790.2	7.0	1.6	0.1	(10.0)	(0.4)	448.1	4.8
Other components of equity					18.5	0.1					18.3	0.2
Equity attributable to owners of the parent	1,864.7	14.3	2,639.4	11.7	5,786.0	22.6	2,556.7	96.0	2,825.1	98.9	5,187.0	56.0
Non-controlling interests	723.9	5.5	873.7	3.9	1,314.4	5.1	-	-	-	-	-	-
Total shareholders' equity	2,588.6	19.8	3,513.1	15.6	7,100.4	27.7	2,556.7	96.0	2,825.1	98.9	5,187.0	56.0
Total liabilities and shareholders' equity	13,051.8	100.0	22,500.8	100.0	25,571.0	100.0	2,663.0	100.0	2,854.5	100.0	9,258.8	100.0

Remarks \*Percentage of the total assets

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

List	Audited Financial Statements as at						Audited Financial Statements as at					
	31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14		31-Dec-12 (Adjusted)		31-Dec-13		31-Dec-14	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<b>Revenues</b>												
Revenue from sales and rendering of services	1,214.3	95.2	2,472.9	98.7	4,357.1	98.8	68.8	74.6	35.1	48.2	-	-
Other income	61.1	4.8	31.8	1.3	53.6	1.2	23.4	25.4	37.7	51.8	1,138.1	100.0
<b>Total Revenues</b>	<b>1,275.4</b>	<b>100.0</b>	<b>2,504.7</b>	<b>100.0</b>	<b>4,410.7</b>	<b>100.0</b>	<b>92.2</b>	<b>100.0</b>	<b>72.8</b>	<b>100.0</b>	<b>1,138.1</b>	<b>100.0</b>
<b>Expenses</b>												
Costs of the sales and rendering of services	567.6	44.5	806.2	32.2	1,167.3	26.5	63.5	68.9	23.3	32.0	-	-
Selling expenses	15.9	1.2	18.5	0.7	27.5	0.6	2.2	2.4	2.0	2.7	8.7	0.8
Administrative expenses	251.4	19.7	384.8	15.4	356.0	8.1	37.2	40.3	59.0	81.0	116.5	10.2
Share of (profit) loss of associates and joint ventures	1.7	0.1	(18.6)	(0.7)	0.7	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>836.6</b>	<b>65.5</b>	<b>1,190.9</b>	<b>47.6</b>	<b>1,551.5</b>	<b>35.2</b>	<b>102.9</b>	<b>111.6</b>	<b>84.3</b>	<b>115.7</b>	<b>125.2</b>	<b>11.0</b>
<b>Profit (Loss) before finance costs and income tax</b>	<b>438.8</b>	<b>34.5</b>	<b>1,313.8</b>	<b>52.4</b>	<b>2,859.2</b>	<b>64.8</b>	<b>(10.7)</b>	<b>(11.6)</b>	<b>(11.5)</b>	<b>(15.7)</b>	<b>1,012.9</b>	<b>89.0</b>
Finance costs	229.9	18.0	605.4	24.2	978.9	22.2	1.5	1.6	0.6	0.8	136.9	12.0
Profit (Loss) before income tax	208.9	16.5	708.4	28.2	1,880.3	42.6	(12.2)	(13.2)	(12.1)	(16.5)	876.0	77.0
Income tax expense (income)	28.1	2.2	64.5	2.6	(9.7)	(0.2)	-	-	(0.4)	(0.5)	4.8	-
Profit (Loss) for the year	180.8	14.3	643.9	25.6	1,890.0	42.8	(12.2)	(13.2)	(11.7)	(16.0)	871.2	77.0
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	18.5	(0.2)	-	-	-	-	18.3	-
<b>Total comprehensive income (expense) for the year</b>	<b>180.8</b>	<b>14.3</b>	<b>643.9</b>	<b>25.6</b>	<b>1,908.5</b>	<b>42.6</b>	<b>(12.2)</b>	<b>(13.2)</b>	<b>(11.7)</b>	<b>(16.0)</b>	<b>889.5</b>	<b>77.0</b>
<b>Attributable net profit (loss) to:</b>												
Owners of the parent	54.1	-	499.3	-	1,674.1	-	(12.2)	-	(11.7)	-	889.5	-
Non-controlling interests	126.7	-	144.6	-	234.4	-	-	-	-	-	-	-
<b>Total comprehensive income (expense) for the year</b>	<b>180.8</b>	<b>-</b>	<b>643.9</b>	<b>-</b>	<b>1,908.5</b>	<b>-</b>	<b>(12.2)</b>	<b>-</b>	<b>(11.7)</b>	<b>-</b>	<b>889.5</b>	<b>-</b>
<b>Basic earnings (loss) per share (Baht per share)</b>	<b>0.098</b>	<b>-</b>	<b>0.763</b>	<b>-</b>	<b>1.886</b>	<b>-</b>	<b>(0.022)</b>	<b>-</b>	<b>(0.018)</b>	<b>-</b>	<b>0.993</b>	<b>-</b>
<b>Weighted average number of ordinary shares (Million shares)</b>	<b>551.1</b>	<b>-</b>	<b>654.8</b>	<b>-</b>	<b>877.7</b>	<b>-</b>	<b>551.1</b>	<b>-</b>	<b>654.8</b>	<b>-</b>	<b>877.7</b>	<b>-</b>

**Remarks** \* Percentage of the total revenues



## Consolidated and Company Statements of Cash Flows

List (Unit: Baht Million)	Audited Financial Statements for the year ended			Audited Financial Statements for the year ended		
	31-Dec-12 (Adjusted)	31-Dec-13	31-ธ.ค.-574	31-Dec-12 (Adjusted)	31-Dec-13	31-ธ.ค.-574
	(Consolidated)			(Company)		
<b>Cash flow from operating activities</b>						
Profit (loss) before income tax	208.9	708.4	1,880.3	(12.2)	(12.1)	876.0
Adjustments for:						
Depreciation	162.1	345.8	566.4	3.1	4.5	5.4
Amortisation	0.7	1.3	4.7	-	0.1	0.1
Bad debt write-off	-	0.3	0.4	-	-	0.2
Allowance (reversal) for doubtful accounts	(14.3)	2.2	(0.1)	(14.3)	0.1	(0.4)
Allowance (reversal) for obsolete inventories	-	0.8	2.3	-	-	-
(Gain) loss from disposals of property, plant and equipment	0.1	(0.2)	(0.6)	-	0.1	-
Loss from write-off plant and equipment	4.5	3.0	22.0	-	-	-
Gain from disposal of short-term investments	-	-	(8.2)	-	-	(5.4)
Unrealised (gain) loss from foreign exchange rates	(34.9)	25.9	(0.9)	-	-	-
Dividend income	-	-	-	-	-	(917.7)
Employee benefit obligations	0.9	-	1.7	0.5	1.3	0.5
Share of (profit) loss of associates and joint ventures	1.8	(18.6)	0.7	-	-	-
Gain on a bargain purchase of an associate	(12.0)	-	-	-	-	-
Gain on adjusting fair value of previously held interests	-	(13.5)	-	-	-	-
Interest income	(7.4)	(9.3)	(15.6)	(5.6)	(3.5)	(115.4)
Finance costs - interest expense	229.9	605.4	978.9	1.5	0.6	136.9
<b>Changes in working capital</b>						
Trade and other receivables	(398.6)	(16.4)	(399.2)	11.4	38.0	15.4
Inventories	(25.4)	(613.3)	236.8	(1.1)	1.5	-
Other current assets	(154.2)	(136.7)	180.5	(1.7)	2.5	(2.3)
Other non-current assets	(39.8)	(393.3)	(60.0)	5.9	0.8	-
Trade and other payables	213.2	685.6	(917.1)	24.9	(57.6)	(2.3)
Other current liabilities	74.9	(39.7)	27.9	2.2	(2.6)	4.0
<b>Cash flows from operating activities</b>	<b>210.4</b>	<b>1,137.7</b>	<b>2,500.9</b>	<b>14.6</b>	<b>(26.3)</b>	<b>(5.0)</b>
<b>Cash generated from (used in) operation</b>						
Interest received	7.7	9.6	13.7	5.3	3.1	114.8
Interest paid	(42.8)	(11.2)	(890.3)	(1.5)	(0.6)	(75.4)
Income tax paid	(39.4)	(57.4)	(41.2)	(3.0)	(0.3)	(1.9)
<b>Net cash generated from (used in) operating activities</b>	<b>135.9</b>	<b>1,078.7</b>	<b>1,583.1</b>	<b>15.4</b>	<b>(24.1)</b>	<b>32.5</b>

List (Unit: Baht Million)	Audited Financial Statements for the year ended			Audited Financial Statements for the year ended		
	31-Dec-12 (Adjusted)	31-Dec-13	31-ธ.ค.-574	31-Dec-12 (Adjusted)	31-ธ.ค.-574	31-ธ.ค.-574
	(Consolidated)			(Company)		
<b>Cash flows from investing activities</b>						
Restricted cash	(390.1)	(231.0)	(589.1)	-	-	(340.0)
Payments of short-term investments	-	-	(5,020.5)	-	-	(3,877.1)
Proceeds from disposal of short-term investments	-	-	2,308.2	-	-	1,211.0
Purchase of property, plant and equipment	(6,055.3)	(8,338.8)	(1,358.0)	(0.3)	(4.8)	(1.8)
Purchase of intangible assets	(5.0)	(1.3)	(6.5)	-	(0.5)	(0.2)
Purchase of investment property	-	-	(12.0)	-	-	-
Payments for investments in subsidiaries	-	-	-	(1,071.0)	(193.6)	(228.0)
Payments for investments in associates and joint ventures	(97.8)	-	-	(97.8)	-	-
Short-term loans made to related parties	(50.0)	(3.1)	-	(1,417.5)	(38.1)	(3,880.0)
Proceed from repayment of short-term loans to related parties	-	53.1	-	1,330.0	125.6	630.0
Proceed from disposals of property, plant and equipment	2.8	2.5	1.2	-	25.8	-
Acquisition of subsidiaries, net	-	(86.5)	-	-	-	-
Dividend received	-	-	-	-	-	917.7
<b>Net cash used in investing activities</b>	<b>(6,595.4)</b>	<b>(8,605.1)</b>	<b>(4,676.7)</b>	<b>(1,256.6)</b>	<b>(85.6)</b>	<b>(5,568.4)</b>
<b>Cash flow from financing activities</b>						
Proceeds from issuance of ordinary shares	1,222.8	280.0	1,842.1	1,222.8	280.0	1,842.1
Proceeds from short-term borrowings from financial institutions	1,728.6	233.7	-	115.0	10.0	-
Proceeds from long-term borrowings from financial institutions	4,776.8	10,238.7	1,654.9	-	-	-
Proceeds from ordinary shares of subsidiaries with conditions to buy/sell back	-	3.5	2.3	-	-	-
Proceeds from sale of investments in non-controlling subsidiaries	25.1	-	-	-	-	-
Proceeds from increase of share capital in non-controlling subsidiaries	-	86.4	278.6	-	-	-
Proceeds from prepayment received from increase of share capital in non-controlling subsidiaries	-	45.0	-	-	-	-
Proceeds from debentures, net	-	-	3,970.8	-	-	3,970.8
Repayments on short-term borrowings from financial institutions	(1,024.0)	(1,431.6)	-	(87.6)	(37.4)	-
Repayments on long-term borrowings from financial institutions	(486.1)	(1,585.5)	(4,365.2)	-	-	-
Repayments on ordinary shares of subsidiaries with conditions to buy/sell back	(20.0)	(20.0)	(43.6)	-	-	-
Payment on liabilities under finance lease agreements	(3.5)	(2.9)	(5.1)	-	(0.7)	(1.7)
Dividends paid to Non-controlling interests	-	(104.6)	(72.2)	-	-	-
Dividend paid to shareholders	-	-	(369.6)	-	-	(369.6)
<b>Net cash from (used in) financing activities</b>	<b>6,219.7</b>	<b>7,742.7</b>	<b>2,893.0</b>	<b>1,250.2</b>	<b>251.9</b>	<b>5,441.6</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(239.8)</b>	<b>216.3</b>	<b>(200.6)</b>	<b>9.0</b>	<b>142.2</b>	<b>(94.3)</b>
Cash and cash equivalents at the beginning of the year	312.0	72.2	288.5	1.5	10.5	152.7
<b>Cash and cash equivalents at the end of the year</b>	<b>72.2</b>	<b>288.5</b>	<b>87.9</b>	<b>10.5</b>	<b>152.7</b>	<b>58.4</b>

## Key Financial Ratio of the Consolidated and Company Financial statements

Financial Ratio	Unit	For the year ended			For the year ended		
		31-Dec-12	31-Dec-13	31-ธ.ค.-574	31-Dec-12	31-Dec-13	31-ธ.ค.-574
		(Adjusted)			(Adjusted)		
		(Consolidated)			(Company)		
<u>Liquidity Ratio</u>							
Liquidity ratio	Times	0.3	0.6	1.7	1.6	8.9	8.0
Quick ratio	Times	0.3	0.4	1.4	1.6	8.9	3.7
Liquidity cash flow ratio	Times	-	0.1	0.1	0.1	2.4	0.0
Accounts receivable turnover	Times	3.2	4.1	5.3	1.2	0.9	-
Average collection period	Day	112.1	87.8	68.2	310.3	418.6	-
Inventory turnover	Times	13.5	2.2	2.1	70.6	31.1	-
Average holding period	Day	26.8	161.4	169.0	5.1	11.6	-
<u>Profitability Ratio</u>							
Gross profit margin	%	53.3	67.4	73.2	7.7	33.6	-
EBITDA margin	%	49.5	67.2	78.7	(11.0)	(19.7)	-
Net profit margin	%	14.9	26.0	43.8	(17.7)	(33.3)	-
Return on equity	%	9.6	21.1	36.0	(0.6)	(0.4)	22.2
<u>Efficiency Ratio</u>							
Return on assets (average)	%	2.0	3.6	7.9	(0.6)	(0.4)	1.3
Return on fixed assets (average)	%	4.5	6.6	13.1	(14.0)	(12.8)	179.7
Asset turnover ratio	Times	0.1	0.1	0.2	-	-	0.2
<u>Financial Ratio</u>							
Debt to equity ratio	Times	4.0	5.4	2.6	0.0	0.0	0.8
Interest bearing debt to equity ratio	Times	3.2	4.7	2.5	-	-	0.8
Interest coverage ratio	Times	14.1	2.8	2.6	(5.1)	(11.5)	1.2
Obligation leverage ratio	Times	-	0.1	0.2	-	(0.1)	0.0
Dividend payout ratio	%	-	-	19.4	-	-	41.6

## 9 Management discussion and analysis: MD&A



### 9.1 Significant events of year 2014 effecting to the financial statements

#### 9.1.1 The additional commercial operation of solar power plants in the year 2014

During the year 2014, the Company had 13 additional solar power plants which commenced the commercial operation as follow;

1. Solar Power (Nakornphanom 2) Company Limited and Solar Power (Nongkai 1) Company Limited, total 2 project companies have commenced their operation in February 2014.

2. Solar Power (Buriram 3) Company Limited and Solar Power (Nakornphanom 3) Company Limited, total 2 project companies have commenced their operation in March 2014.

3. Solar Power (Udon Thani 1) Company Limited, Solar Power (Loei 2) Company Limited, Solar Power (Sakon Nakorn 2) Company Limited, and Solar Power (Surin 3) Company Limited, total 4 project

companies have commenced their operation in April 2014.

4. Solar Power (Khon Kaen 6) Company Limited, Solar Power (Khon Kaen 9) Company Limited, and Solar Power (Khon Kaen 10) Company Limited, total 3 project companies have commenced their operation in May 2014.

5. Solar Power (Surin 1) Company Limited and Solar Power (Surin 2) Company Limited total 2 project companies have commenced their operation in June 2014.

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 issuance and offering of Debenture

At the Annual General Shareholder Meeting for the year 2014 of the Company, held on 25 April

2014 the shareholders approved the issuance and offering of the Guaranteed and Amortised Debentures that in an amount of Baht 4,000 million with the interest rate 5.55% per annum and repayment in principal every 6 months and interest every 3 months. Its maturity date is 30 June 2019. The purposes of these debentures are to refinance the existing long-term borrowings of Solar Power Company Limited, a subsidiary, and/ or to use for business operation or working capital of the Company and the Group.

#### **9.1.3 The issuance of ordinary shares under private placement**

At the Annual General Shareholders' Meeting for the year 2014 of the Company, held on 25 April 2014 the shareholders approved the reduction of the Company's authorised share capital from the previous authorised share capital amount of Baht 840,000,000 to Baht 839,991,048 by cancelling the shares capital that have not been issued amounting to 8,952 shares at par value of Baht 1 per each, totalling Baht 8,952 and approved the increase of authorised share capital of the Company in amount of Baht 83,998,952 from authorised share capital after reduction of Baht 839,991,048 to Baht 923,990,000 by increasing 83,998,952 authorised ordinary shares at par value of Baht 1 each for supporting the Company's capital increase in the form of a General Mandate by allocation of newly issued ordinary shares by Private Placement. The Company registered the reduction and increment of its authorised share capital with the Ministry of Commerce on 14 May 2014 and 15 May 2014, respectively.

At the Board of Director Meeting No. 4/2014 of the Company, held on 5 June 2014 the Board of Directors approved the allocation of 83,998,952 newly issued ordinary shares to a new shareholder to

determine the offering price of newly issued ordinary shares at Baht 21.93 per share, totalling Baht 1,842 million. On 6 June 2014, the Company entered into share subscription agreement with new shareholder to issue and allot such newly issued ordinary shares within completion date. On 17 July 2014, the Company called and received money from increase of the Company's share capital which are issued and allotted to such new shareholder for 83,998,952 new ordinary shares in the amount of Baht 1,842 million. The Company registered such additional issued and paid-up share capital with Ministry of Commerce on 21 July 2014.

#### **9.1.4 The additional investment in Solar Power Roof Company Limited (SPR)**

At the Board of Directors meeting No. 1/2014, held on 3 January 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 15 each, totalling amount of Baht 60 million or totalling 15 percentage of total registered ordinary shares. On 3 January 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 15 each, totalling subscription value of Baht 45.60 million.

At the Board of Directors meeting No. 2/2014, held on 28 March 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 20 each, totalling amount of Baht 80 million or totalling 20 percentage of total registered ordinary shares. On 28 March 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 20 each, totalling subscription value of Baht 60.80 million.



At the Board of Directors meeting No. 4/2014, held on 23 June 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 40 each, totalling amount of Baht 160 million or totalling 40 percentage of total registered ordinary shares. On 16 July 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 40 each, totalling subscription value of Baht 121.60 million.

## 9.2 Analysis of operating performance according to the consolidated financial statements

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 2014 presented the net profit of Baht 1,908.5 million, increased by Baht 1,264.6 million or 196.4 % compared to the net profit of Baht 643.9 million in the period ended 31 December 2013. The main reason was the increase of no. of project companies that were completed construction and started COD by 21 companies in year 2013 to 34 companies in year 2014. The detail are as follows;

### 9.2.1 Revenue from sales and rendering of services

Revenue from sales and rendering of services for the year ended 31 December 2014 was totaling of 4,357.1 Baht million, increasing by Baht 1,884.2 million or 76.2 % from Baht 2,472.9 million in the year 2013 which came from following factors;

9.2.1.1 During the year 2014, there were 13 subsidiaries which started commercial operation and

resulted in increment of revenue from sales of electricity of Baht 1,894.0 million.

- Solar Power (Nakornphanom 2) Company Limited and Solar Power (Nongkai 1) Company Limited, total 2 project companies have commenced their operation in February 2014.

- Solar Power (Buriram 3) Company Limited and Solar Power (Nakornphanom 3) Company Limited, total 2 project companies have commenced their operation in March 2014.

- Solar Power (Udon Thani 1) Company Limited, Solar Power (Loei 2) Company Limited, Solar Power (Sakon Nakorn 2) Company Limited, and Solar Power (Surin 3) Company Limited, total 4 project companies have commenced their operation in April 2014.

- Solar Power (Khon Kaen 6) Company Limited, Solar Power (Khon Kaen 9) Company Limited, and Solar Power (Khon Kaen 10) Company Limited, total 3 project companies have commenced their operation in May 2014.

- Solar Power (Surin 1) Company Limited and Solar Power (Surin 2) Company Limited total 2 project companies have commenced their operation in June 2014.

9.2.1.2 Revenue from sales and installation was totaling of Baht 230.1 million, increasing by Baht 85.7 million or 59.3 % from Baht 144.4 million in the year 2013. This was mainly due to the revenue from solar roof business which fully operated in this year.

9.2.1.3 The increase in total revenue was offset with decrease in revenue from Engineering, Procurement, and Construction ("EPC") and revenue from Operation, Maintenance and Monitoring (O&MM) total Baht 63.2 million provided to two associate companies, Tipayanarai Company Limited and AJ

Technology Company Limited which have been changed from associated companies to subsidiaries during the year 2013. The EPC contracts have been finished since 2nd quarter of 2013.

### 9.2.2 Costs of the sales and rendering of services

Cost of the sales and rendering of services for the year 2014 was totaling of Baht 1,167.3 million, increasing by Baht 361.1 million or 44.8 % from Baht 806.2 million in the same period of last year. The main reason was from the increase of the number of project companies that their constructions were completed and started operation since then. Such increase was in-line with the increase in revenue. The details of increase in cost of sales and service are as follows;

- The depreciation expenses of Baht 547.4 million increased by Baht 220.0 million or 67.2% compared with Baht 327.47 million in the same period of last year.
- The Operation, Maintenance, and Monitoring expenses (O&MM) of the solar farms was Baht 187.7 million which increased by baht 77.4 million or 70.2% compared with Baht 110.3 million in the same period of last year.
- The variable costs of production electricity (i.e. household tax, facilities expenses) was Baht 84.2 million which increased by Baht 46.4 million or 122.8% compared with Baht 37.8 million in the same period of last year.

As this result, the gross profit margin rate for the year ended December 31, 2014 was 73.2% which increased from 67.4% in the same period of 2013. This was due to the increment of commercial operation solar power plants which is generally have a much higher gross margin than other business of the Group.

### 9.2.3 Selling and administrative expense

Total of selling expense, and general administrative expense, for the year ended December

31, 2014 was Baht 383.5 million, which decreased by Baht 19.8 million or 4.9% compared with Baht 403.26 million in the same period of 2013. The decrease mainly came from the following

- Financial consultant fee of Baht 36.5 million, decreasing by Baht 69.5 million or 189.9% from Baht 106.1 million in the year 2013.
- Loss on exchange rate of Baht 10.3 million decreasing by 100% compared with gain on foreign exchange rate of Baht 23.2 million in the year 2014.
- The decrease was offset with Staff costs of Baht 136.3 million, increasing by Baht 42.1 million or 30.9% from Baht 94.2 million in the year 2013.

### 9.2.4 Share of profit from associates and a joint venture

The Company has share of loss from a joint venture for the year ended 31 December 2014 of Baht 0.7 million, increasing by Baht 19.3 million or 103.8% from share of gain Baht 18.6 million in the year 2013. This came from two associate companies, Tipayanarai Company Limited and AJ Technology Company Limited which have been changed from associated companies to subsidiaries during the year 2013.

### 9.2.5 Finance cost

Finance costs for the year ended 31 December 2014 was Baht 978.9 million, increasing by Baht 373.5 million or 61.7% from Baht 605.4 million in the year 2013. 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 and debenture in the statement of financial position.

## Summary Table of finance cost

Unit: Baht Million	Y2014	Y2013	Change
Group of 34 solar power plants	699.6	433.8	265.8
Solar Power Company Limited	127.6	157.1	(29.5)
Debenture	136.3	-	136.3
Others	15.4	14.5	0.9
<b>Total finance cost</b>	<b>978.90</b>	<b>605.4</b>	<b>375.5</b>

## 9.2.6 Income tax

## 9.2.7 Income tax expenses

For the year ended 31 December 2014 income tax was Baht 9.7 million, decreasing by Baht 74.2 million or 115.0% from income tax expenses Baht 64.5 million in the year 2013 which mainly came from the decrease of corporate income tax from Solar Power Company Limited since it was not eligible for tax exemption privilege from Board of Investments (BOI).

## 9.2.8 Earnings (loss) per share

Attributable net profit to owners of the parent for the year ended 31 December 2014 was Baht 1,674.1 million, increasing by Baht 1,174.8 million or 235.3% from Baht 499.3 million in the year 2013 which resulted in the increment of earnings per share from Baht 0.763 in the year 2013 to Baht 1.886 in the year 2014. However, the diluted earnings per share is equally to basic earnings per share since there is no 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, 2014 and 2013 the total

assets were Baht 25,571.0 million and Baht 22,500.8 million, respectively. The increase by Baht 3,070.2 million or 13.6% came from current assets of Baht 4,766.6 million, increasing by Baht 2,578.2 million or 117.8% from Baht 2,188.4 million in the and non-current assets of Baht 20,804.4 million, increasing by Baht 492.0 million or 2.4% from Baht 20,312.4 due to the following;

Current Assets

- The increase in short term investment from the remaining cash received from issuance of debenture in May 2014 after repayment of equity bridging loan of Solar Power Company Limited, a subsidiary, the increase in share capital by private placement Baht 1,842.1 Million, and cash generated from operating activities Baht 1,583.1 million.

- Trade and other account receivable increasing by Baht 400.8 million due to full operation of 36 solar farms.

Non-Current assets

- Restricted cash - Non - Current increased by Baht 544.7 million. This is due to the requirement for a guarantee of the issuances of debenture and long term loan from financial institutions of solar farms.

## 9.3.2 Analysis of liabilities

As of December 31, 2014 and 2013 the total liabilities were Baht 18,460.6 million and Baht 18,897.7

million, respectively. The decrease by Baht 517.1 million or 2.7% from were from Current liabilities of Baht 2,817.0 million, decreasing by Baht 840.7 million or 23.0% from Baht 3,657.7 million and Non-Current liabilities of Baht 15,653.6 million, increasing by Baht 323.6 million or 2.1% from Baht 15,330.0 million in the year 2012 mainly from the followings

#### Current Liabilities

- Trade and other payable decreased by Baht 1,837.7 million for the payment of account payable for purchase of assets as the development of solar power plants.

- The increase of current portion of debentures of Baht 728.5 million.

#### Non-Current Liabilities

- Long-term borrowings from financial institutions decreasing by Baht 2,919.7 million due to the issuance of debentures total Baht 4,000 million to refinance the Equity Bridging Loan and the normal repayment under long-term loan agreement from financial institutions.

- As December 31, 2014 the outstanding debentures is Baht 4,032.3 million which is non-current portion of Baht 3,303.8 million.

#### **9.3.3 Analysis of shareholders' equity**

As of December 31, 2014 and 2013 the total shareholders' equity was Baht 7,100.4 million and Baht 3,513.1 million, respectively. The increased by 102.1% was mainly due to the following factors;

- Total comprehensive income for the year ended December 31, 2014 in the amount of Baht 1,908.5 million.

- Issuance of ordinary share to non-controlling interest amount of Baht 278.6 million.

- Issuance of ordinary share to private placement amount of Baht 1,842.1 million.

- Dividend paid to shareholders effect decrease in equity amount baht 369.6 million.

#### **9.3.4 Appropriateness of capital structure**

Based on the consolidated financial statement as of 31 December 2014, the Company has debt to equity ratio of 2.6 times (2013: 5.4 times). A major cause of this decrement was that the profit from operation of the companies in the group which fully operated total 36 solar farms in the year 2014, the issuance of ordinary shares by private placement, and repayment of long-term loan from financial institutions in accordance with loan agreements.

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

As of December 31, 2014, cash and cash equivalent for the consolidated financial statement was Baht 87.9 million, decreasing by Baht 200.6 million from Baht 288.5 million in the year 2013 which can be summarized as below;

- Net cash generated from operating activities of Baht 1,583.1 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 4,676.7 million mainly due to net purchase of investment available for sales of Baht 2,712.3 million and the purchase of property, plant and equipment in solar power plants project amounting to Baht 1,358.0 million

- Net cash received from financing activities of Baht 2,893.0 million mainly due to proceed from long-term borrowing from financial institutions of Baht 1,654.9 million and proceed from issuance of ordinary shares by private placement of Baht 1,842.1 million. However, such increment was offset with the repayment of long-term borrowing from financial institution of Baht 4,365.2 million.

## 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, Biodiesel 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.



- 
- Financial Statements



## 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 2014, 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 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Unakorn Phruithithada

Certified Public Accountant (Thailand)  
No. 3257

PricewaterhouseCoopers ABAS Ltd.  
Bangkok  
20 February 2015

SPCG PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FI-  
NANCIAL STATEMENTS  
31 DECEMBER 2014

**SPCG Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2014**

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	90,583	288,505	58,417	152,731
Short-term investments	8	2,743,660	-	2,694,372	-
Restricted cash - current		241,738	197,324	-	-
Trade and other receivables, net	9	1,021,505	620,712	6,739	21,330
Short-term loans to related parties	33.4	-	-	3,250,000	-
Inventories, net	10	428,259	667,384	-	-
Other current assets	11	240,779	414,517	7,723	3,434
<b>Total current assets</b>		<b>4,766,524</b>	<b>2,188,442</b>	<b>6,017,251</b>	<b>177,495</b>
<b>Non-current assets</b>					
Restricted cash - non-current		1,204,834	660,140	340,000	-
Investments in subsidiaries	12.1	-	-	2,850,923	2,622,923
Investments in a joint venture	12.2	4,397	5,074	3,000	3,000
Investment properties, net	13	14,408	2,552	2,421	2,552
Property, plant and equipment, net	14	18,779,094	18,937,045	44,495	47,195
Goodwill	15	11,286	11,286	-	-
Other intangible assets, net	16	81,727	71,263	530	466
Deferred tax assets	17	76,456	52,790	-	621
Other non-current assets	18	632,195	572,235	313	323
<b>Total non-current assets</b>		<b>20,804,397</b>	<b>20,312,385</b>	<b>3,241,682</b>	<b>2,677,080</b>
<b>Total assets</b>		<b>25,570,921</b>	<b>22,500,827</b>	<b>9,258,933</b>	<b>2,854,575</b>

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



**Statement of Financial Position**  
**As at 31 December 2014**

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts	20	2,650	-	-	-
Trade and other payables	19	266,250	2,104,041	15,156	17,604
Current portion of long-term borrowings from financial institutions	20	1,737,299	1,480,300	-	-
Current portion of debentures	20	728,539	-	728,539	-
Current portion of liabilities under finance lease agreements	20	4,107	4,961	1,901	1,543
Income tax payable		1,878	20,211	-	-
Other current liabilities		76,034	48,159	4,809	829
<b>Total current liabilities</b>		<b>2,816,757</b>	<b>3,657,672</b>	<b>750,405</b>	<b>19,976</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	20	12,230,345	15,150,041	-	-
Debentures	20	3,303,753	-	3,303,753	-
Liabilities under finance lease agreements, net	20	7,543	10,962	5,359	6,448
Employee benefit obligations	21	6,301	4,609	3,624	3,106
Deferred tax liabilities	17	7,940	5,439	8,709	-
Ordinary shares of subsidiaries with conditions to buy/sell back	22	97,794	158,984	-	-
<b>Total non-current liabilities</b>		<b>15,653,676</b>	<b>15,330,035</b>	<b>3,321,445</b>	<b>9,554</b>
<b>Total liabilities</b>		<b>18,470,433</b>	<b>18,987,707</b>	<b>4,071,850</b>	<b>29,530</b>

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

**As at 31 December 2014**

	<b>Notes</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
		<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Liabilities and shareholders' equity (Cont'd)</b>					
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital	23				
Ordinary shares, 923,990 thousand shares at par value of Baht 1 each (2013: 840,000 thousand shares at par value of Baht 1 each)		923,990	840,000	923,990	840,000
Issued and paid-up share capital	23				
Ordinary shares, 923,990 thousand shares paid-up at Baht 1 each (2013: 839,991 thousand shares at par value of Baht 1 each)		923,990	839,991	923,990	839,991
Premium on share capital	23	2,920,923	1,162,825	3,747,793	1,989,695
Premium on share capital from business combination	23	89,000	89,000	-	-
Retained earnings (deficits)					
Appropriated					
Legal reserve	24	43,433	-	48,848	5,415
Unappropriated		1,790,227	547,644	448,134	(10,056)
Other components of equity		18,506	-	18,318	-
Equity attributable to owners of the parent		5,786,079	2,639,460	5,187,083	2,825,045
Non-controlling interests		1,314,409	873,660	-	-
<b>Total shareholders' equity</b>		<b>7,100,488</b>	<b>3,513,120</b>	<b>5,187,083</b>	<b>2,825,045</b>
<b>Total liabilities and shareholders' equity</b>		<b>25,570,921</b>	<b>22,500,827</b>	<b>9,258,933</b>	<b>2,854,575</b>

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 2014**

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and services	26	4,357,129	2,472,864	-	35,111
Costs of sales and services	28	(1,167,319)	(806,239)	-	(23,352)
<b>Gross profit</b>		<b>3,189,810</b>	<b>1,666,625</b>	<b>-</b>	<b>11,759</b>
Other income	27	53,586	31,834	1,138,079	37,686
Selling expenses	28	(27,509)	(18,491)	(8,727)	(1,996)
Administrative expenses	28	(356,009)	(384,768)	(116,492)	(59,011)
Finance costs		(978,929)	(605,378)	(136,892)	(600)
Share of profit (loss) of an associate and a joint venture	12.2	(677)	18,606	-	-
<b>Profit (loss) before income tax expense</b>		<b>1,880,272</b>	<b>708,428</b>	<b>875,968</b>	<b>(12,162)</b>
Income tax expense	29	9,661	(64,472)	(4,751)	459
<b>Profit (loss) for the year</b>		<b>1,889,933</b>	<b>643,956</b>	<b>871,217</b>	<b>(11,703)</b>
Gains on remeasuring available-for-sale investments, net of tax		18,540	-	18,318	-
<b>Total comprehensive income (expense) for the year</b>		<b>1,908,473</b>	<b>643,956</b>	<b>889,535</b>	<b>(11,703)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		1,655,610	499,321	871,217	(11,703)
Non-controlling interests		234,323	144,635	-	-
		<b>1,889,933</b>	<b>643,956</b>	<b>871,217</b>	<b>(11,703)</b>
<b>Total comprehensive income (expense)</b>					
Owners of the parent		1,674,116	499,321	889,535	(11,703)
Non-controlling interests		234,357	144,635	-	-
		<b>1,908,473</b>	<b>643,956</b>	<b>889,535</b>	<b>(11,703)</b>
<b>Earnings (loss) per share</b>					
Weighted average number of ordinary shares (Thousand shares)	30	877,733	654,831	877,733	654,831
Basic earnings (loss) per share (Baht per share)	30	1.886	0.763	0.993	(0.018)
Diluted earnings (loss) per share (Baht per share)	30	1.886	0.763	0.993	(0.018)

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

**SPCG Public Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2014**

	Consolidated									
	Attributable to owners of the parent									
	Premium on			Appropriated			Unappropriated			Total
	Issued and paid-up share capital	Premium on share capital	from business combination	share capital	retained earnings - legal reserve	retained earnings	Unappropriated retained earnings	Available-for-sale investments	Total owners of the parent	
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Opening balance as at 1 January 2013</b>	560,000	1,162,825	89,000	-	-	52,941	-	-	1,864,766	2,588,638
<b>Changes in equity for the year</b>										
23 Issuance of ordinary shares	279,991	-	-	-	-	-	-	-	279,991	385,168
Legal reserve	-	-	-	-	-	(4,618)	-	-	(4,618)	-
Dividends	-	-	-	-	-	-	-	-	-	(104,642)
Total comprehensive income for the year	-	-	-	-	-	499,321	-	-	499,321	643,956
<b>Closing balance as at 31 December 2013</b>	839,991	1,162,825	89,000	-	-	547,644	-	-	2,639,460	3,513,120
<b>Opening balance as at 1 January 2014</b>	839,991	1,162,825	89,000	-	-	547,644	-	-	2,639,460	3,513,120
<b>Changes in equity for the year</b>										
23 Issuance of ordinary shares	83,999	1,758,098	-	-	-	-	-	-	1,842,097	2,120,715
24 Legal reserve	-	-	-	43,433	-	(43,433)	-	-	-	-
25 Dividends	-	-	-	-	-	(369,594)	-	-	(369,594)	(441,820)
Total comprehensive income for the year	-	-	-	-	-	1,655,610	-	18,506	1,674,116	1,908,473
<b>Closing balance as at 31 December 2014</b>	923,990	2,920,923	89,000	43,433	-	1,790,227	-	18,506	5,786,079	7,100,488

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

**SPCG Public Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2014**

	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	Other components of equity	
						Available-for-sale investments Baht'000	Total shareholders' equity Baht'000
Opening balance as at 1 January 2013							
Changes in equity for the year							
	23	560,000	1,989,695	5,415	1,647	-	2,556,757
		279,991	-	-	-	-	279,991
		-	-	-	(11,703)	-	(11,703)
Closing balance as at 31 December 2013							
		839,991	1,989,695	5,415	(10,056)	-	2,825,045
Opening balance as at 1 January 2014							
Changes in equity for the year							
	23	83,999	1,758,098	-	-	-	1,842,097
	24	-	-	43,433	(43,433)	-	-
	25	-	-	-	(369,594)	-	(369,594)
		-	-	-	871,217	18,318	889,535
Closing balance as at 31 December 2014							
		923,990	3,747,793	48,848	448,134	18,318	5,187,083

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 2014

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flow from operating activities</b>					
Profit (loss) before income tax expense		1,880,272	708,428	875,968	(12,162)
Adjustments for:					
Depreciation of investment property	13	131	70	131	70
Depreciation of plant and equipment	14	566,271	345,735	5,278	4,398
Amortisation	16	4,738	1,252	112	62
Bad debt		372	287	197	-
Allowance (reversal) for doubtful accounts	9	(101)	2,233	(433)	140
Allowance for obsolete inventories	10	2,296	817	-	-
Gain from disposal of property, plant and equipment		(569)	(215)	-	(93)
Loss from write-off equipment	14	21,962	2,950	6	10
Gain from disposal of short-term investments	27	(8,203)	-	(5,369)	-
Unrealised (gain) loss from foreign exchange rates		(910)	25,893	-	-
Dividend income	27	-	-	(917,687)	-
Employee benefit obligations	21	1,692	(20)	518	1,312
Share of (profit) loss of an associate and a joint venture	12.2	677	(18,606)	-	-
Gain on adjusting fair value of previously held interests	27, 32	-	(13,450)	-	-
Interest income	27	(15,583)	(9,307)	(115,419)	(3,484)
Finance costs - interest expense		978,929	605,378	136,892	600
Changes in working capital					
- Trade and other receivables		(399,169)	(16,369)	15,427	38,042
- Inventories		236,829	(613,262)	-	1,485
- Other current assets		180,532	(136,744)	(2,330)	2,465
- Other non-current assets		(59,960)	(393,301)	10	778
- Trade and other payables		(917,080)	685,584	(2,262)	(57,551)
- Other current liabilities		27,875	(39,678)	3,980	(2,327)
Cash flows from operating activities		2,501,001	1,137,675	(4,981)	(26,255)
Cash generated from operation					
Interest received		13,688	9,601	114,819	3,151
Interest paid		(890,272)	(580,222)	(75,393)	(609)
Income tax paid		(41,211)	(57,419)	(1,959)	(369)
<b>Net cash generated from (used in) operating activities</b>		<b>1,583,206</b>	<b>509,635</b>	<b>32,486</b>	<b>(24,082)</b>

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 2014

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>					
Restricted cash		(589,108)	(230,990)	(340,000)	-
Payments of short-term investments	8	(5,020,450)	-	(3,877,105)	-
Proceeds from disposal of short-term investments		2,308,168	-	1,210,999	-
Purchase of property, plant and equipment		(1,358,000)	(8,338,856)	(1,787)	(4,755)
Purchase of intangible assets	16	(6,527)	(1,259)	(176)	(498)
Purchase of investment property	13	(11,987)	-	-	-
Payments for additional investments in subsidiaries	12.1	-	-	(228,000)	(193,623)
Payments on short-term loans to related parties	33.4	-	(3,100)	(3,880,000)	(38,100)
Proceeds from short-term loans to related parties	33.4	-	53,100	630,000	125,600
Proceed from disposals of property, plant and equipment		1,195	2,550	-	25,751
Acquisition of a subsidiary, net of cash acquired		-	(86,497)	-	-
Dividends received	27	-	-	917,687	-
<b>Net cash used in investing activities</b>		<b>(4,676,709)</b>	<b>(8,605,052)</b>	<b>(5,568,382)</b>	<b>(85,625)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of ordinary shares	23	1,842,097	279,991	1,842,097	279,991
Proceeds from short-term borrowings from financial institutions	20	-	233,721	-	10,000
Proceeds from long-term borrowings from financial institutions	20	1,654,851	10,238,742	-	-
Proceeds from ordinary shares of subsidiaries with conditions to buy/sell back	22	2,316	3,474	-	-
Proceeds from addition of investments in subsidiaries for non-controlling interests		278,618	86,427	-	-
Proceeds from advance received from increase of share capital in subsidiary	19	-	45,000	-	-
Proceeds from debentures, net	20	3,970,793	-	3,970,793	-
Repayments on short-term borrowings from financial institutions	20	-	(1,431,591)	-	(37,360)
Repayments on long-term borrowings from financial institutions	20	(4,365,238)	(1,016,480)	-	-
Repayments on ordinary shares of subsidiaries with conditions to buy/sell back	22	(43,590)	(20,000)	-	-
Payments on liabilities under finance lease agreements		(5,096)	(2,912)	(1,714)	(708)
Dividends paid to non-controlling interests		(72,226)	(104,642)	-	-
Dividends paid to shareholders	25	(369,594)	-	(369,594)	-
<b>Net cash from financing activities</b>		<b>2,892,931</b>	<b>8,311,730</b>	<b>5,441,582</b>	<b>251,923</b>

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

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**SPCG Public Company Limited**

**Statements of Cash Flows**

**For the year ended 31 December 2014**

	Note	Consolidated		Company	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Net (decrease) increase in cash and cash equivalents</b>		(200,572)	216,313	(94,314)	142,216
Cash and cash equivalents at the beginning of the year		288,505	72,192	152,731	10,515
<b>Cash and cash equivalents at the end of the year</b>	7	<u>87,933</u>	<u>288,505</u>	<u>58,417</u>	<u>152,731</u>

**Non-cash transactions**

During the years ended 31 December 2014 and 2013, the following significant non-cash transactions occurred:

Other payables from purchases of property, plant and equipment	19	362	919,540	-	186
Liabilities from purchase of assets under finance leases agreements		983	12,634	983	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 2014**

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## **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 20 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 as disclosed otherwise in the accounting policies.

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 4.

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 2014**

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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards**

- a) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group are:

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
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
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

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.

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

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 in to TAS 12 (revised 2012). This standard has no impact to the Group.



**SPCG Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

- a) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group are: (Continued)

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's general principles. This standard has no impact to the Group.

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

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

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

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.

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 loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2014. This standard has no impact to the Group.

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 loses 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 effectively for the period begins on or after 1 January 2014. This standard has no impact to the Group.

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.

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.

TAS 38 (revised 2012) clarifies about intangible assets acquired in a business combination that is separable. Intangible assets should be recognised separately from goodwill. Complementary assets may only be recognised as a single asset if they have similar useful lives. This standard has no impact to the Group.

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.

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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

- a) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group are: (Continued)

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. This standard has no impact to the Group.

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.

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.

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. This interpretation 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. This interpretation has no impact to the Group.

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

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. This interpretation has no impact to Group.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation 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. This interpretation has no impact to Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity 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. This interpretation has no impact to the Group.

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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

- a) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group are: (Continued)

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation 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”. This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

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”. This interpretation has no impact to the Group.

- b) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted.

Financial reporting standards, which are expected to have a significant impact to the Group are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Group.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed ‘remeasurements’ and will be recognised immediately in ‘other comprehensive income’ (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group is yet to assess the impact of the amendments.

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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

- b) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted. (Continued)

Financial reporting standards, which are expected to have a significant impact to the Group are as follows: (Continued)

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The Group is yet to assess the full impact of the amendments.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. The Group is yet to assess the full impact of the amendments.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The Group is yet to assess the full impact of the amendments.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The Group is yet to assess the full impact of the amendments.

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group is yet to assess the full impact of the amendments.

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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

- b) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted. (Continued)

Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers



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**2 Accounting policies (Continued)**

**2.2 New financial reporting standards and revised financial reporting standards (Continued)**

c) New financial reporting standard which is effective on 1 January 2016

TFRS 4 (revised 2014) 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.

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.

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.

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**2 Accounting policies (Continued)**

**2.3 Group Accounting - Investments in subsidiaries, associates and joint ventures (Continued)**

**(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.

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.

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

The effects acquisitions and disposals of associates are shown in Note 12.2.

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**2 Accounting policies (Continued)**

**2.3 Group Accounting - Investments in subsidiaries, associates and joint ventures (Continued)**

**(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.

**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 or less and bank overdrafts. In the Consolidated and Company statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

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**2 Accounting policies (Continued)**

**2.6 Restricted cash**

Restricted cash are all 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 Investments**

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Available-for-sale investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. Available for sale investments are subsequently measured at fair value. The fair value of investments is based on net assets value per unit at association of investment management companies. The unrealised gains and losses of available for sale investments are recognised in equity.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

**2.8 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.

**2.9 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.

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**2 Accounting policies (Continued)**

**2.10 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).

**2.11 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, 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 Group is land and building held for long-term rental yields or for capital appreciation, including certain land and building which are 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).

Land is not depreciated. Depreciation on building 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.

**2.12 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.

Spare parts and servicing equipment are included when they are accounted for as property, plant and equipment.

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**2 Accounting policies (Continued)**

**2.12 Property, plant and equipment (Continued)**

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 2.15).

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.

**2.13 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.

**2.14 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.



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**2 Accounting policies (Continued)**

**2.15 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.

**2.16 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.

**2.17 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.

**2.18 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.

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**2 Accounting policies (Continued)**

**2.18 Current and deferred income taxes (Continued)**

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 substantially 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.

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.

**2.19 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 depends on basis of salary and service year of staff until the future last working day. 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. Actuarial gains and losses arising from experience adjustments or changes in actuarial assumptions are charged or credited in the statement of comprehensive income.

**2.20 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.

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**2 Accounting policies (Continued)**

**2.21 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.

**2.22 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.

**2.23 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 2.10 construction contracts).

Interest income is recognised using the effective interest method.

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

**2.24 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.

**2.25 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.

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**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 1,022 million (2013: Baht 621 million) (Note 9).

**3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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**3 Financial risk management (Continued)**

**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 31.

**4 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:

(7) 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.

(7) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 15).

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**4 Critical accounting estimates, assumptions and judgements (Continued)**

(7) ©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 21.

**5 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.

**6 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).



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**6 Segment information (Continued)**

Consolidated financial statements by business segments

<b>For the year ended 31 December 2014</b>	<b>Manufacturing, sell and installation service of roof sheet Baht'000</b>	<b>Production and distribution electricity from solar energy Baht'000</b>	<b>Others Baht'000</b>	<b>Consolidated total Baht'000</b>
Revenues from operations	279,264	3,969,939	145,929	4,395,132
Revenue from inter-segment	579	1,327,775	1,178,870	2,507,224
Total revenue	279,843	5,297,714	1,324,799	6,902,356
Segment result	9,447	2,962,562	(948)	2,971,061
Unallocated costs	-	-	(126,766)	(126,766)
Operating profit (loss)	9,447	2,962,562	(127,714)	2,844,295
Interest income (Note 27)	35	8,108	7,440	15,583
Finance costs	(173)	(841,821)	(136,935)	(978,929)
Finance costs, net	(138)	(833,713)	(129,495)	(963,346)
Share of loss of a joint venture (Note 12.2)	-	-	(677)	(677)
Profit (loss) before income tax expense	9,309	2,128,849	(257,886)	1,880,272
Income tax income (expense)	(1,763)	15,314	(3,890)	9,661
Net profit (loss)	7,546	2,144,163	(261,776)	1,889,933
Segment fixed assets (Note 14)	33,902	18,664,748	80,444	18,779,094
Investment in joint venture (Note 12.2)				4,397
Unallocated assets				6,787,430
Consolidated total assets				25,570,921
Segment borrowings (Note 20)				18,014,236
Unallocated liabilities				456,197
Consolidated total liabilities				18,470,433

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**6 Segment information (Continued)**

Consolidated financial statements by business segments (Continued)

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 (Note 27)	112	5,621	43	3,531	9,307
Financial cost	(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 27)	-	-	-	13,450	13,450
Share of profit of 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 14)	32,693	12,115,816	6,225,162	563,374	18,937,045
Investment in joint venture (Note 12.2)					5,074
Unallocated assets					3,558,708
Consolidated total assets					22,500,827
Segment borrowings (Note 20)	1,779	10,998,224	5,213,929	432,332	16,646,264
Unallocated liabilities					2,341,443
Consolidated total liabilities					18,987,707

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 3,957 million (2013 : 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, debentures and liabilities under finance lease agreements.

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**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cash in hand	200	393	20	201
Deposits held at call with banks	90,383	104,749	58,397	15,028
Short-term highly liquid investments	-	183,363	-	137,502
<b>Total cash and cash equivalents</b>	<b>90,583</b>	<b>288,505</b>	<b>58,417</b>	<b>152,731</b>

The interest rates on deposits with banks and short-term highly liquid investments are 0.13% - 1.25% (2013: 0.13% - 2.30%).

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. The return on short-term highly liquid investments is equivalent to 3-month fixed deposits.

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cash and cash equivalents	90,583	288,505	58,417	152,731
Bank overdrafts (Note 20)	(2,650)	-	-	-
	<b>87,933</b>	<b>288,505</b>	<b>58,417</b>	<b>152,731</b>

**8 Short-term investments**

At 31 December, the summary of investments in available for sale is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	-	-	-	-
Additions	5,020,450	-	3,877,105	-
Disposals	(2,299,965)	-	(1,205,630)	-
<u>Add</u> Re-measurement of available-for-sale investments	23,175	-	22,897	-
<b>At 31 December</b>	<b>2,743,660</b>	<b>-</b>	<b>2,694,372</b>	<b>-</b>

The fair values of the available-for-sale investments are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cost as at 31 December	2,720,485	-	2,671,475	-
Unrealised gain of available-for-sale investments	23,175	-	22,897	-
<b>Fair value as at 31 December</b>	<b>2,743,660</b>	<b>-</b>	<b>2,694,372</b>	<b>-</b>

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**9 Trade and other receivables, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Trade receivables	902,857	534,128	1,449	7,849
<u>Less</u> Allowance for doubtful accounts of trade receivables	(3,874)	(3,975)	(1,449)	(1,882)
Trade receivables, net	898,983	530,153	-	5,967
Amounts due from related parties (Note 33.3)	507	12,544	2,799	1,441
Accrued service income	16,306	11,302	57	-
Prepaid expenses	54,820	33,486	1,636	10,593
Account receivable of financial instruments (Note 31)	6,137	19,811	-	-
Retention	8,291	4,412	1,030	2,112
Account receivable - insurance claim	18,103	-	-	-
Others	18,358	9,004	1,217	1,217
Total trade and other receivables, net	1,021,505	620,712	6,739	21,330

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Less than 3 months	894,423	523,836	-	889
3 - 6 months	3,355	7,023	-	-
6 - 12 months	750	182	-	3,909
Over 12 months	4,329	3,087	1,449	3,051
Total trade receivables	902,857	534,128	1,449	7,849
<u>Less</u> Allowance for doubtful accounts of trade receivables	(3,874)	(3,975)	(1,449)	(1,882)
Total trade receivables, net	898,983	530,153	-	5,967

**10 Inventories, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Raw materials	48,837	40,506	-	-
Work in progress	2,751	6,517	-	-
Finished goods	380,424	621,818	-	-
Total inventories	432,012	668,841	-	-
<u>Less</u> Allowance for obsolete inventories	(3,753)	(1,457)	-	-
Total inventories, net	428,259	667,384	-	-

The costs of inventories recognised as expense and included in cost of sales amounted to Baht 236 million (2013: Baht 195 million).

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**11 Other current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Account receivable - Revenue Department	222,517	382,768	2,608	113
Deposits	-	15,288	-	-
Others	18,262	16,461	5,115	3,321
Total other current assets	240,779	414,517	7,723	3,434

**12 Investments in subsidiaries, associate and joint venture**

**12.1 Subsidiaries**

The detail of subsidiaries are:

	Nature of business	Country of incorporation	% Ownership interest	
			2014	2013
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
Solar Power Roof Company Limited	Trading and installation service of solar roof	Thailand	76.00	76.00
SPCG Capital Company Limited	Holding company	Thailand	99.99	99.99
Solar Power Assets Company Limited	Holding company	Thailand	99.99	99.99

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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.1 Subsidiaries (Continued)**

The detail of subsidiaries are: (Continued)

	Nature of business	Country of incorporation	% Ownership interest	
			2014	2013
Indirect				
Subsidiaries which held by Solar Power Company Limited				
Solar Power (Korat 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	82.54	82.54
Solar Power (Korat 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56.00	56.00
Solar Power (Korat 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60.00	60.00
Solar Power (Korat 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Korat 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70.00	70.00
Solar Power (Khonkaen 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99



**SPCG Public Company Limited**  
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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.1 Subsidiaries (Continued)**

The detail of subsidiaries are: (Continued)

	Nature of business	Country of incorporation	% Ownership interest	
			2014	2013
Indirect (Continued)				
Subsidiaries which held by Solar Power Company Limited (Continued)				
Solar Power (Khonkaen 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Khonkaen 10) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	99.99
Solar Power (Surin 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	99.99
Solar Power (Surin 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	74.99	99.99
Solar Power (Surin 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Buriram 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nakornphanom 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	68.80	68.80
Solar Power (Nakornphanom 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Nakornphanom 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Sakonnakorn 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	68.81	68.81
Solar Power (Sakonnakorn 2) 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	74.99	99.99
Solar Power (Nongkai 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99
Solar Power (Udonthani 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.1 Subsidiaries (Continued)**

The detail of subsidiaries are: (Continued)

	Nature of business	Country of incorporation	% Ownership interest	
			2014	2013
Indirect (Continued)				
Subsidiaries which held by Solar Power Assets Company Limited				
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75.00	75.00
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	99.99	99.99

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

	Company	
	2014 Baht'000	2013 Baht'000
Opening net book amount	2,622,923	2,334,500
Additions of investments in subsidiaries	228,000	193,623
Classification of investment from an associate to a subsidiary (Note 12.2)	-	94,800
Closing net book amount	2,850,923	2,622,923

**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.

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, totalling subscription value Baht 22.50 million.

**SPCG Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2014**

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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.1 Subsidiaries (Continued)**

**Significant additions for the year ended 31 December 2013 are as follows: (Continued)**

**Investment in Solar Power Roof Company Limited (Continued)**

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. The share capital was registered with the Ministry of Commerce on 6 December 2014 by 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 paid-up value of Baht 10 each, 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 32).

**SPCG Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2014**

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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.1 Subsidiaries (Continued)**

**Significant additions for the year ended 31 December 2014 are as follows:**

**Investments in Solar Power Roof Company Limited**

At the Board of Directors meeting No. 1/2014, held on 3 January 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 15 each, totalling amount of Baht 60 million or totalling 15 percentage of total registered ordinary shares. On 3 January 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 15 each, totalling subscription value of Baht 45.60 million.

At the Board of Directors meeting No. 2/2014, held on 28 March 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 20 each, totalling amount of Baht 80 million or totalling 20 percentage of total registered ordinary shares. On 28 March 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 20 each, totalling subscription value of Baht 60.80 million.

At the Board of Directors meeting No. 4/2014, held on 23 June 2014 of Solar Power Roof Company Limited, a subsidiary, Board of Directors approved an additional call for 4 million ordinary shares with a paid-up value of Baht 40 each, totalling amount of Baht 160 million or totalling 40 percentage of total registered ordinary shares. On 16 July 2014, the Company invested in Solar Power Roof Company Limited by subscribing 3.04 million ordinary shares with a paid-up value of Baht 40 each, totalling subscription value of Baht 121.60 million.

**SPCG Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.2 Associate and joint venture**

The Group's share of the result of its associate and joint venture, all of which are unlisted, and its share of the assets and liabilities are as follows:

Name	Business	Country of incorporation	Assets		Liabilities		Revenues		Profit (loss)		% Interest held	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	%	%
<b>Direct</b>												
Enegate (Thailand) Company Limited	Study 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	14,731	33,758	169	16,846	8,586	94,363	(2,254)	6,519	30.00	30.00

**SPCG Public Company Limited**  
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**12 Investments in subsidiaries, associate and joint venture (Continued)**

**12.2 Associate and joint venture (Continued)**

The movements of the investments in an associate and a joint venture for the years ended 31 December are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening net book amount	5,074	108,018	3,000	97,800
Share of profit (loss) of associate, net of tax	(677)	18,606	-	-
Classification of investment from an associate to a subsidiary (Note 12.1)	-	(121,550)	-	(94,800)
Closing net book amount	<u>4,397</u>	<u>5,074</u>	<u>3,000</u>	<u>3,000</u>

**Significant changes 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 from investment in associates to investment in subsidiary.



**SPCG Public Company Limited**  
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**13 Investment property, net**

	<b>Consolidated</b>			<b>Company</b>
	<b>Land Baht'000</b>	<b>Building Baht'000</b>	<b>Total Baht'000</b>	<b>Building Baht'000</b>
<b>At 1 January 2013</b>				
Cost	-	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-	-
<b>Net book amount</b>	-	-	-	-
<b>For the year ended 31 December 2013</b>				
Opening net book amount	-	-	-	-
Additions	-	2,622	2,622	2,622
Depreciation charge (Note 28)	-	(70)	(70)	(70)
<b>Closing net book amount</b>	-	2,552	2,552	2,552
<b>At 31 December 2013</b>				
Cost	-	2,622	2,622	2,622
<u>Less</u> Accumulated depreciation	-	(70)	(70)	(70)
<b>Net book amount</b>	-	2,552	2,552	2,552
<b>For the year ended 31 December 2014</b>				
Opening net book amount	-	2,552	2,552	2,552
Additions	11,987	-	11,987	-
Depreciation charge (Note 28)	-	(131)	(131)	(131)
<b>Closing net book amount</b>	11,987	2,421	14,408	2,421
<b>At 31 December 2014</b>				
Cost	11,987	2,622	14,609	2,622
<u>Less</u> Accumulated depreciation	-	(201)	(201)	(201)
<b>Net book amount</b>	11,987	2,421	14,408	2,421

In the Consolidated and Company financial statements, depreciation expense of Baht 0.13 million (2013: Baht 0.07 million) has been charged in administrative expenses.

The Group's investment properties were revalued at 31 December 2014 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued. Appraisal value of Land and building was at Baht 12 million and Baht 3 million, respectively.

SPCG Public Company Limited  
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14 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 2013								
Cost	1,138,913	61,532 (1,283)	317,722 (12,877)	4,434,227 (142,589)	10,794 (3,448)	18,631 (8,198)	5,334,477	11,316,296 (168,395)
Less Accumulated depreciation	-						-	
Net book amount	1,138,913	60,249	304,845	4,291,638	7,346	10,433	5,334,477	11,147,901
For the year ended 31 December 2013								
Opening net book amount	1,138,913	60,249	304,845	4,291,638	7,346	10,433	5,334,477	11,147,901
Additions	693,042	332	1,661	3,544	4,656	18,181	6,943,524	7,664,940
Increase from gaining control in a subsidiary (Note 32)	60,861	15,612	33,000	372,643	-	-	-	482,116
Transferred in (out)	-	99,703	259,080	5,750,459	1,312	-	(6,117,446)	(6,892)
Disposals, net	-	-	-	(2,326)	(9)	-	-	(2,335)
Write off, net	-	-	-	(2,934)	(16)	-	-	(2,950)
Depreciation charge (Note 28)	-	(4,749)	(23,124)	(309,609)	(2,828)	(5,425)	-	(345,735)
Closing net book amount	1,892,816	171,147	575,462	10,103,415	10,461	23,189	6,160,555	18,937,045
At 31 December 2013								
Cost	1,892,816	177,179 (6,032)	611,463 (36,001)	10,554,730 (451,315)	16,710 (6,249)	36,812 (13,623)	6,160,555	19,450,265 (513,220)
Less Accumulated depreciation	-						-	
Net book amount	1,892,816	171,147	575,462	10,103,415	10,461	23,189	6,160,555	18,937,045

14 **Property, plant and equipment, net (Continued)**

In the Consolidated financial statements, depreciation expense of Baht 566.27 million (2013: Baht 345.74 million) has been charged in cost of goods sold and administrative expenses of Baht 548.43 million and Baht 17.84 million, respectively (2013: Baht 329.54 million and Baht 16.20 million, respectively).

SPCG Public Company Limited  
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For the year ended 31 December 2014

14 Property, plant and equipment, net (Continued)

	Company				
	Land Baht'000	Buildings and buildings improvement Baht'000	Equipment and machinery Baht'000	Office equipment Baht'000	Vehicles Baht'000
<b>At 1 January 2013</b>					
Cost	36,104	40,785	51	2,888	-
Less Accumulated depreciation	-	(15,578)	(6)	(623)	-
<b>Net book amount</b>	<b>36,104</b>	<b>25,207</b>	<b>45</b>	<b>2,265</b>	<b>-</b>
<b>For the year ended 31 December 2013</b>					
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 28)	-	(2,364)	(11)	(810)	(1,213)
<b>Closing net book amount</b>	<b>17,412</b>	<b>15,877</b>	<b>34</b>	<b>3,486</b>	<b>10,386</b>
<b>At 31 December 2013</b>					
Cost	17,412	24,382	51	4,914	11,599
Less Accumulated depreciation	-	(8,505)	(17)	(1,428)	(1,213)
<b>Net book amount</b>	<b>17,412</b>	<b>15,877</b>	<b>34</b>	<b>3,486</b>	<b>10,386</b>

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**SPCG Public Company Limited**  
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**14 Property, plant and equipment, net (Continued)**

	Company				
	Land Baht'000	Buildings and buildings improvement Baht'000	Equipment and machinery Baht'000	Office equipment Baht'000	Vehicles Baht'000
					Total Baht'000
<b>For the year ended 31 December 2014</b>					
Opening net book amount	17,412	15,877	34	3,486	10,386
Additions	-	-	-	684	1,900
Disposals, net	-	-	-	-	-
Write off, net	-	-	-	(6)	-
Depreciation charge (Note 28)	-	(1,667)	(10)	(1,048)	(2,553)
<b>Closing net book amount</b>	<b>17,412</b>	<b>14,210</b>	<b>24</b>	<b>3,116</b>	<b>9,733</b>
<b>At 31 December 2014</b>					
Cost	17,412	24,382	51	5,586	13,499
Less Accumulated depreciation	-	(10,172)	(27)	(2,470)	(3,766)
<b>Net book amount</b>	<b>17,412</b>	<b>14,210</b>	<b>24</b>	<b>3,116</b>	<b>9,733</b>

In the Company financial statements, depreciation expense of Baht 5.28 million (2013: Baht 4.40 million) has been charged in administrative expenses.

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**14 Property, plant and equipment, net (Continued)**

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicles:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cost - capitalised finance leases	22,945	36,812	12,909	11,599
<u>Less</u> Accumulated depreciation	(8,415)	(13,623)	(3,723)	(1,213)
Net book amount	<u>14,530</u>	<u>23,189</u>	<u>9,186</u>	<u>10,386</u>

Borrowings from financial institutions (Note 20) are secured by subsidiaries' property, plant and equipment with the mortgaged amounts of Baht 18,262 million (2013: Baht 18,559 million).

**15 Goodwill**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>At 1 January</b>		
Cost	11,286	11,286
<u>Less</u> Provision for impairment	-	-
<b>Net book amount</b>	<u>11,286</u>	<u>11,286</u>
<b>For the year ended 31 December</b>		
Opening net book amount	11,286	11,286
Acquisition of subsidiary	-	-
<b>Closing net book amount</b>	<u>11,286</u>	<u>11,286</u>
<b>At 31 December</b>		
Cost	11,286	11,286
<u>Less</u> Provision for impairment	-	-
<b>Net book amount</b>	<u>11,286</u>	<u>11,286</u>

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:

	<b>Manufacturing, trading and installation service of roof sheets</b>	
	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Goodwill allocation	<u>11,286</u>	<u>11,286</u>

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 average growth rate for the business in which the CGU operates.



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**15 Goodwill (Continued)**

The key assumptions used for value-in-use calculations are as follows:

	<b>Manufacturing, trading and installation service of roof sheets</b>	
	<b>2014</b>	<b>2013</b>
Earnings before interest, taxes, depreciation and amortisation <sup>1</sup> (Baht'000)	9,324	5,830
Growth rate <sup>2</sup> (%)	0.00	0.00
Discount rate <sup>3</sup> (%)	2.43	6.75
Inflation rate <sup>4</sup> (%)	1.60	0.00

<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation from budget which based on past performance.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the period.

<sup>3</sup> Discount rate from zero coupon government bond rate (2013: average floating interest rate)

<sup>4</sup> Inflation rate from Bank of Thailand

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 2014 and 2013. However, if the discount rate increase/ decrease 1 percent from the management estimation as at 31 December 2014, the recoverable amounts will increase Baht 1.34 million/decrease Baht 1.28 million, respectively (2013: increase Baht 1.06 million/decrease Baht 1.03 million, respectively) that the recoverable amount still exceed the book value.

**16 Other intangible assets, net**

	<b>Consolidated</b>			<b>Company</b>
	<b>License for Energy Industry Baht'000</b>	<b>Software Baht'000</b>	<b>Total Baht'000</b>	<b>Software Baht'000</b>
<b>At 1 January 2013</b>				
Cost	-	6,019	6,019	33
<u>Less</u> Accumulated amortisation	-	(889)	(889)	(3)
<b>Net book amount</b>	-	5,130	5,130	30
<b>For the year ended 31 December 2013</b>				
Opening net book amount	-	5,130	5,130	30
Additions	-	1,259	1,259	498
Increase from gaining control in a subsidiary (Note 32)	57,895	1,339	59,234	-
Transferred in	-	6,892	6,892	-
Amortisation charge (Note 28)	-	(1,252)	(1,252)	(62)
<b>Closing net book amount</b>	57,895	13,368	71,263	466
<b>At 31 December 2013</b>				
Cost	57,895	15,538	73,433	531
<u>Less</u> Accumulated amortisation	-	(2,170)	(2,170)	(65)
<b>Net book amount</b>	57,895	13,368	71,263	466

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**16 Other intangible assets, net (Continued)**

	<b>Consolidated</b>			<b>Company</b>
	<b>License for Energy Industry Baht'000</b>	<b>Software Baht'000</b>	<b>Total Baht'000</b>	<b>Software Baht'000</b>
<b>For the year ended 31 December 2014</b>				
Opening net book amount	57,895	13,368	71,263	466
Additions	-	6,527	6,527	176
Transferred in	-	8,675	8,675	-
Amortisation charge (Note 28)	(2,316)	(2,422)	(4,738)	(112)
<b>Closing net book amount</b>	<b>55,579</b>	<b>26,148</b>	<b>81,727</b>	<b>530</b>
<b>At 31 December 2014</b>				
Cost	57,895	30,740	88,635	707
<u>Less</u> Accumulated amortisation	(2,316)	(4,592)	(6,908)	(177)
<b>Net book amount</b>	<b>55,579</b>	<b>26,148</b>	<b>81,727</b>	<b>530</b>

In the Consolidated financial statements, amortisation expense of Baht 4.74 million (2013: Baht 1.25 million) has been charged in cost of goods sold and administrative expenses of Baht 2.15 million and Baht 2.59 million, respectively (2013: Baht 1.00 million and Baht 0.25 million, respectively).

In the Company financial statements, amortisation expense of Baht 0.11 million (2013: Baht 0.06 million) has been charged in administrative expenses.

**17 Deferred income taxes**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	-	-	-	-
Deferred tax asset to be recovered after more than 12 months	76,456	52,790	-	621
	<u>76,456</u>	<u>52,790</u>	<u>-</u>	<u>621</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	-	(1,070)	-	-
Deferred tax liabilities to be settled after more than 12 months	(7,940)	(4,369)	(8,709)	-
	<u>(7,940)</u>	<u>(5,439)</u>	<u>(8,709)</u>	<u>-</u>
<b>Deferred income tax, net</b>	<b>68,516</b>	<b>47,351</b>	<b>(8,709)</b>	<b>621</b>

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**17 Deferred income taxes (Continued)**

The gross movement in the deferred income tax account is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	47,351	30,152	621	162
Charged/(credited) to profit or loss (Note 29)	25,800	17,199	(4,751)	459
Credited to other comprehensive income or expense (Note 8)	(4,635)	-	(4,579)	-
At 31 December	<u>68,516</u>	<u>47,351</u>	<u>(8,709)</u>	<u>621</u>

The movement in deferred tax assets and liabilities during the year is as follows:

	<b>Consolidated</b>				
	<b>Inter-segment income from construction solar farm Baht'000</b>	<b>Long-term borrowings using effective interest rate method Baht'000</b>	<b>Differences over useful life of property, plant and equipment Baht'000</b>	<b>Employee benefit obligations Baht'000</b>	<b>Total Baht'000</b>
<b>Deferred tax assets</b>					
At 1 January 2014	46,379	5,517	-	894	52,790
Charged/(credited) to profit or loss	38,892	(5,496)	775	366	34,537
Charged to other comprehensive income	-	-	-	-	-
At 31 December 2014	<u>85,271</u>	<u>21</u>	<u>775</u>	<u>1,260</u>	<u>87,327</u>
At 1 January 2013	25,427	4,027	-	698	30,152
Charged to profit or loss	20,952	1,490	-	196	22,638
At 31 December 2013	<u>46,379</u>	<u>5,517</u>	<u>-</u>	<u>894</u>	<u>52,790</u>

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**17 Deferred income taxes (Continued)**

The movement in deferred tax assets and liabilities during the year is as follows: (Continued)

	<b>Consolidated</b>				
	<b>Long-term borrowings using effective interest rate method Baht'000</b>	<b>Unrealised gain (loss) on Available for sale investment Baht'000</b>	<b>Debentures using effective interest rate method Baht'000</b>	<b>Employee benefit obligations Baht'000</b>	<b>Total Baht'000</b>
<b>Deferred tax liabilities</b>					
At 1 January 2014	5,467	-	-	(28)	5,439
Charged to profit or loss	3,855	-	4,854	28	8,737
Charged to other comprehensive income	-	4,635	-	-	4,635
At 31 December 2014	9,322	4,635	4,854	-	18,811
At 1 January 2013	5,467	-	-	(28)	5,439
Charged to profit or loss	-	-	-	-	-
At 31 December 2013	5,467	-	-	(28)	5,439
				<b>Company</b>	
				<b>Employee benefit obligations Baht'000</b>	<b>Total Baht'000</b>
<b>Deferred tax assets</b>					
At 1 January 2014				621	621
Charged to profit or loss				104	104
At 31 December 2014				725	725
At 1 January 2013				162	162
Charged to profit or loss				459	459
At 31 December 2013				621	621

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**17 Deferred income taxes (Continued)**

The movement in deferred tax assets and liabilities during the year is as follows: (Continued)

	<b>Company</b>	
	<b>Unrealised gain (loss) on Available for sale investment Baht'000</b>	<b>Debentures using effective interest rate method Baht'000</b>
		<b>Total Baht'000</b>
<b>Deferred tax liabilities</b>		
At 1 January 2014	-	-
Charged to profit or loss	-	4,854
Charged to other comprehensive income	4,580	-
At 31 December 2014	4,580	4,854
At 1 January 2013	-	-
Charged to profit or loss	-	-
At 31 December 2013	-	-

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 492.12 million (2013: Baht 196.51 million), to carry forward against future taxable income; these tax losses will expire between 2014 and 2018.

**18 Other non-current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>
Deferred warranty fees of inventors	630,461	539,464	-	-
Refundable withholding tax for assets	-	31,183	-	-
Others	1,734	1,588	313	323
Total other non-current assets	632,195	572,235	313	323

**19 Trade and other payables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>	<b>2014 Baht'000</b>	<b>2013 Baht'000</b>
Trade payables	44,246	767,165	2,334	4,193
Account payables - purchase assets	362	919,540	-	186
Amounts due to related parties (Note 33.3)	45,435	226,675	926	4,593
Unearned revenues	83,907	15,777	-	-
Accrued expense	82,178	121,909	9,994	7,098
Account payable of financial instruments (Note 31)	404	-	-	-
Cash advance received from increase of share capital in subsidiaries	-	45,000	-	-
Others	9,718	7,975	1,902	1,534
Total trade and other payables	266,250	2,104,041	15,156	17,604

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**20 Borrowings**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Current</b>				
Bank overdrafts	2,650	-	-	-
Current portion of long-term borrowings from financial institutions	1,737,299	1,480,300	-	-
Current portion of debentures	728,539	-	728,539	-
Current portion of liabilities under finance lease agreements	4,107	4,961	1,901	1,543
<b>Total current borrowings</b>	<b>2,472,595</b>	<b>1,485,261</b>	<b>730,440</b>	<b>1,543</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions	12,230,345	15,150,041	-	-
Debentures	3,303,753	-	3,303,753	-
Liabilities under finance lease agreements, net	7,543	10,962	5,359	6,448
<b>Total non-current borrowings</b>	<b>15,541,641</b>	<b>15,161,003</b>	<b>3,309,112</b>	<b>6,448</b>
<b>Total borrowings</b>	<b>18,014,236</b>	<b>16,646,264</b>	<b>4,039,552</b>	<b>7,991</b>

The detail of the Group's borrowings from financial institutions are as follows:

<b>Type</b>	<b>Due Date</b>	<b>Interest rate (%)</b>		<b>Principal and interest repayment</b>
		<b>31 December 2014</b>	<b>31 December 2013</b>	
Overdrafts	at call	MOR	-	Monthly
Promissory Note	at call	MLR-1.00	-	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	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	Monthly
	31 January 2019	-	MLR	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 August 2020	5.20	-	3 Months
	31 August 2020	1.50	-	3 Months
	28 February 2021	THBFIX3M+1.80	-	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
	30 June 2023	THBFIX3M+1.80	THBFIX3M+2.05	3 Months
	30 September 2023	THBFIX3M+1.80	THBFIX3M+1.80	3 Months
	31 December 2023	THBFIX3M+1.80	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



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**20 Borrowings (Continued)**

Borrowings from financial institutions are secured by the following:

- Bank borrowings are secured by subsidiaries' property, plant and equipment with the mortgaged amounts of Baht 18,262 million (2013: Baht 18,559 million) (Note 14).
- Loan is pledged by right to withdraw proceeds from both saving and current account of subsidiaries.
- Loan is pledged by the subsidiaries' share mortgage amount of 599.45 million shares and 1.55 million shares at Baht 10 per share and Baht 100 per share respectively, totalling Baht 6,150 million. (2013: the subsidiaries' share mortgage amount of 746.37 million shares and 1.55 million shares at Baht 10 per share and Baht 100 per share respectively, totalling Baht 7,618.65 million).
- Under the intercompany support agreement among the Group, 35 subsidiaries (2013: 35 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 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening amount	-	1,197,870	-	27,360
Additions of bank overdrafts	2,650	-	-	-
Additions of short-term borrowings	-	233,721	-	10,000
Repayment of short-term borrowings	-	(1,431,591)	-	(37,360)
Closing amount	2,650	-	-	-

The movements of long-term borrowings from financial institutions which included current portion for the years ended 31 December 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening amount	16,630,341	6,967,304	-	-
Additions	1,654,851	10,238,742	-	-
Increase from gaining control in a subsidiary (Note 32)	-	423,298	-	-
Repayments of long-term borrowings	(4,365,238)	(1,016,480)	-	-
Payments of interest	(779,177)	(571,101)	-	-
Adjusted long-term borrowings per effective interest rate method	826,557	581,266	-	-
Adjusted exchange rate for long-term borrowings	310	7,312	-	-
Closing amount	13,967,644	16,630,341	-	-

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**20 Borrowings (Continued)**

The movements of debentures which included current portion for the years ended 31 December 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening amount	-	-	-	-
Additions	3,970,793	-	3,970,792	-
Payments of interest	(74,811)	-	(74,811)	-
Adjusted debentures per effective interest rate method	136,310	-	136,311	-
Closing amount	<u>4,032,292</u>	<u>-</u>	<u>4,032,292</u>	<u>-</u>

At the Annual General Shareholder Meeting for the year 2014 of the Company, held on 25 April 2014 the shareholders approved the issuance and offering of the Guaranteed and Amortised Debentures that in an amount of Baht 4,000 million with the interest rate 5.55% per annum and repayment in principal every 6 months and interest every 3 months. Its maturity date is 30 June 2019. The purposes of these debentures are to refinance the existing long-term borrowings of Solar Power Company Limited, a subsidiary, and/ or to use for business operation or working capital of the Company and the Group.

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Bank overdrafts and short-term borrowings from financial institutions				
- at fixed rates	-	-	-	-
- at floating rates	2,650	-	-	-
Total bank overdrafts and short-term borrowings from financial institutions	<u>2,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term borrowings from financial institutions				
- at fixed rates	284,408	318,174	-	-
- at floating rates	13,683,236	16,312,167	-	-
Total long-term borrowings from financial institutions	<u>13,967,644</u>	<u>16,630,341</u>	<u>-</u>	<u>-</u>
Debentures				
- at fixed rates	4,032,292	-	4,032,292	-
- at floating rates	-	-	-	-
Total debentures	<u>4,032,292</u>	<u>-</u>	<u>4,032,292</u>	<u>-</u>

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**20 Borrowings (Continued)**

The effective interest rates at the statement of financial position date were as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Bank overdrafts	MOR	-	-	-
Borrowings from financial institutions	1.90 - 5.20	1.84 - 11.42	-	-
Debentures	5.76	-	5.76	-
Liabilities under finance lease agreements	3.95 - 7.41	2.28 - 9.97	7.41	7.41 - 7.61

The carrying amounts and fair values of certain long-term borrowings from financial institutions are as follows:

	<b>Consolidated</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Long-term borrowings from financial institutions	13,967,644	16,630,341	13,967,644	16,630,341
	<u>13,967,644</u>	<u>16,630,341</u>	<u>13,967,644</u>	<u>16,630,341</u>

The carrying amounts and fair values of certain debentures are as follows:

	<b>Consolidated</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Debentures	4,032,292	-	4,032,292	-
	<u>4,032,292</u>	<u>-</u>	<u>4,032,292</u>	<u>-</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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Between 1 year and 2 years	1,792,079	2,758,392	-	-
Between 2 years and 5 years	5,320,262	6,048,057	-	-
Over 5 years	5,118,004	6,343,592	-	-
	<u>12,230,345</u>	<u>15,150,041</u>	<u>-</u>	<u>-</u>

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**20 Borrowings (Continued)**

Maturity of debentures are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Between 1 and 2 years	673,213	-	673,213	-
Between 2 years and 5 years	2,630,540	-	2,630,540	-
	<b>3,303,753</b>	<b>-</b>	<b>3,303,753</b>	<b>-</b>

Liabilities under finance lease agreements - minimum lease payments are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Not later than 1 year	4,734	5,883	2,363	2,093
Later than 1 year but not later than 5 years	8,174	12,206	5,882	7,371
<u>Less</u> Future finance charges on finance leases	<u>(1,258)</u>	<u>(2,166)</u>	<u>(985)</u>	<u>(1,473)</u>
Present value of liabilities under finance lease agreements	<b>11,650</b>	<b>15,923</b>	<b>7,260</b>	<b>7,991</b>
Representing liabilities under finance lease agreements:				
- Current	4,107	4,961	1,901	1,543
- Non-current	7,543	10,962	5,359	6,448
	<b>11,650</b>	<b>15,923</b>	<b>7,260</b>	<b>7,991</b>

The present value of liabilities under finance lease agreements is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Not later than 1 year	4,107	4,961	1,901	1,543
Later than 1 year but not later than 5 years	7,543	10,962	5,359	6,448
	<b>11,650</b>	<b>15,923</b>	<b>7,260</b>	<b>7,991</b>

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.

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**20 Borrowings (Continued)**

The Group and the Company have the following undrawn committed borrowing facilities:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Floating rate				
- expiring within 1 year	-	-	-	-
- expiring beyond 1 year	67,350	1,395,244	30,000	30,000
Fixed rate				
- expiring within 1 year	-	-	-	-
- expiring beyond 1 year	-	-	-	-
	<u>67,350</u>	<u>1,395,244</u>	<u>30,000</u>	<u>30,000</u>

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.

**21 Employee benefit obligations**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Statement of financial position</b>				
Post-employment benefits	6,301	4,609	3,624	3,106
	<u>6,301</u>	<u>4,609</u>	<u>3,624</u>	<u>3,106</u>
<b>Profit or loss</b>				
Post-employment benefits	1,692	1,119	518	1,312
	<u>1,692</u>	<u>1,119</u>	<u>518</u>	<u>1,312</u>
Actuarial gain recognised in the income statement in the period	-	(1,139)	-	-

The amounts recognised in the statements of financial position are determined as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Present value of obligations	6,301	4,609	3,624	3,106
Liability in the statement of financial position	<u>6,301</u>	<u>4,609</u>	<u>3,624</u>	<u>3,106</u>

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**21 Employee benefit obligations (Continued)**

The movement in the employee benefit obligations during the year is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	4,609	4,629	3,106	808
Past service cost	800	447	55	84
Current service cost	708	491	339	1,208
Interest cost	184	181	124	20
Transfer in (out) to subsidiaries	-	-	-	986
Actuarial gains	-	(1,139)	-	-
At 31 December	<b>6,301</b>	<b>4,609</b>	<b>3,624</b>	<b>3,106</b>

During the years ended on 31 December 2013, 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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Past service cost	800	447	55	84
Current service cost	708	491	339	1,208
Interest cost	184	181	124	20
Actuarial gains	-	(1,139)	-	-
Total, included in staff costs	<b>1,692</b>	<b>(20)</b>	<b>518</b>	<b>1,312</b>

Of the total charge, Baht 1.69 million (2013: Baht 0.02 million) were included in cost of goods sold and administrative expenses in the Consolidated statements of comprehensive income.

Of the total charge, Baht 0.52 million (2013: Baht 1.31 million) were included in administrative expenses in the Company statements of comprehensive income.

The principal actuarial assumptions used were as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Discount rate	4.00	4.00	4.00	4.00
Inflation rate	3.00	3.00	3.00	3.00
Future salary increases	4.00 - 7.00	4.00 - 7.00	4.00 - 7.00	4.00 - 7.00

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**22 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 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Co-investing with Energy for Environment Foundation</b>				
Investment mutual fund value	-	41,274	-	-
Estimation of accrued interest expense	-	10,364	-	-
<b>Co-investing with International Finance Corporation</b>				
Investment mutual fund value	89,020	89,020	-	-
Estimation of accrued interest expense	8,774	18,326	-	-
<b>Total</b>	<b>97,794</b>	<b>158,984</b>	<b>-</b>	<b>-</b>

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.

22.1 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).



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**22 Ordinary shares of subsidiaries with conditions to buy/sell back (Continued)**

The movements of ordinary shares of subsidiaries with condition to buy/sell back with EFE for the years ended 31 December 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Beginning book value	51,638	65,276	-	-
Additions:				
- Principal	2,316	3,474	-	-
- Interest expense	6,986	4,154	-	-
Repayment:				
- Principal	(43,590)	(20,000)	-	-
- Interest expense	(17,350)	(1,266)	-	-
Ending book value	-	51,638	-	-

22.2 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 8<sup>th</sup> to 11<sup>th</sup> 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 2014 and 2013 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Beginning book value	107,346	101,638	-	-
Increase in accrued interest expense	8,010	5,708	-	-
Repayment of accrued expense	(17,562)	-	-	-
Ending book value	97,794	107,346	-	-

**23 Share capital and premium on share capital**

	<b>Consolidated</b>			
	<b>Number of shares - issued and paid-up Shares'000</b>	<b>Ordinary shares - issued and paid-up Baht'000</b>	<b>Premium on share capital Baht'000</b>	<b>Premium on share capital from business combination Baht'000</b>
At 1 January 2013	560,000	560,000	1,162,825	89,000
Issue of shares	279,991	279,991	-	-
At 31 December 2013	839,991	839,991	1,162,825	89,000
Issue of shares	83,999	83,999	1,758,098	-
At 31 December 2014	923,990	923,990	2,920,923	89,000
				<b>Total Baht'000</b>
				1,811,825
				279,991
				2,091,816
				1,842,097
				3,933,913

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**23 Share capital and premium on share capital (Continued)**

	Company			
	Number of shares - issued and paid-up Shares'000	Ordinary shares - issued and paid-up Baht'000	Premium on share capital Baht'000	Total Baht'000
At 1 January 2013	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
Issue of shares	83,999	83,999	1,758,098	1,842,097
At 31 December 2014	923,990	923,990	3,747,793	4,671,783

As at 31 December 2014, the total number of authorised ordinary shares is 923,990 thousand shares (2013: 840,000 thousand shares) with a par value of Baht 1 per share (2013: Baht 1 per share). The total number issued and fully paid-up is 923,990 thousand shares (2013: 839,991 thousand shares).

At the Extra-Ordinary Shareholders meeting No. 1/2013 held on 15 July 2013, approved the change in exercise dates 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 3<sup>rd</sup> anniversary from issue date, 2 March 2015 into three periods as follows:

**Period 1<sup>st</sup>: 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.

**Period 2<sup>nd</sup>: 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 3<sup>rd</sup>: 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.

At the Annual General Shareholders' Meeting for the year 2014 of the Company, held on 25 April 2014 the shareholders approved the reduction of the Company's authorised share capital from the previous authorised share capital amount of Baht 840,000,000 to Baht 839,991,048 by cancelling the shares capital that have not been issued amounting to 8,952 shares at par value of Baht 1 per each, totalling Baht 8,952 and approved the increase of authorised share capital of the Company in amount of Baht 83,998,952 from authorised share capital after reduction of Baht 839,991,048 to Baht 923,990,000 by increasing 83,998,952 authorised ordinary shares at par value of Baht 1 each for supporting the Company's capital increase in the form of a General Mandate by allocation of newly issued ordinary shares by Private Placement. The Company registered the reduction and increment of its authorised share capital with the Ministry of Commerce on 14 May 2014 and 15 May 2014, respectively.

At the Board of Director Meeting No. 4/2014 of the Company, held on 5 June 2014 the Board of Directors approved the allocation of 83,998,952 newly issued ordinary shares to a new shareholder to determine the offering price of newly issued ordinary shares at Baht 21.93 per share, totalling Baht 1,842 million. On 6 June 2014, the Company entered into share subscription agreement with new shareholder to issue and allot such newly issued ordinary shares within completion date. On 17 July 2014, the Company called and received money from increase of the Company's share capital which are issued and allotted to such new shareholder for 83,998,952 new ordinary shares in the amount of Baht 1,842 million. The Company registered such additional issued and paid-up share capital with Ministry of Commerce on 21 July 2014.

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**24 Legal reserve**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	-	-	5,415	5,415
Appropriation during the year	43,433	-	43,433	-
At 31 December	43,433	-	48,848	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% of the registered capital. The legal reserve is non-distributable.

**25 Dividends**

At the Board of Directors meeting of the Company, held on 8 August 2014 the Board of Directors passed a resolution to approve the payments of an interim dividend from the Company's earnings for the period of January to June 2014 of Baht 0.40 per share for 923,990,000 shares, totalling Baht 369.59 million. The dividend was distributed to the shareholders in September 2014.

**26 Revenue from sales and rendering of services**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Revenue from electricity distribution	1,238,543	633,968	-	-
Revenue subsidy for adders	2,718,795	1,429,363	-	-
Revenue from sales of goods	169,685	201,930	-	93
Revenue from sales and installation services of roof and solar roof	230,106	151,051	-	474
Revenue from construction contracts	-	56,552	-	34,544
Total	4,357,129	2,472,864	-	35,111

**27 Other income**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Gain on adjusting fair value of previously held interests (Note 32)	-	13,450	-	-
Interest income	15,583	9,307	115,419	3,484
Income from freight	1,265	2,250	-	-
Dividend income	-	-	917,687	-
Management income	-	1,944	96,108	26,676
Gain on disposal of property, plant and equipment	584	233	-	93
Rental income	-	-	2,666	6,657
Gain on exchange rates, net	23,193	-	-	-
Gain on disposal of short-term investments	8,203	-	5,369	-
Other income	4,758	4,650	830	776
Total	53,586	31,834	1,138,079	37,686

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**28 Expenses by nature**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Changes in inventories of finished goods and work in process	245,396	(625,522)	-	-
Raw material and consumables used	59,764	933,581	-	25,831
Depreciation and amortisation (Notes 13, 14, 16)	571,140	347,057	5,521	4,530
Management and facilitation fee	240,766	151,938	4,180	3,337
Financial consultant fee	36,562	106,108	98	162
Employee benefit expenses	136,300	94,249	51,381	38,333
Insurance expenses	58,762	66,597	791	727
Professional fee	39,871	31,222	5,193	2,727
Loss on exchange rates, net	-	10,340	-	-
Advertising fee	14,646	7,844	8,915	2,014
Signboard tax and property tax	39,884	14,838	-	-
Other expenses	107,746	71,246	49,140	6,698
<b>Total</b>	<b>1,550,837</b>	<b>1,209,498</b>	<b>125,219</b>	<b>84,359</b>

**29 Income tax expense**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Current tax:</b>				
Current tax on profits for the year	16,139	81,671	-	-
<b>Total current tax</b>	<b>16,139</b>	<b>81,671</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	(25,800)	(17,199)	4,751	(459)
<b>Total deferred tax</b>	<b>(25,800)</b>	<b>(17,199)</b>	<b>4,751</b>	<b>(459)</b>
<b>Total income tax expense (income)</b>	<b>(9,661)</b>	<b>64,472</b>	<b>4,751</b>	<b>(459)</b>

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**29 Income tax expense (Continued)**

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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit (loss) before income tax	1,880,272	708,428	875,968	(12,162)
Tax calculated at a tax rate of 20% (2013: 20%)	376,054	141,686	175,194	(2,433)
Tax effect of:				
Profit from inter-segment	325,030	120,288	-	-
Associates' results reported net of tax	(135)	(3,721)	-	-
Income not subject to tax	(754,170)	(255,626)	(194,064)	(76)
Expenses not deductible for tax purpose	39,042	12,180	19,293	713
Tax losses for which no deferred income tax asset was recognised	4,518	52,140	4,328	1,337
Gain on adjusting fair value of previously held interests	-	(2,690)	-	-
Adjustment in respect of prior year	-	215	-	-
Tax charge	(9,661)	64,472	4,751	(459)

The weighted average applicable tax rate was -0.51% (2013: 9.10%). The decrease derived from the fact that some companies in the Group started their operations and distributed electricity from solar energy in 2014.

**30 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.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Profit (loss) attributable to ordinary shareholders of the Company (Baht'000)	1,655,610	499,321	871,217	(11,703)
Weighted average number of ordinary shares outstanding (Shares'000)	877,733	654,831	877,733	654,831
Basic earnings (loss) per share (Baht per share)	1.886	0.763	0.993	(0.018)

There are no potential dilutive ordinary shares in issue during the years 2014 and 2013.

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**31 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 2014 and 2013 as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 31 December 2014				
Cross currency interest rate				
swap contracts	101,917	95,727	-	-
Forward foreign exchange contracts	4,935	5,392	-	-
	<u>106,852</u>	<u>101,119</u>	<u>-</u>	<u>-</u>
	<b>Consolidated</b>		<b>Company</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 31 December 2013				
Cross currency interest rate				
swap contracts	112,216	105,836	-	-
Forward foreign exchange contracts	494,665	481,234	-	-
	<u>606,881</u>	<u>587,070</u>	<u>-</u>	<u>-</u>

**31.1) 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 2014 and 2013, the settlement dates on open foreign currency forward contracts ranged within six months.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Value as the forward				
foreign exchange contracts				
Thousand USD	-	11,427	-	-
Thousand EUR	124	2,712	-	-

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**31 Financial instruments (Continued)**

**31.2) 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 20) from foreign currency into Baht currency.

As at 31 December 2014, 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 2014 and 2013 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 2014	3.11	1.50	95.73	1.72
At 31 December 2013	3.43	1.50	105.84	1.72

**31.3) 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 20) 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 2014, the notional principal from the contract was amounting to Baht 14,930 million (2013: Baht 4,013 million), the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFX3M plus 1.80% to 2.00% (2013: the fixed interest rates ranged from 4.72% to 5.47% and the floating interest rates was THBFX3M plus 1.80% to 2.00%).

Interest rate swap contracts are due for exchange of the differences in interest amount every three months.

**31.4) 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	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Net fair values of derivative financial instruments:				
Interest rate swap contracts	(454,635)	(44,242)	-	-
Cross currency interest rate contracts	6,764	9,191	-	-
Forward foreign exchange contracts	(411)	15,984	-	-
	(448,282)	(19,067)	-	-



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**32 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 (Note 12.1).

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**

	<b>Baht'000</b>
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
<b>Total consideration</b>	<b>225,000</b>
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 14)	482,116
Other intangible assets, net (Note 16)	1,339
Other non-current assets	20,030
Trade and other payables	(1,317)
Current portion of long-term borrowings from financial institutions (Note 20)	(45,419)
Other current liabilities	(1,683)
Long-term borrowings from financial institutions (Note 20)	(377,879)
<b>Total identifiable net assets</b>	<b>185,855</b>
Non-controlling interest	(18,750)
Licenses for Energy Industry (Note 16)	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.

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**32 Acquisition (Continued)**

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 27) 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.

**33 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 in proportion of 49.03% (2013: 54.13%). The remaining 50.97% (2013: 45.87%) of the current year shares are widely held.

The following transactions were carried out with related parties:

**33.1) Sales of goods and services**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Sales of goods to:				
Associates and a joint venture	-	16	-	-
Other related parties				
sole shareholders	3,817	603	-	-
Key management	-	1,155	-	-
	<u>3,817</u>	<u>1,774</u>	<u>-</u>	<u>-</u>
Sales of services to:				
Associates and a joint venture	-	56,552	-	34,544
	<u>-</u>	<u>56,552</u>	<u>-</u>	<u>34,544</u>
Other income:				
Subsidiaries	-	-	1,124,917	31,389
Associates and a joint venture	-	8,567	-	1,944
	<u>-</u>	<u>8,567</u>	<u>1,124,917</u>	<u>33,333</u>

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**33 Related party transactions (Continued)**

**33.2) Cost of purchase inventory, fixed asset and service**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Purchases of inventory, fixed asset from:				
Associates and a joint venture	-	87,000	-	3,000
Other related parties				
sole shareholders	-	598	-	-
	<u>-</u>	<u>87,598</u>	<u>-</u>	<u>3,000</u>
Purchases of services from:				
Subsidiaries	-	-	2,515	4,567
Other related parties				
sole shareholders	252,197	1,603,757	-	17,826
	<u>252,197</u>	<u>1,603,757</u>	<u>2,515</u>	<u>22,393</u>

**33.3) Outstanding balances arising from sales/purchases of goods/services**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Receivables from:</b>				
Subsidiaries	-	-	2,317	1,441
Associates and a joint venture	161	-	161	-
Other related parties				
sole shareholders	346	12,544	321	-
Total amounts due from related parties (Note 9)	<u>507</u>	<u>12,544</u>	<u>2,799</u>	<u>1,441</u>

Outstanding amounts due from related parties as at 31 December can be analysed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Less than 3 months	346	12,544	1,084	1,441
3 - 6 months	-	-	189	-
6 - 12 months	-	-	379	-
Over 12 months	161	-	1,147	-
Total amounts due from related parties	<u>507</u>	<u>12,544</u>	<u>2,799</u>	<u>1,441</u>

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**33 Related party transactions (Continued)**

**33.3) Outstanding balances arising from sales/purchases of goods/services (Continued)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Payables to:</b>				
Subsidiaries	-	-	926	4,593
Associates and a joint venture	-	19,260	-	-
Other related parties				
sole shareholders	45,435	207,415	-	-
Total amounts due to related parties (Note 19)	45,435	226,675	926	4,593

**33.4) Short-term loans to related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	-	50,000		87,500
Loans advanced during the year				
Subsidiaries	-	-	3,880,000	36,000
Associates and joint ventures	-	3,100		2,100
Loan repayments received				
Subsidiaries	-	-	(630,000)	(73,500)
Associates and joint ventures	-	(53,100)	-	(52,100)
At 31 December	-	-	3,250,000	-

The loans to subsidiaries and associates were made on commercial terms and conditions. The related interest income from subsidiaries was Baht 108 million (2013: Baht 0.40 million). The loans are due at call. No provision has been required in 2014 and 2013 for the loans made to subsidised and associated undertakings.

The loans to subsidiaries and associates carry interest at 5.75%, MLR -1.50% and MLR + 4.25% and are due at call.

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**33 Related party transactions (Continued)**

**33.5) 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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Salaries and other short-term employee benefits	42,943	26,955	25,859	15,852
Post-employment benefits	1,457	715	366	1,576
	<b>44,400</b>	<b>27,670</b>	<b>26,225</b>	<b>17,428</b>

**34 Commitments**

The Group has the following commitments and contingencies:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Capital commitments</b>				
under land purchase agreements	-	2,480	-	-
under project development contracts	15,389	73,935	-	-
<b>Operating commitments</b>				
under service contracts	582,874	237,229	5,126	2,222
under construction management	-	85,956	-	-
under rental agreement	6,209	3,341	2,733	2,923
Total commitments	<b>604,472</b>	<b>402,941</b>	<b>7,859</b>	<b>5,145</b>
<b>Contingent liabilities in respect of bank guarantees</b>	657,124	887,466	631	-
<b>Contingent liabilities in respect of capital expenditure - Property, plant, equipment</b>				
US Dollar currency	-	2,349	-	-
Euro currency	-	262,742	-	-

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**35 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 9<sup>th</sup> to 13<sup>th</sup> years period commenced from the date that the Company generates revenue, as follows :

<b>Certificate no.</b>	<b>Approved date</b>	<b>Company's name of promotional activities</b>	<b>First generated revenue date</b>
1914(1)/2552	19 May 2009	Solar Power (Korat 1) Company Limited	21 April 2010
1941(1)/2553	24 August 2010	Solar Power (Sakonnakorn 1) Company Limited	9 February 2011
2028(1)/2553	24 August 2010	Solar Power (Nakornphanom 1) Company Limited	22 April 2011
1180(1)/2554	24 August 2010	Solar Power (Korat 2) Company Limited	13 September 2011
1181(1)/2554	24 August 2010	Solar Power (Loei 1) Company Limited	15 September 2011
1501(1)/2554	24 August 2010	Solar Power (Khonkaen 1) Company Limited	15 February 2012
2465(1)/2554	15 November 2011	Solar Power (Korat 3) Company Limited	9 March 2012
2510(1)/2554	15 November 2011	Solar Power (Korat 4) Company Limited	14 May 2012
2511(1)/2554	15 November 2011	Solar Power (Korat 7) Company Limited	30 May 2012
1462(1)/2555	6 March 2012	Solar Power (Korat 5) Company Limited	15 January 2013
1463(1)/2555	6 March 2012	Solar Power (Korat 8) Company Limited	15 January 2013
1525(1)/2555	3 April 2012	Solar Power (Korat 9) Company Limited	16 January 2013
1526(1)/2555	3 April 2012	Solar Power (Khonkaen 3) Company Limited	17 January 2013
1464(1)/2555	6 March 2012	Solar Power (Khonkaen 4) Company Limited	17 January 2013
1465(1)/2555	6 March 2012	Solar Power (Khonkaen 5) Company Limited	18 January 2013
1621(1)/2555	28 February 2012	Solar Power (Khonkaen 8) Company Limited	18 January 2013
1892(1)/2555	28 February 2012	Solar Power (Korat 6) Company Limited	26 June 2013
1891(1)/2555	28 February 2012	Solar Power (Khonkaen 2) Company Limited	29 July 2013
2017(1)/2555	6 March 2012	Solar Power (Buriram 1) Company Limited	26 June 2013
2018(1)/2555	6 March 2012	Solar Power (Buriram 2) Company Limited	26 June 2013
2818(1)/2555	6 March 2012	Solar Power (Nakornphanom 2) Company Limited	27 February 2014
2281(1)/2555	28 February 2012	Solar Power (Khonkaen 7) Company Limited	1 October 2013
2385(1)/2555	6 March 2012	Solar Power (Udonthani 1) Company Limited	1 April 2014
2280(1)/2555	22 May 2012	Solar Power (Nongkai 1) Company Limited	28 February 2014
2386(1)/2555	6 March 2012	Solar Power (Buriram 3) Company Limited	6 March 2014
2717(1)/2555	22 May 2012	Solar Power (Sakonnakorn 2) Company Limited	25 April 2014

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**35 Promotional Privileges according to Investment Promotion Act (Continued)**

<b>Certificate no.</b>	<b>Approved date</b>	<b>Company's name of promotional activities</b>	<b>First generated revenue date</b>
2844(1)/2555	22 May 2012	Solar Power (Surin 3) Company Limited	29 April 2014
2718(1)/2555	22 May 2012	Solar Power (Nakornphanom 3) Company Limited	10 March 2014
2846(1)/2555	22 May 2012	Solar Power (Khonkaen 9) Company Limited	20 May 2014
2847(1)/2555	22 May 2012	Solar Power (Khonkaen 10) Company Limited	20 May 2014
2845(1)/2555	28 February 2012	Solar Power (Khonkaen 6) Company Limited	30 May 2014
2843(1)/2555	22 May 2012	Solar Power (Loei 2) Company Limited	24 April 2014
1793(1)/2556	6 March 2012	Solar Power (Surin 1) Company Limited	27 June 2014
1224(1)/2556	22 November 2012	Solar Power (Surin 2) Company Limited	27 June 2014
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

**36 Post statement of financial position event**

At the meeting of the Company's Board of Directors held on 20 February 2015, the Board of Directors passed a resolution to approve the payment of dividend from the Company's earnings for the period of July to December 2014 of Baht 0.45 per share for 923,990,000 shares, totalling Baht 415.80 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for fiscal year 2015.



## 11 Corporate Social Responsibilities: CSR



### 11.1 Overview Policy

SPCG Public Company Limited is the Leader in Solar Power generated from Solar Farm which is the “Clean Energy” with no pollution impact to the environment, no noise in processing work and no fuel capital. SPCG’s Solar Power Generating Capacities with the total of 261.10 Megawatts can decrease Global Warming with the potential saving of 200,000 tonnes of CO<sub>2</sub>-equivalent per year.

United Nations Framework Convention on Climate Change (UNFCCC) has given the award entitled “Leading a Woman Empowered Solar Energy Transformation” to Dr. Wandee Khunchornyakong, President and Chief Executive Officer of SPCG Public Company Limited at United Nations Climate Change Conference in Lima, Peru in December 10, 2014.

SPCG looks beyond the importance of the Sustainable Solar Power Energy, decrease an imported of fossil fuel in order to strengthen Thailand Energy Security with competitive price to other source of energy. In accordance with Government’s Policy on Renewable Energy Development Plan (REDP) which is the Plan aimed for Thailand Renewable Energy Development with a very clear goal of solar power generation with continuous quantity growth.

All 36 Solar Farm Projects have already finished its construction since 2014.

These 36 Solar Farm Projects are located in 9 provinces in Northeastern Thailand : Nakhon Ratchasima, Khonkaen, Udonthatni, Nongkhai, Sakonnakhon, Nakhonpanom, Loei, Buriram and in Central Thailand, Lopburi Province. They are all located on highland, safe from flood with all year round good intensity of sunlight.



SPCG has realized the importance of knowledge and understanding of Solar Farm Projects, therefore, the company has established “Solar Farm Education Center” at its First Solar Farm Project in Don-Chompoo district, amphur Sungnoen, Nakhon Ratchasima province in order to allow children, students, teachers undergraduate as well as general public to have a closely study visit to Solar Farm. For further information about the Solar Farm Education Center’s please visit the website : [www.spcg.co.th](http://www.spcg.co.th)

SPCG realizes about the importance of Work Quality, Standard and Safety, therefore, the company is using Standard ISO 9001 : 2008 and ISO 14001 including ISO 18001 to set the same working standard in every Project.

Moreover, Business Operation of SPCG is targeted to build up qualified personnel by inclusion of “Organization Culture” to take care of both internal and

external organizational environment, inorder to create conscious, and learn capacity and develop self-improvement among staff with merit and business ethics. This same vision, mission and organization culture is used by the management and staff taking into consideration the law and social responsibility to all groups of stakeholder and business shareholders. The Company has disseminated the above good governance in its website : [www.spcg.co.th](http://www.spcg.co.th)

#### SPCG Vision

SPCG is the Leader in Solar Power Development with the Highest Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services.

**SPCG Mission**

SPCG is the Leading Developer in Solar Power System with the Highest Quality, Efficiency, Security and Sustainability both in Solar Farms and Solar Roof in Thailand and Southeast Asia under the Standard Policy : “Best Value : Best Design : Best Output : Best Service”

**SPCG Organization Culture**

SPCG aims to build up Working Organization Culture by encouraging staffs to follow Value, Objective and Vision which are clearly set in order to facilitate the Highest Work Efficiency.

**FAIRNESS**

SPCG adhere to the Good Governance of Corporate Governance and respect in Human Right by allowing staff to express their opinion concerning both work and politics without disturbing other's right.

**FAMILY**

Every Staff under SPCG's umbrella is in the same family, to help each other solve the problem and progress along with SPCG

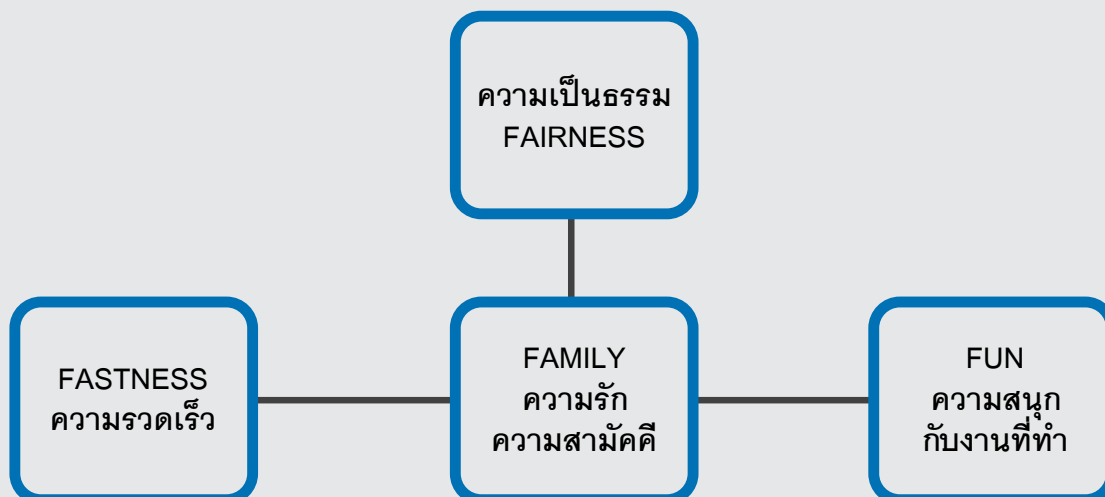
**FASTNESS**

Under the Competitive Circumstances, every staff has the duty to be responsible for the assigned work with their full knowledge and capacities with strong intention, dedication and devotion to their work success.

**Fun**

SPCG focus on using resource at its highest benefit with the hope that any “Success” which staff are united in action and spirit in doing their work, staff should know how to manage their emotions, be happy as well as enjoy the work they are doing.

However, SPCG has set the target to push forward Organization Culture to look after both internal & external organization environment, to build up conscious, moral principle and good ethics. To build up learning capacity and self- improvement to have holistic rational & optimistic system of thinking with team work capacity in order to push forward the work achievement not only in the Organization but also in the Society with overall image to realize to add value to The Company, shareholders, and every stakeholders from the year 2015 as follows :

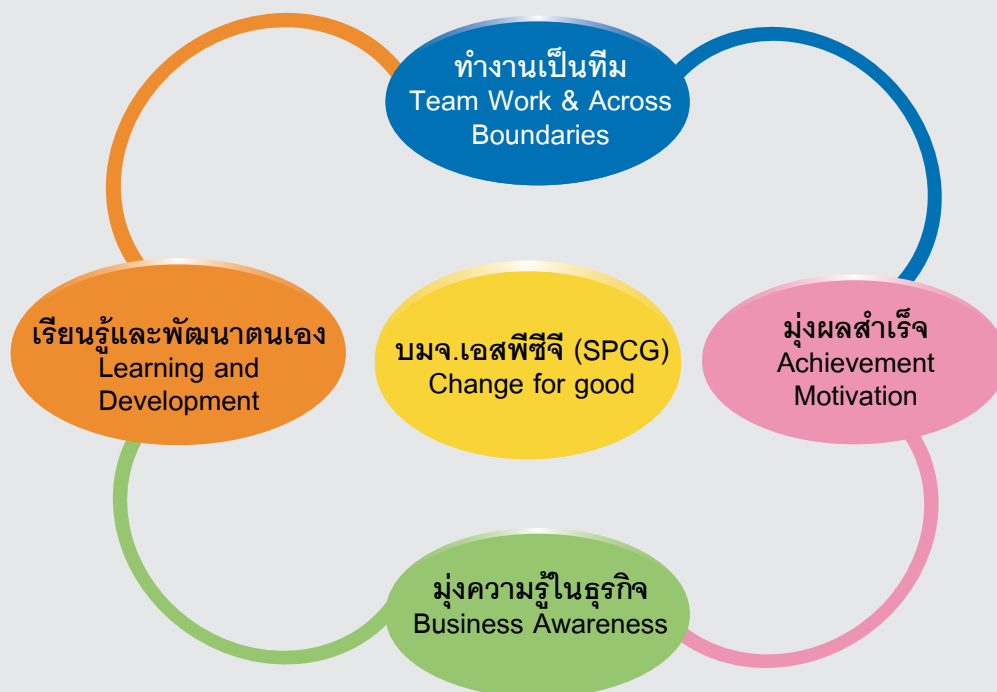


#### • Learning and Development

SPCG aims to develop staffs' capacities in holistic rational & optimistic system thinking with innovative creativity, endurance for the Work Achievement and promotion of Organization Image; to push forward every country's sectors to see beyond the importance of Solar Clean Energy and broadly use it.

#### • Achievement Motivation

SPCG aims to promote and gives an opportunity to Staffs to concentrate in Work, Development, Learning and Adjusting themselves in accordance with the Changing & Challenging Current Situation, Working in system & process in order to reach the success together and initiating the Organization & Country Success in bringing Clean Solar Energy to be broadly used.



#### • Team Work & Across Boundaries

SPCG is wide-open to listen to Staffs' Opinion, promoting staffs in making no bones about, supportive, taking care of each other, building up conscious, moral principle and good ethic together in order to coordinate team work with highest efficiency and be society's quality personnel.

#### • Business Awareness

SPCG aims to promote Staffs Capabilities in Thinking, Implement and Build up Solar Farm & Solar Roof Business Understanding and make them broadly known in order to make every sectors realize and turn to support the use of Clean Solar Energy for Green Industry.

SPCG has applied to join the Green Industry Project since 2013. The Project was initiated 2011 by Ministry of Industry to promote the friendly environment business with social responsibility in order

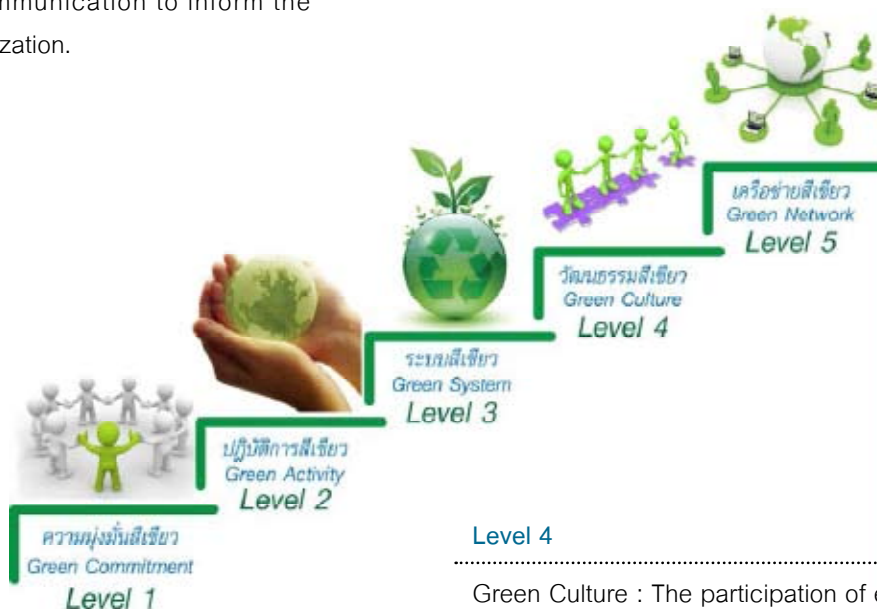
to make industry sectors to live together with society and community around their factories with happiness and sustainable development. The Project comprises of 5 development levels as follows :

#### Level 1

Green Commitment : Willful to decrease an impact on environment and have internal communication to inform the whole organization.

#### Level 2

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



#### Level 3

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

#### Level 4

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

#### Level 5

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

## 11.2 Operating and Reporting

SPCG planned to prepare permanence report in accordance with permanence development report of Global Reporting Initiative (GRI G 3.1) from the year 2015 onward, in order to disseminate to all people concerned to let them know about the company's policy and work operation which aim to concentrate on Clean Energy Business for Sustainability Growth.

### SPCG Public Company Limited and Subsidiaries

Adhere to friendly environmental business operation with intention to develop, improve production process and continuous environmental management as well as social responsibilities both internal & external organization. The Company has determined to set the policy and declare to all staffs & people who work in Company's name to know and work accordingly. Moreover, the company has obviously disseminated this policy to the Public and organization which concern that SPCG has duty to establish and preserve the good relationship with all groups of stakeholders. Therefore, the Company has provided channel of communication, opinion hearing and set principles to deal with each group of stakeholders as follows :

#### 1. Stakeholders and Investors

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

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

#### 2. Customers

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

The Company is aware of customers' satisfaction as well as operational safety standards ISO 9001:2000 and ISO 14001 have been applied with policy that "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 : Best Service"

#### 3. Traders and/or Creditors

The Company has the Policy to create good relationship with traders and/or creditors, to run business on the basis of fair encouragement, undifferentiated between traders and/or creators, to attend to company's advantages, avoiding any circumstances that may cause conflict of interest and to comply with all commitments to reach mutual benefits.

#### 4. Business Competitors

The Company has Policy to deal with Competitors on the basis of Fairness Rules, not to search for competitors secret information by dishonest and unsuitable. Means here to fair competition which should be fair to undistort and no deception. Occasionally, the Company has cooperated with competitors with transparency and no conceal meant of illegal agreement.

### 5. Staffs

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

### 6. Government and Authorities

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

### 7. Communities and Society

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

### Information Disclosure and Transparency

The Company and Subsidiaries emphasize on disclosure of important information regarding finance or non-finance correctly, completely with transparency

both in Thai and English, such as Annual Report Form 56-1, Minutes of Shareholders. News and Various Developments of the Company which might be useful through the Stocks Exchange of Thailand and our website [www.spcg.co.th](http://www.spcg.co.th)

The company stricts with any and all laws, rules and regulations stipulated by the Securities and Exchange Commission, the Stocks Exchange of Thailand and others authorities, for instance;

1. Financial information disclosure are correct in accordance with the General Accepted Accounting Standards and verified by independent auditor and approved by our Investigation Commission and Board of Director, before disclose to the Public.

2. Specification that Directors and Executives need to disclose their interests information and people who are involved in the Company's interests.

3. Disclose roles and functions of committee and sub-committee, number of meetings and number of meeting attending of individual in Annual Report.

4. Disclose Policy in remuneration of committee, including scheme, identifying an amount of its remuneration of individuals in each committee.

### Anti-Corruption

The Company settled Anti-Corruption Measurement into our Code of Conduct that staffs have been prohibited to receive any gift and feast which may lead to un-transparency and not for the best benefit of the company. Moreover, due to the fact that company's business have to utilize technology in uniquely design as well as secret information of traders which are business secrets, therefore, the company rules that executives, staffs, advisories who know such information need to countersign in non-disclosure agreement and prohibit to use those information dishonestly in order to protect the Company's Damage.

Our internal auditor will investigate executives





and staffs' performance annually and evaluate risk of corruption or damage that might be occurred by their performance and then report to the Audit Committee and Board of Directors' Meeting, quarterly.

#### Communication with Staffs and Employees

The Company has provided several communication channels to our staffs and subsidiaries to conveniently communicate with related agencies, other than meet with executives and related personnel all the time, there also are other channels of communication such as bulletin board, website, email and suggestion box. Moreover, the company gives an opportunity for staffs to freely express their political opinions in various outside organization activities by respecting human rights provided that they are not related to Company's name, trademark and logo.

### 11.3 Business Operation which may affected to Social Responsibilities (in process)

The Company have none of any legal dispute or accusation in any action that affect the environment



that may lead to legal controversy. The Company is aware that our Solar Farms which are located in 10 provinces need to rely on and supported by communities surrounding the Solar Farms. Therefore, we have to cooperate with the surrounding communities to develop water-shelter, road, floodway, as well as created jobs for communities. Moreover, there should be cooperation in organizing various important festival's activities which made the Company's 36 Solar Farm Projects achieved good cooperation from the Communities.

### 11.4 Activities for the Benefit of Social and Environment

#### 11.4.1 Solar Energy Business' Award

SPCG under the leadership of Dr. Wandee Khunchornyakong, Chairperson & Chief Executive Officer, The First Pioneer of Solar Power Energy in Thailand and in ASEAN Community, has been honored by UN in receiving the UNFCCC Momentum for Change Light House Activities Award 2014 for "Leading a Women Empowered Solar Energy Transformation" on 10 December 2014 in Lima, Peru. She was praised by H.E. Ban Ki-moon UN Secretary-



General and Miss Christiana Figueres, UNFCCC Executive Secretary to be “World’s Woman Model” in Solar Power Energy Generation which helped to decrease Global Warming.

#### 11.4.2 SPCG in World Bank Forum at World Bank Headquarter, Washington DC, U.S.A.

World Bank has given the honor to invite Dr.Wandee Khunchornyakong, SPCG Chairperson & Chief Executive Officer, to reveal her vision at World Bank Forum on behalf of “ The Successful People” in Solar Power Project Development from Solar Energy. President of World Bank, Mr.Jim Yong Kim has presided over the opening ceremony of 2014 General Assembly Seminar which was held at World Bank Headquarter in Washington DC, U.S.A.

#### 11.4.3 Green office (Excellent Level)

Department of Environmental Quality Promotion (DEQP), Ministry of Natural Resources and Environment has given The Guarantee of Green Office (Excellent Level) to SPCG Public Company Limited, Solar Power Company Limited and Solar Power Power (Korat 1) Company Limited which are the Honorable

Award to emphasize the Excellence of SPCG in concentrated in a Friendly Environmental Office which gave so much Pride to SPCG’s Administrators & Staffs.

#### 11.4.4 Environmental Good Governance Company

All 36 SPCG Solar Farm Projects have entered The Environmental Good Governance Projects of Ministry of Industry and have received honorable plaques to certify that SPCG Solar Farm Projects are the companies which followed Environmental Good Governance’s Rule.



#### 11.4.5 Study visits of the Solar Farm Learning Center

Government Organizations, Educational Institutes as well as Private Sectors have paid Study Visits to Solar Farm Learning Center which located in Solar Farm Project or Solar Farm Korat 1, Donchomphu sub-district, Nonsoong district, Nakhonratchasima Province.



➤ Administrator of Development and Researching Institute of Environment

#### 11.4.6 Activities for Society

SPCG has subsidized fund for construction the Multi-Purpose Steel Roof, "Steel Roof for Children" and also hand out sport equipment for student including purchased air-conditioner, medical appliance to Small Animal Hospital, Faculty of Veterinary Science, Chulalongkorn University as well as constructed temporary school building Ban Noneravieng at Ban Noneravieng, Ta-toom district, Surin Province, including other Social Activities in the year 2014



➤ Donation of fund to build a school classroom at Baan Ravieng School, Surin province



➤ Lecturers and students from Sripatum University



➤ Lecturers from Faculty of Environment and Research Studies, Mahidol University





➤ SPCG's participation in "Roofing for children" at the Sathya Sai School, Lopburi province



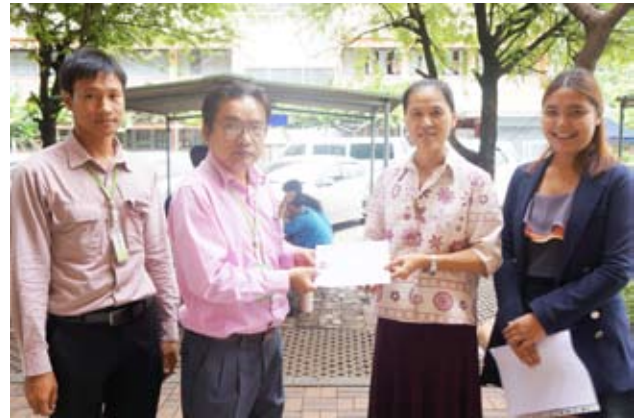
➤ Supporting in arranging sport event "Piboon Games", Buriram province



➤ Donation to support heart disease and kidney disease in pets, Faculty of Veterinary Science, Chulalongkorn University



➤ *Supporting National Children's Day to the local authority of Hinkoon, Nakhon Ratchasima province*



➤ *Donation to scholarship for students at Phrakanong Pitchaya School*

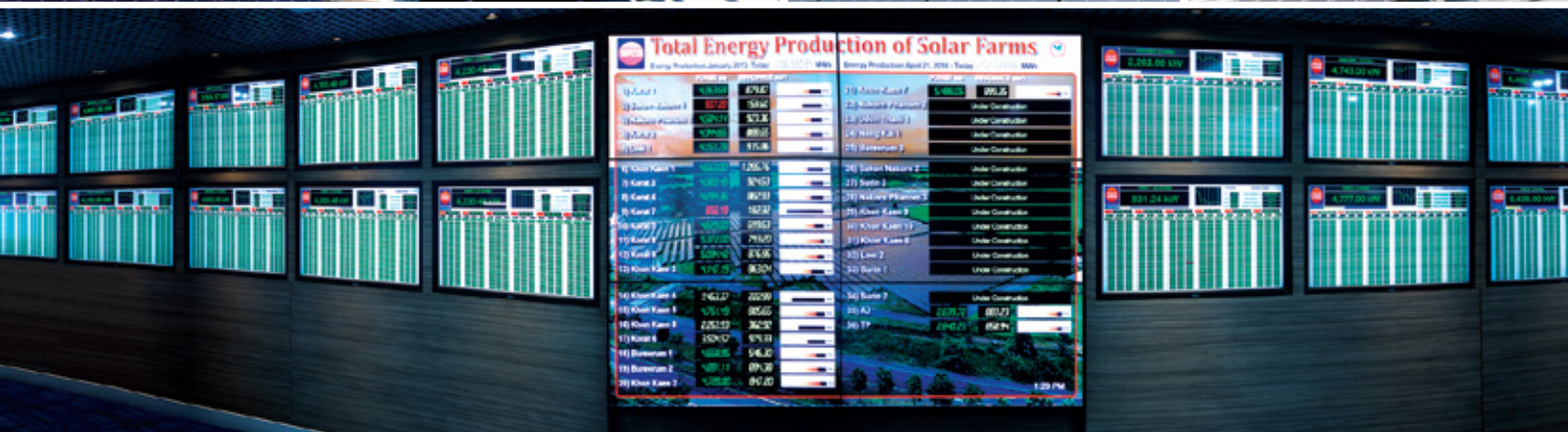
## 11.5 Anti-Corruption Prevention

The Company is in the process of studying and drafting a Policy which can prevent all related Anti-Corruption with the highest efficiency and can be actually implemented. The Organization Relationship Department has been established and assigned to collect information and coordinate to both internal & external organizations in order to submit information to the Committee for approval.

However, The Company's Board of Directors have decided and acknowledged in complying with any related business' Laws and have already identified those duties into company's work manual in order to let all staffs & administrators know and comply with.



## Strategic Partners



บริษัท เอสพีซีจี จำกัด (มหาชน)  
333/20 อาคารยูไนเต็ดทาวเวอร์ ชั้น 14 ซ.สุขุมวิท 55  
ถ.สุขุมวิท แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพฯ 10110  
โทร: +662 712 9501-5 แฟกซ์: +662 712 7383-4  
เว็บไซต์: [www.spcg.co.th](http://www.spcg.co.th)

SPCG Public Company Limited  
333/20 United Tower 14F Sukhumvit 55, Sukhumvit Road  
Klongton-Nua, Wattana Bangkok Thailand 10110  
Tel: +662 712 9501-5 Fax: +662 712 7383-4  
Website: [www.spcg.co.th](http://www.spcg.co.th)