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The Leading Solar Farm &  
Solar Roof Developer in ASEAN

รายงานประจำปี 2560

# ANNUAL REPORT 2017

Best Value • Best Design • Best Output • Best Service

(ENGLISH VERSION)



2017



2560



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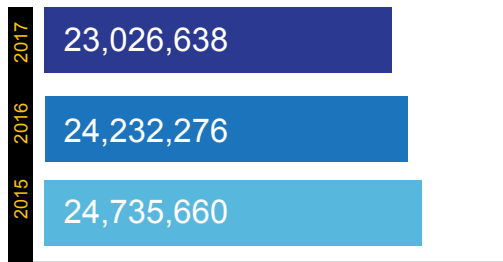
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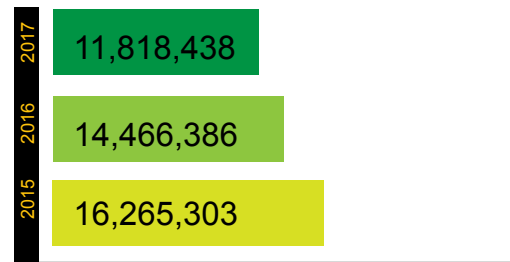
## Financial Highlights

(Unit: thousand Baht)

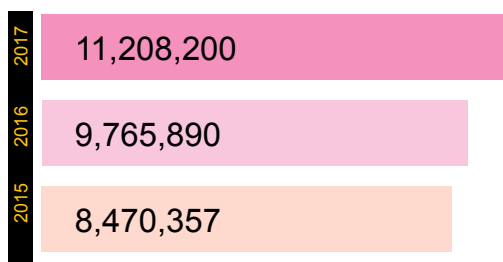
	2560/2017	2559/2016	2558/2015
<b>Consolidated Statement of Financial Position</b>			
Current assets	4,171,537	5,019,557	4,986,495
Property, plant and equipment	17,175,788	17,743,670	18,314,469
Total assets	23,026,638	24,232,276	24,735,660
Current liabilities	4,139,478	3,841,857	2,842,636
Total liabilities	11,818,438	14,466,386	16,265,303
Issued and paid share capital	923,990	923,990	923,990
Total shareholders' equity	11,208,200	9,765,890	8,470,357
<b>Consolidated Statement of Comprehensive Income</b>			
Revenue from electricity distribution	4,273,029	4,361,507	4,529,465
Revenue from sales of goods	173,797	155,444	175,377
Revenue from sales and installation services of roof & solar roof	1,561,527	931,145	295,215
Total revenue from sales and services	6,008,353	5,448,096	5,000,057
Total revenues	6,123,177	5,544,302	5,057,637
Total expenses	3,301,072	2,926,835	2,592,616
Net profit (loss)	2,822,105	2,617,467	2,465,021
Comprehensive income	2,802,625	2,605,180	2,481,778
Profit attributable to owners of the parent	2,524,325	2,314,209	2,190,165
Comprehensive income attributable to owners of the parent	2,504,834	2,301,975	2,206,880
Basic earnings per share (Baht)	2.73	2.50	2.37
<b>Key Financial Ratios</b>			
Gross profit margin	62.1%	64.8%	72.8%
Net profit margin	41.2%	41.7%	43.3%
EBIT margin	57.2%	60.8%	65.1%



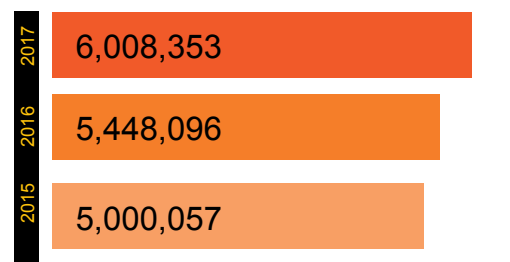
Total assets



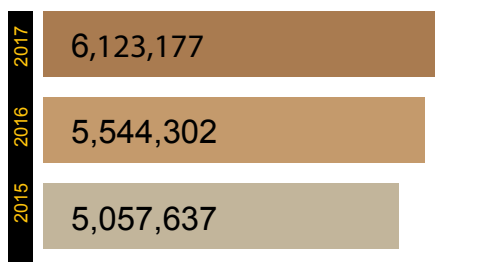
Total liabilities



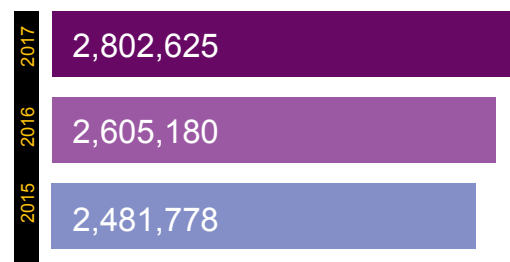
Total shareholders' equity



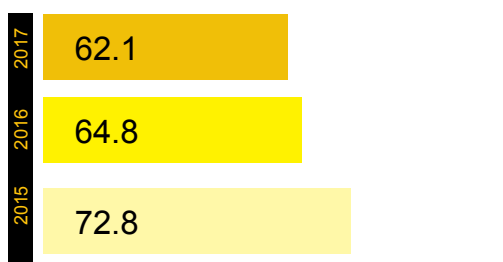
Total revenue from sales and services



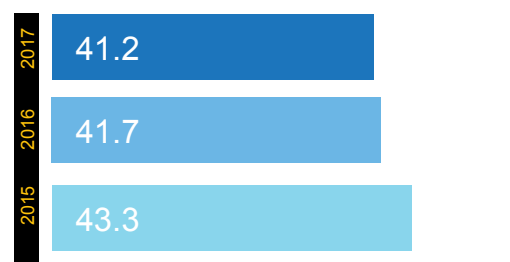
Total revenues



Comprehensive income



Gross profit margin



Net profit margin

## Vision

**SPCG** is the Leader in Solar Power Development with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm 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 as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services under the Standard Policy: **“Best Value: Best Design: Best Output: Best Service To All of Customers”**



## Message from the Chairperson

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In 2017 was a successful year of SPCG Public Company Limited (SPCG). Our success came from the continued growth of the three main businesses that consist of the Solar Farms, steel roofing and also the installation of solar roof systems. The solar roof business has shown a rapid growth in the residential, commercial and industrial markets.

As a result, SPCG has gained revenues at the amount of 6,008 million Baht from the operation in the year 2017 and 5,448 million Baht or an increase of 10.27% from 2016. The net profit rose by 7.83%, with the amount of 2,822 million Baht in 2017 and 2,617 million Baht in the previous year. SPCG was also ranked up by TRIS Rating, from “A-” to “A” with “stable”.

SPCG is a pioneer in generating power from solar energy in Thailand. We ensure to develop the business on a sustainable growth and also focus on the quality management under the concept of “Best Value, Best Design, Best Output and Best Service to all customers”. And we commit to build confidence in our product value, designed for the optimum performance and providing excellent service. Currently, SPCG has a total of 36 solar farm projects with a total capacity of approximately 260 MW, which is equivalent to more than 200,000 tons of carbon dioxide reduction per year.

SPCG is also committed in expanding investments opportunities in the year 2018. Now, we have two plans to expand solar farm development projects to other countries. The first project has been developed with a capacity of 30 megawatts in Tottori, Japan, that will COD within the second quarter of 2018. The other project is a very big project, investing together with 7 corporate

partners from Japan with a capacity of 480 MW in Ukujima, Japan. SPCG constantly seeks out to new opportunities in business expansion to strengthen our main business to create and add value for our shareholders.

On behalf of the Chairperson of SPCG, we would like to express our sincere gratitude to all of our shareholders and stakeholders for their trust and support for SPCG's operation. All directors, managers, and employees of SPCG are committed and dedicated to the mission to make the organization stronger and more sustainable in the future.

**(Dr. Wandee Khunchornyakong Juljarern)**  
Chairperson



## Message from the Chairperson of the Audit Committee

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**Mr. Wanchai Lawatanatakul**  
The Chairperson of  
the Audit Committee

In the year 2017, the Audit Committee performed its duties in accordance with the scope of duties and responsibilities assigned by the Board of Directors independently in line with the Securities and Exchange Commission, Thailand (SEC) requirements and good practices, the Stock Exchange of Thailand (SET). The Audit Committee meetings were held 4 times consist of executives, auditors and internal auditors. All of them always attend the meeting for consider issues exchange comment listen to the statement. It also provides useful suggestions for the management of the company.

The Audit Committee jointly carried out the work in full efficiency and the performance was in line with the well-established business plan. SPCG Public Company Limited (SPCG) has consistently improved its performance from the rapidly growth of subsidiary company, the Solar Power Roof Company Limited (SPR) that is the Solar Roof Installation business to residential, commercial and industrial buildings which is a clean energy-friendly business. It is also supported by the government for renewable energy investment. Therefore, the company is very successful. Currently, the company has plans to expand its solar farm investment abroad. In 2018, it is expected to realize revenue from the development of one solar farm project in Tottori, Japan.

The Audit Committee believes that the Company has adequate financial reporting and disclosure of information in accordance with financial reporting standards. Have a risk management system and internal control system. Effective Good Corporate Governance.





BEST  
**VALUE**



BEST  
**DESIGN**

### Total Energy Production of Solar Farms

Energy Production of Solar Farms (MWh)

Rank	Name	Energy (MWh)	Power (MW)	Year (MWh)
1)	Korat 1	4,594.00	855.22	49,886 MWh
2)	Korat 2	4,889.00	886.01	50,792 MWh
3)	Korat 3	2,401.00	794.52	31,758 MWh
4)	Korat 4	2,489.00	389.25	46,858 MWh
5)	Korat 5	4,960.00	795.48	46,827 MWh
6)	Korat 6	5,123.00	876.14	42,961 MWh
7)	Korat 7	5,757.00	338.36	46,847 MWh
8)	Korat 8	4,514.00	799.47	46,884 MWh
9)	Korat 9	5,124.00	822.38	45,877 MWh
10)	Khao Kae 1	4,474.00	884.48	39,679 MWh
11)	Khao Kae 2	4,126.00	676.46	39,725 MWh
12)	Khao Kae 3	4,484.00	846.78	44,976 MWh
13)	Khao Kae 4	4,891.00	897.01	44,499 MWh
14)	Khao Kae 5	2,407.00	486.79	46,196 MWh
15)	Khao Kae 6	5,101.00	886.06	31,838 MWh
16)	Khao Kae 7	4,961.00	726.49	39,847 MWh
17)	Khao Kae 8	5,526.00	771.37	46,842 MWh
18)	Khao Kae 9	4,769.00	865.36	39,822 MWh
19)	Khao Kae 10	4,822.00	881.86	39,422 MWh
20)	Sakon Nakhon 1	5,121.00	935.89	39,742 MWh
21)	Sakon Nakhon 2	5,129.00	897.62	32,149 MWh
22)	Nakhon Phanom 1	5,928.00	1,454.72	37,183 MWh
23)	Nakhon Phanom 2	5,928.00	136.87	32,483 MWh
24)	Nakhon Phanom 3	5,922.00	965.34	32,223 MWh
25)	Loei 1	4,424.00	799.36	39,284 MWh
26)	Loei 2	4,124.00	836.49	39,533 MWh
27)	Buriram 1	912.00	346.58	46,158 MWh
28)	Buriram 2	912.00	346.47	46,219 MWh
29)	Buriram 3	5,244.00	928.89	39,787 MWh
30)	Hong Kai 1	5,884.00	927.28	32,446 MWh
31)	Udon Thani 1	5,182.00	324.44	31,429 MWh
32)	Surin 1	5,184.00	708.24	31,344 MWh
33)	Surin 2	5,611.00	488.36	31,479 MWh
34)	Surin 3	4,962.00	986.89	31,289 MWh
35)	AJ	2,267.00	862.52	31,137 MWh
36)	TP	2,424.00	838.82	31,358 MWh

February 24, 2017 01:29:28 PM

BEST  
**OUTPUT**



BEST  
**SERVICE**



## General Information

**Company name** SPCG PUBLIC COMPANY LIMITED

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**English name** SPCG PUBLIC COMPANY LIMITED

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**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) Business of investment and development of solar farm engineering, procurement and construction (EPC) and operation, Maintenance and Monitoring (OM&M)
- (2) Business of manufacturing, distribute and installation of roll forming metal sheet including other related roof and wall cladding materials.
- (3) Business of supply and installation of solar roof

**Head office** 1 Capital Work Place Building, 10 Fl. Soi Jamjan, Sukhumvit Rd. Klongton-Nua, Wattana, Bangkok 10110

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**Factory location**

- (1) Solar farm business of corporation group are located in 10 provinces with the total of 36 projects.
- (2) Steel business is located on 8 Moo. 15, Bangplee Yai, Bangplee, Samutprakarn 10540.
- (3) Solar roof business is located on 1 Capital Work Place Building, 9Fl. Soi Jamjan Sukhumvit Rd. Klongton-Nua, Wattana, Bangkok 10110



**Registration number** 0107548000137

**Website** www.spcg.co.th

**Telephone** 0-2011-8111

**Facsimile** 0-2011-8112

**Registered capital** Shares 1,016,389,000

**Paid-up capital** Baht 923,990,000

**Par value** Baht 1 per share

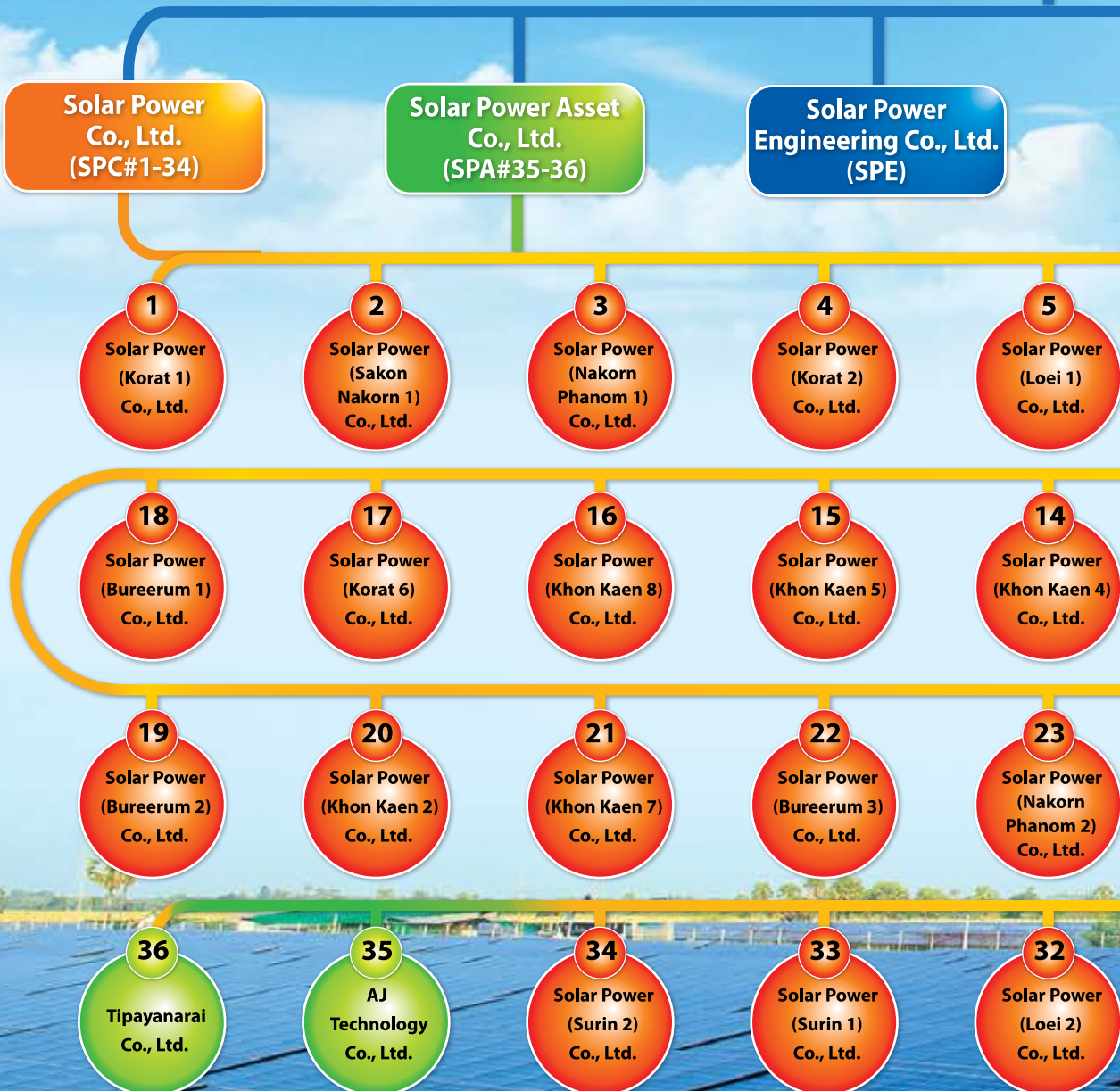
**Registrar** Thailand Securities Depository Co.,Ltd. ("TSD")  
93 Rachadaphisek Rd., Dindaeng, Dindaeng, Bangkok 10400  
Telephone 0-2009-9000 Facsimile 0-2009-9991

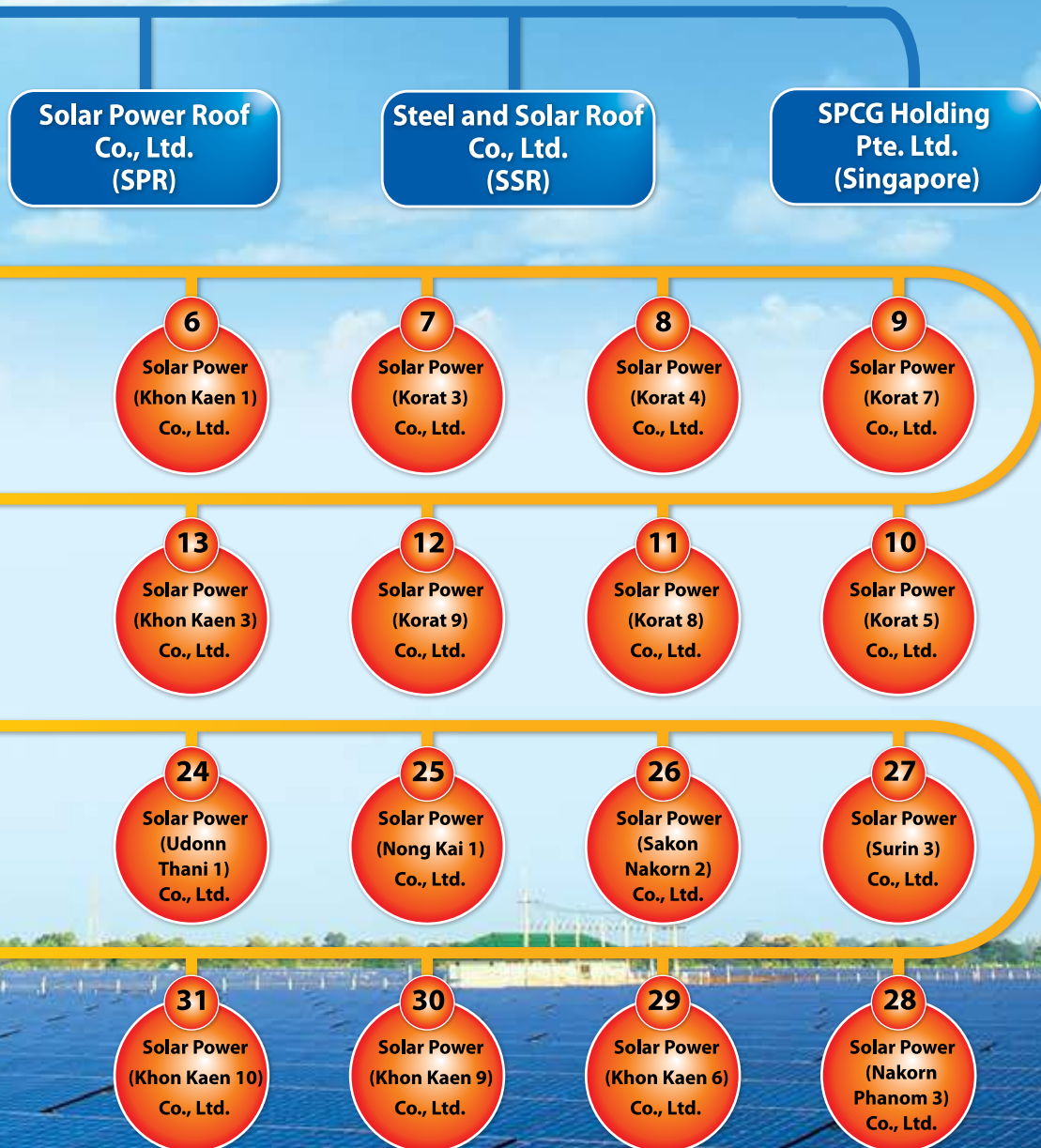
**Company's auditors** Mr. Vairoj Jindamaneepitak Certified Public Accountant No. 3565 or  
Mr. Natthaphong Tantichattanon Certified Public Accountant No. 8829 or  
Mr. Waiyawat Kasamarnchaikij Certified Public Accountant No. 6333  
KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> - 51<sup>st</sup> Floor, Empire Tower  
1 South Sathorn Road Yannawa, Sathorn Bangkok 10120  
Telephone 0-2677-2000 Fax.02-677-2222





# Corporate Structure Chart

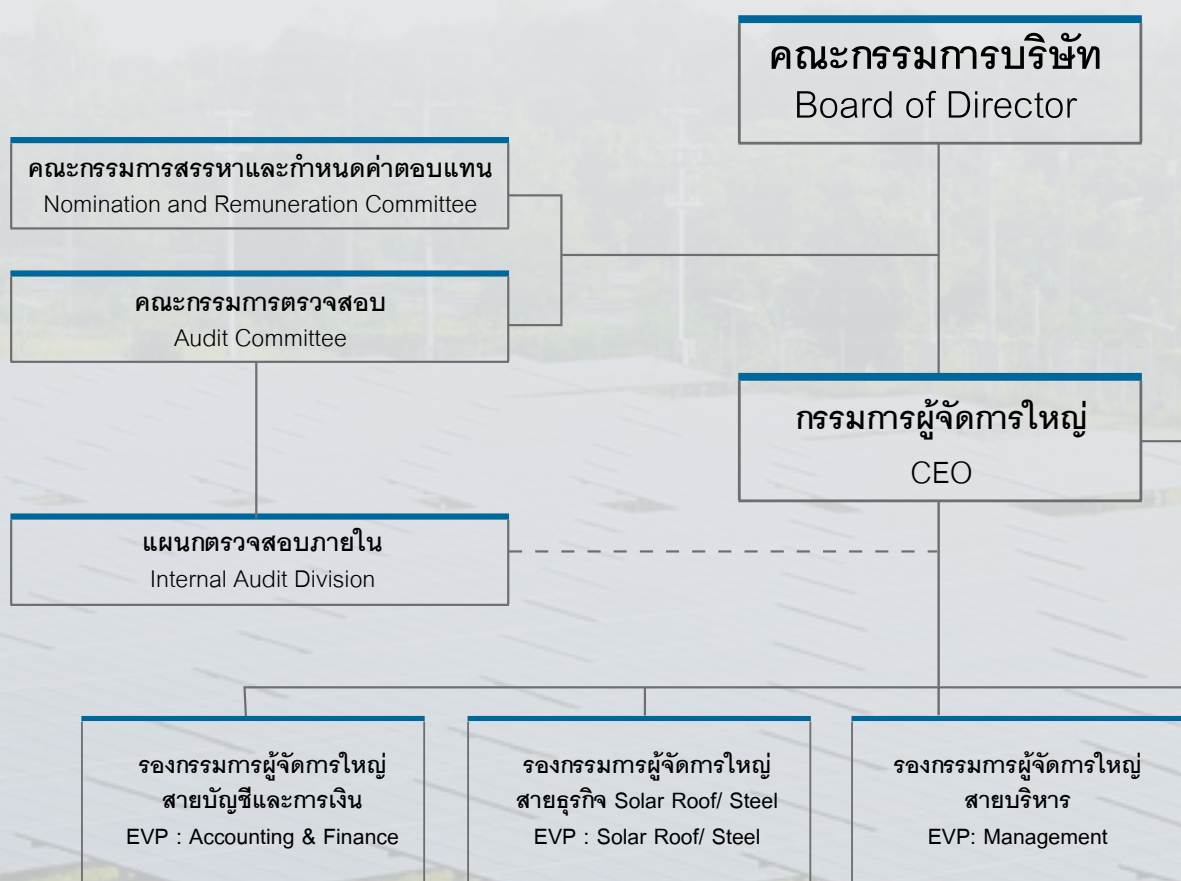




(Total 43 Companies)



## Organization Chart







## Board of Directors Executive Officers and Company Secretary



**Dr. Wandee**

**Khunchornyakong Juljarern**

Chairperson & Chief Executive  
Officer

**Mr. Jirakom Padumanon**

Director & Executive  
Vice President (Solar Roof & Steel)

**Mr. Somsak Khunchornyakong**

Director & Executive  
Vice President : Operation

**Mr. Withoon Manomaikul**

Director



**Mr. Wanchai Lawattanatrakul**

Chairperson of Audit Committee &  
Independent Director

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

Audit Committee and  
Independent Director

**POL.MAJ.GEN.Wanchai Wisuttinan**

Director

**Mr. Apichat Limsethanuwat**

Audit Committee and  
Independent Director

**Miss Parichat Saipia**

Company Secretary



**Dr. Wandee Khunchornyakong Juljarern**

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

**Education**

- Doctor of Philosophy (Strategic Leadership Supremacy), Suan Dusit Rajabhat University
- Honorable Doctor of Science (Energy and Environmental), Sripatum University
- Honorable Doctor of Business Administration, Western University
- Master of Science (Renewable Energy), Naresuan University
- Master of Public Administration, Suan Sunandha Rajabhat University
- Bachelor of Laws, Kasem Bundit University

**Training**

- Director Accreditation Program (DAP), Class 26/2004, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 51/2004, Thai Institute of Directors (IOD)
- Curriculum Politics and Public Administration of Democracy, 9th Class, King Prajadhipok's Institute
- National Defence, Class 2549, National Defence Studies Institute, Royal Thai Armed Forces
- Top Executives Course, Class 12, Capital Market Academy
- Energy Literacy for a sustainable Future (TEA) Class 2, Thailand Energy Academy
- Bhumi Palung Phandin for Executive Management, Class 4, Chulalongkorn University
- Thailand Insurance Leadership Program, Class 6, OIC Advance Insurance Institute, Office Insurance Commission
- Executive Leader Training, Class 293, National Scout Organization of Thailand
- Role of the Chairman Program (RCP), Class 27/2011, Thai Institute of Directors (IOD)

- Management Program Mini MBA, Class 13, Thammasat University
- Knowledge Training on Thailand Futures Exchange Securities Institute
- Marketing Management Course, Connecticut University, USA
- Renewable Energy Development and Utilization for Global, Environmental Protection by Department of Energy Development and Protection (DEDP), Thailand and New Energy Foundation (NEF), JAPAN

**Other current Position**

- Chairperson, Solar Power Co., Ltd.
- Chairperson, 34 subsidiaries of Solar Power Co., Ltd.
- Chairperson, Solar Power Asset Co., Ltd.
- Chairperson, 2 subsidiaries of Solar Power Asset Co., Ltd.
- Chairperson, Capital Resident Co., Ltd.
- Chairperson, Solar Power Engineering Co., Ltd.
- Chairperson, Solar Power Roof Co., Ltd.
- Chairperson, Capital Workplace Co., Ltd.
- Chairperson, SPCG Leasing Co., Ltd.<sup>(1)</sup>
- Chairperson, Steel & Solar Roof Co., Ltd.
- Director, Enegate (Thailand) Co., Ltd.<sup>(2)</sup>
- President of The National Council of Women of THAILAND under The Royal Patronage of Her Majesty The Queen, the 25th (2015 - 2018)
- Vice President of Ministry of Interior's Ladies Association
- Chairman, Housewives Club, Department of Local Administration

**Experiences**

- 1990 – 2007 Managing Director, Solartron Public Company Limited

**Remarks:** (1) Dissolution of SPCG Leasing Co., Ltd. on December 6, 2017

(2) Dissolution of Enegate (Thailand) Co., Ltd. on December 6, 2017

### Mr. Somsak Kunchornyakong

- Director
- Member of Recruitment and Remuneration Committee
- Executive Vice President (Operation)

#### Education

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

#### Training

- Director Accreditation Program (DAP), Class 55/2004, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 66/2005, Thai Institute of Directors (IOD)
- Advanced Budget Management Program (NESDB), 2nd edition, 2015, Office of the Budget
- Advance Security Management Program: ASMP8, The Association National Defence College of Thailand under The Royal of Patronage of His Majesty The King
- Advanced Class Insurance Program (Class 7), 2017
- Training on Information Security Management System (ISMS) in accordance with ISO / IEC 27001: 2013
- Training of Safety Officers at the Administration Level, year 2017
- Training Safety Officer at Executive Level, Thai-Nichi Institute of Technology (TNI)
- Training quality management control system (ISO 9001: 2000)
- Technology and Design Solar Pumping System Program 1991, Photovoltaic System and Application Program 1995, Solarex, Australia
- Solar Technology and Design Program 1995, Arco Solar, Singapore
- Solar Technology Program 1998 Showa shell, Phuket, Thailand
- Solar Technology System Program 2004 SMA Solar Academy and KMUTT, Bangkok, Thailand

- Solar Technology for Off Grid & On Grid Program 2008
- Solar Modules and Process Control Program 2008
- Solar Modules Technology Program 2009 Siemens AG, Germany
- Solar and Application Design Program 2009
- Solar System and Quality Control Program 2010
- Solar Technology and Long Term Reliability of System Program 2011, Kyocera Corporation, Tokyo, Japan

#### Other current positions

- Managing Director, Solar Power Co., Ltd.
- Director, 34 subsidiaries of Solar Power Co., Ltd.
- Director, Solar Power Asset Co., Ltd.
- Director, 2 subsidiaries of Solar Power Asset Co., Ltd.
- Director, Solar Power Engineering Co., Ltd
- Director, Steel & Solar Roof Co., Ltd
- Director, Solar Power Roof Co., Ltd.
- Director, SPCG Leasing Co., Ltd.<sup>(1)</sup>

#### Experiences

- 1990 - 2007 Chief Operating Officer, Solartron Public Company Limited

**Remarks:** (1) Dissolution of SPCG Leasing Co., Ltd. on December 6, 2017



**Mr. Jirakom Padumanon**

- Director
- Executive Vice President (Solar Roof & Steel)

**Education**

- Bachelor of Engineering (Electrical), Chulalongkorn University

**Training**

- Director Accreditation Program (DAP), Class 92/2011, Thai Institute of Directors (IOD)

**Other current Position**

- Director, Solar Power Co., Ltd.
- Director, Solar Power Engineering Co., Ltd.
- Director, Steel & Solar Roof Co., Ltd.
- Director, SPCG Leasing Co., Ltd.<sup>(1)</sup>
- Director, Solar Power (Sakon Nakorn 1) Co., Ltd.
- Director, Solar Power (Nakorn Phanom 1) Co., Ltd.
- Director, Solar Power (Korat 3) Co., Ltd.
- Director, Solar Power (Korat 4) Co., Ltd.
- Director, Solar Power (Korat 7) Co., Ltd.
- Director, Solar Power (Loei 2) Co., Ltd.
- Director, Solar Power (Khon Kaen 10) Co., Ltd.
- Director, Solar Power (Surin 1) Co., Ltd.
- Director, Solar Power (Surin 2) Co., Ltd.
- Project Director, JPEN Co., Ltd. (power plant subcontract)

**Experiences**

- 1990 – 2008 Engineering Advisor, Power Line Engineering Co., Ltd.
- 2008 – 2009 Engineering Advisor, Sanguan Wongse Industries Co., Ltd.

**Remarks:** (1) Dissolution of SPCG Leasing Co., Ltd. on December 6, 2017

**Mr. Withoon Manomaikul**

- Director

**Education**

- Bachelor of Business Administration, Suan Sunandha Rajabhat University

**Other current Position**

- Director and Managing Director, MNG group (2015) Co., Ltd.
- Director, Mangpong 1989 Public Company Limited
- Director, SPCG Leasing Co., Ltd.<sup>(1)</sup>

**Experience**

- 1992 - Present Managing Director, MNG Group (2015) Co., Ltd
- 2008 - Present Director, Mangpong 1989 Public Company Limited
- 2011 - Present Director, SPCG Public Company Limited

**Remarks:** (1) Dissolution of SPCG Leasing Co., Ltd. on December 6, 2017

**POL.MAJ.GEN.Wanchai Wisuttinan**

- Director

**Education**

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

**Training**

- Director Accreditation Program (DAP), Class 43/2005, Thai Institute of Directors (IOD)
- Finance for Non- Finance Directors (FN), Class 22/2005, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Class 11/2006, Thai Institute of Directors
- Improving the Quality of Financial Reporting (QFR), Class 4/2006, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 72/2006, Thai Institute of Directors (IOD)
- Long-Term Incentive: The Stock Appreciation Rights (SARs) Way 2006
- The cost to the survival of the business
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 9 (KPI 9) King Prajadhipok's Institute
- Advanced Police Certificate Course for Executives, Royal Malaysia Police College
- Academics Programme, Police Staff College, Bramshill, The UK
- The police investigation of International Police Academy (U.S.A.)

**Other current Position**

- Chairman of Recruitment, Yarnapund Public Company Limited
- Director and Member of Audit Committee, Yarnapund Public Company Limited
- Director, considering of committee of Film and Video, The Ministry of Culture
- Director, SPCG Leasing Co., Ltd.<sup>(1)</sup>

**Experiences**

- 2010 – 2013 Director of Ethics Committee, the Medical Department, The Ministry of Public Health
- Former Deputy Minister's Advisory, The Ministry of Finance
- Former Police Advisory Committee, The House of Representative
- Former Military Advisory Committee, The House of Representative
- Former Counsel of the Senate Committee on Justice and the Police Advisory Committee

**Remarks:** (1) Dissolution of SPCG Leasing Co., Ltd. on December 6, 2017



**Mr. Wanchai Lawattanatrakul**

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

**Education**

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

**Training**

- Finance for Non- Finance Directors (FND), Class 1/2003, Thai Institute of Directors (IOD)
- Director Certification Program (DCP), Class 43/2004, Thai Institute of Directors (IOD)
- Curriculum Politics and Public Administration of Democracy, Class 6, King Prajadhipok's Institute
- National Defence, Class 2549, National Defence Studies Institute, Royal Thai Armed Forces

**Other current positions**

- Director of Metropolitan Waterworks Authority (Thailand)
- Director of Thai Waterwork Association

**Experiences**

- 2013 – 2015 Managing Director of Eastern Water Resources Development and Management Public Company Limited
- 2013 – 2015 Director of Universal Utilities Public Company Limited
- 2008 – 2009 Director of Metropolitan Waterworks Authority (Thailand)

**Remarks:** Mr. Wanchai Lawattanatrakul has been appointed as the Chairperson of Audit Committee on April 24, 2017.

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

- Audit Committee
- Independent Director

**Education**

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

**Training**

- Director Accreditation Program (DAP) Class 146/2011, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) Class 38, 2012, Thai Institute of Directors (IOD)

**Other Current Position**

- Chairman of the Board of Directors And Chairman of the Audit Committee, Lam Soon (Thailand) Public Company Limited
- Director, AJ Technology (a subsidiary of SPCG Public Company Limited)

**Experiences**

- 2012 - 2013 Chairman of the Audit Committee And Independent Director, SPCG Public Company Limited.
- 2010 - 2011 Advisor to the Minister of Finance
- 2011 - Present Advisor to the Senate Police and Police Commission

**Remarks:** Dr. Art-ong Jumsai Na Ayudhya has been appointed as an Independent Director in replacement of Mr. Kiattichai Pongpanich due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.

**Mr. Apichat Limsethanuwat**

- Audit Committee
- Independent Director

**Education**

- Engineering (Civil Engineering), Chulalongkorn University

**Other Current Position**

- Pensioner

**Experiences**

- 1988 Civil Engineer, Nakhon Sawan Municipality.
- 2000 Chief Engineer Municipality of Sena Phranakhon Si Ayutthaya.
- 2005 Director of Engineering Mueang District, Nakhon Sawan Province.
- 2006 Director, Engineering Sing Buri Municipality.
- 2008 Engineering Director Chao Phraya Surasak, Chonburi.
- 2011 Civil Engineering Director Laem Chabang Municipality, Chonburi.

**Remarks:** Mr. Apichat Limsethanuwat has been appointed as an Independent Director in replacement of Asst.Prof.Dr. Siripong Preutthipan due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.

**Mr. Chanchai Banditsaowapak**

- Executive Vice President (Solar Farm)

**Education**

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

**Experiences**

- 2013 - 2014 Deputy Governor (Network Operation), Provincial Electricity Authority (PEA)
- 2011 - 2012 Assistant to Governor, Provincial Electricity Authority (PEA)
- 2015 - Executive Vice President, SPCG Public Limited Company

**Mr. Chaiwat Tangsuwanphanit**

- Executive Vice President (Accounting & Finance)

**Education**

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University

**Training**

- Director Accreditation Program (DAP), Class 31/2005, Thai Institute of Directors (IOD)

**Other Current Positions**

- Managing Director, Steel & Solar Roof Co., Ltd.

**Experiences**

- Assistant CEO, SPCG Public Company Limited

**Miss Parichat Saipia**

- Company Secretary

**Education**

- Bachelor of Business Administration (International Business), Ramkhamhaeng University

**Training**

- Advance for Corporate Secretaries, Thai Listed Companies Association
- Training on Information Security Management System (ISMS) in accordance with ISO / IEC 27001: 2013

**Experiences**

- 2008-2013 Secretary, Council of Engineers
- 2014-2015 Executive Secretary, SPCG Public Company Limited



- 
- Business Operation
  - Nature of Business
  - RISK FACTORS



# 1 Business Operation

## 1. Policy and Overall Business Operation

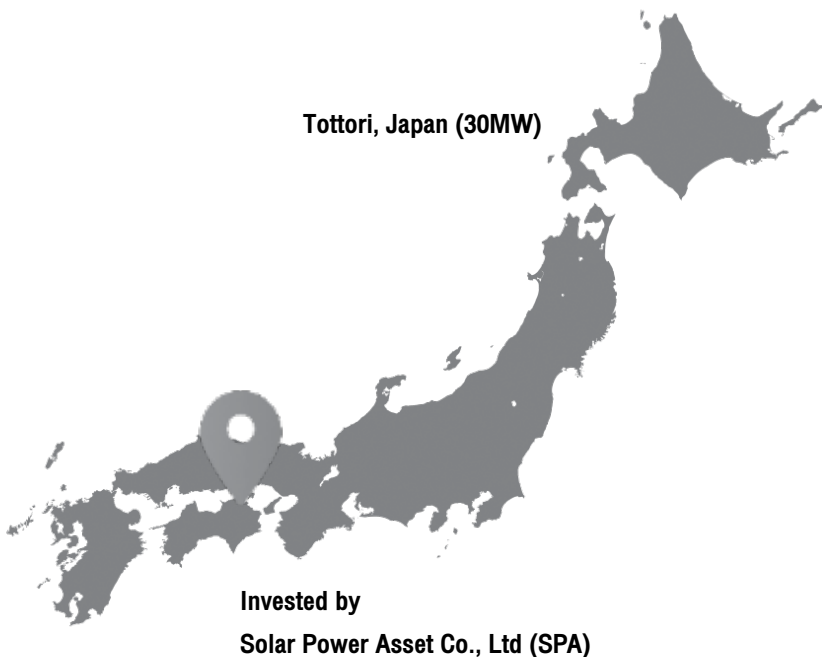
SPCG Public Company Limited (SPCG) is a listed company on the Stock Exchange of Thailand (SET) under the Energy & Utilities sector. SPCG is a holding company with the main purpose to own shares of 42 companies. SPCG has registered a total of 1,016,389,000 shares and registered paid-up capital of 923,990,000 Baht with a par value of 1 Baht per share.

SPCG is the pioneer of the Solar Farm Developer in Thailand and ASEAN. In 2014, SPCG has completed distribution electricity (Commercial Operation Date: COD) to Provincial Electricity Authority (PEA) for total 36 Solar farms with the installation capacity of 260

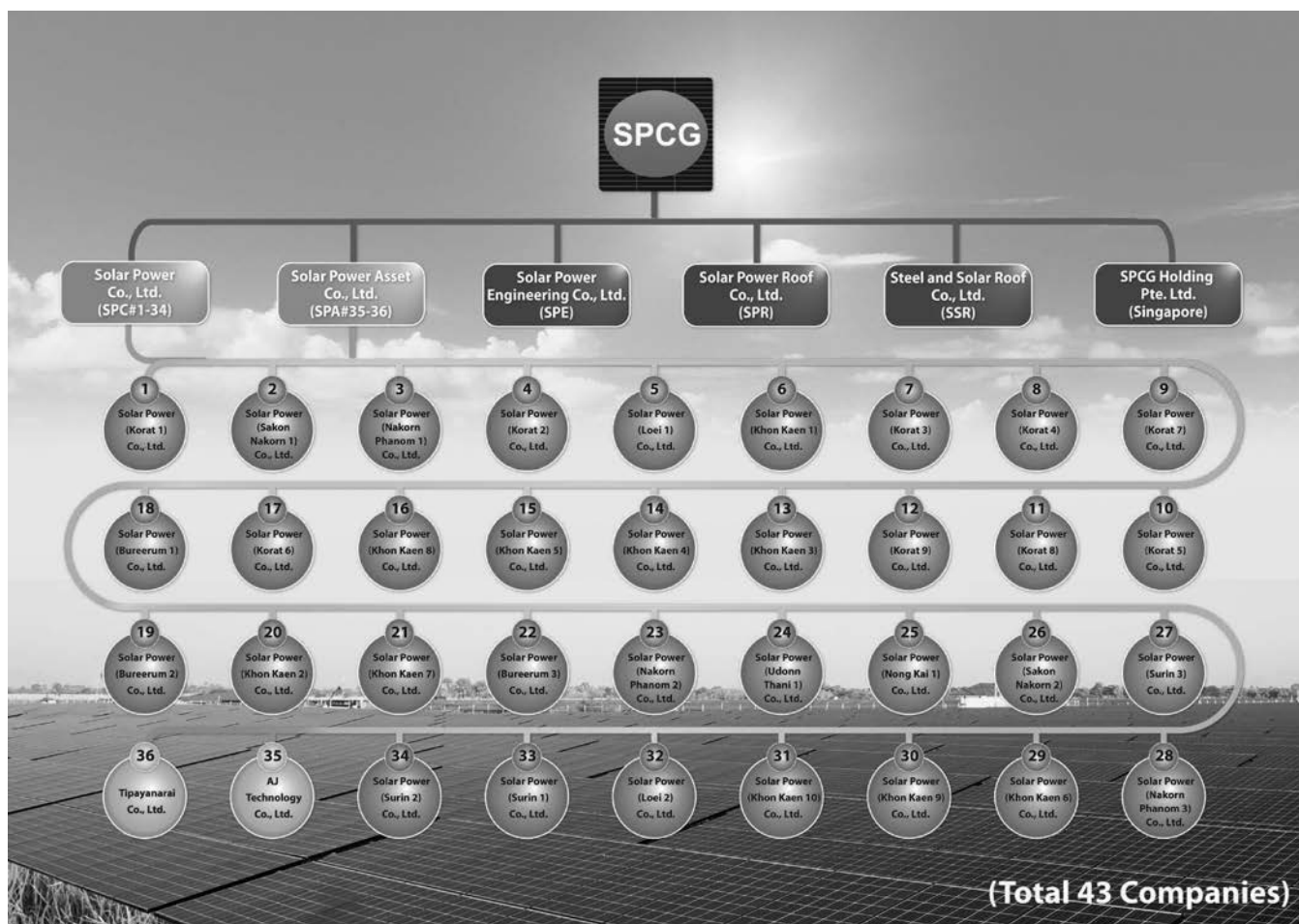
Megawatts, located in 10 provinces throughout the Northeast of Thailand that is Nakhon Ratchasima, Sakon Nakhon, Nakhon Panom, Khonkaen, Buriram, Surin, Nongkhai, Udonthani, Loei and Central of Thailand in Lopburi province with total land area about 5,000 Rais (2,000 Acres).

SPCG is the pioneer in Solar Roof Developer for residence, commercial and industrial since 2013.

SPCG expansion Solar Farm business by invest in Japan 30 Megawatt at Tottori which expended to COD on March 2018







No.	Company name and its subsidiary	Initial	Registered capital (Baht)	Business Type	COD <sup>1</sup>
1.	SPCG Public Company Limited	SPCG	1,016,389,000	Holding Company	-
2.	Solar Power Co.,Ltd.	SPC	1,500,000,000	<ul style="list-style-type: none"> <li>Solar Farm Developer</li> <li>Providing Procurement Engineering and Construction (EPC) and Operation, Maintenance and Monitoring (OM&amp;M) services for Solar Farm under Solar Power Company Limited</li> </ul>	-
3	Solar Power Engineering Co.,Ltd.	SPE	10,000,000	Providing EPC and OM&M services for other customers	-

No.	Company name and its subsidiary	Initial	Registered capital (Baht)	Business Type	COD <sup>1</sup>
4	Solar Power Asset Co.,Ltd.	SPA	240,000,000	A Joint Venture Business for Solar Farm Development	-
5	Solar Power Roof Co.,Ltd.	SPR	400,000,000	The Leader of Solar Power Roof Business	-
6	Steel and Solar Roof Co.,Ltd.	SSR	57,373,340	Manufacturing, distribution and installation services for steel roofing with structure and all fitting	-
7	SPCG Holding Pte Ltd. (Singapore)	-	1,000,000	Holding Company	-
8	Solar Power (Korat 1) Co.,Ltd.	KR1	320,000,000	Solar Farm Business	21 Apr 2010
9	SolarPower (Sakonnakhon 1) Co.,Ltd.	SN1	217,800,000	Solar Farm Business	9 Feb 2011
10	SolarPower (Nakhonpanom 1) Co.,Ltd.	NP1	218,100,000	Solar Farm Business	22 Apr 2011
11	SolarPower (Korat 2) Co.,Ltd.	KR2	219,900,000	Solar Farm Business	13 Sep 2011
12	SolarPower (Loei 1) Co.,Ltd.	LO1	220,500,000	Solar Farm Business	15 Sep 2011
13	SolarPower (Khonkaen 1) Co.,Ltd.	KK1	226,500,000	Solar Farm Business	15 Feb 2012
14	SolarPower (Korat 3) Co.,Ltd.	KR3	188,750,000	Solar Farm Business	9 Mar 2012
15	SolarPower (Korat 4) Co.,Ltd.	KR4	199,250,000	Solar Farm Business	14 May 2012
16	SolarPower (Korat 7) Co.,Ltd.	KR7	188,750,000	Solar Farm Business	30 May 2012
17	SolarPower (Korat 5) Co.,Ltd.	KR5	157,500,000	Solar Farm Business	15 Jan 2013
18	SolarPower (Korat 8) Co.,Ltd.	KR8	157,500,000	Solar Farm Business	15 Jan 2013
19	SolarPower (Korat 9) Co.,Ltd.	KR9	160,000,000	Solar Farm Business	16 Jan 2013
20	SolarPower (Khonkaen 3) Co.,Ltd.	KK3	157,500,000	Solar Farm Business	17 Jan 2013
21	SolarPower (Khonkaen 4) Co.,Ltd.	KK4	157,500,000	Solar Farm Business	17 Jan 2013
22	SolarPower (Khonkaen 5) Co.,Ltd.	KK5	157,500,000	Solar Farm Business	18 Jan 2013
23	SolarPower (Khonkaen 8) Co.,Ltd.	KK8	157,500,000	Solar Farm Business	18 Jan 2013
24	SolarPower (Korat 6) Co.,Ltd.	KR6	160,000,000	Solar Farm Business	26 Jun 2013
25	Solar Power (Buriram 1) Co.,Ltd.	BR1	160,000,000	Solar Farm Business	26 Jun 2013
26	Solar Power (Buriram 2) Co.,Ltd.	BR2	160,000,000	Solar Farm Business	26 Jun 2013
28	SolarPower (Khonkaen 7) Co.,Ltd.	KK7	162,500,000	Solar Farm Business	1 Oct 2013
29	Solar Power (Nakhonpanom 2) Co.,Ltd.	NP2	157,500,000	Solar Farm Business	27 Feb 2014
30	Solar Power (Nongkhai 1) Co.,Ltd.	NK1	157,500,000	Solar Farm Business	28 Feb 2014



No.	Company name and its subsidiary	Initial	Registered capital (Baht)	Business Type	COD <sup>1</sup>
31	Solar Power (Buriram 3) Co.,Ltd.	BR3	157,500,000	Solar Farm Business	6 Mar 2014
32	Solar Power (Nakhonpanom3) Co.,Ltd.	NP3	157,500,000	Solar Farm Business	10 Mar 2014
33	Solar Power (Udonthani 1) Co.,Ltd.	UD1	162,500,000	Solar Farm Business	1 Apr 2014
34	Solar Power (Loei 2) Co.,Ltd.	LO2	165,000,000	Solar Farm Business	24 Apr 2014
35	Solar Power (Sakonnakhon 2) Co.,Ltd.	SN2	157,500,000	Solar Farm Business	25 Apr 2014
36	Solar Power (Surin 3) Co.,Ltd.	SR3	157,500,000	Solar Farm Business	29 Apr 2014
37	Solar Power (Khonkaen 9) Co.,Ltd.	KK9	157,500,000	Solar Farm Business	20 May 2014
38	Solar Power (Khonkaen 10) Co.,Ltd.	KK10	165,000,000	Solar Farm Business	20 May 2014
39	Solar Power (Khonkaen 6) Co.,Ltd.	KK6	157,500,000	Solar Farm Business	30 May 2014
40	Solar Power (Surin 1) Co.,Ltd.	SR1	165,000,000	Solar Farm Business	27 Jun 2014
41	Solar Power (Surin 2) Co.,Ltd.	SR2	165,000,000	Solar Farm Business	27 Jun 2014
42	AJ Technology Co.,Ltd.	AJ	75,000,000	Solar Farm Business	25 Jun 2013
43	Tippayanarai Co.,Ltd.	TP	80,000,000	Solar Farm Business	25 Jun 2013

Remark: 1. COD (Commercial Operation Date)

2. Dissolution of ENEGATE (THAILAND) Co.,Ltd on December 6, 2017

3. Dissolution of SPCG Leasing Co., on December 6, 2017

## 1.1 Vision, Mission, Business Goals of SPCG and Subsidiaries

**Vision:** SPCG is the Leader in Solar Power Development with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm 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 as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services under the Standard Policy: “Best Value: Best Design: Best Output: Best Service To All of Customers”

**Business Goals:** SPCG currently operates 3 types: business of investment and development of solar farm, engineering procurement and construction (EPC) and operation, Maintenance and Monitoring (OM&M), business of manufacturing, distribute and installation of roll forming metal sheet including other related roof and wall cladding materials and business of supply and installation of solar roof with details business goals of these 3 types of business as follows:

### 1.1.1 Business of investment and development of solar farm, engineering procurement and construction (EPC) and operation, Maintenance and Monitoring (OM&M)

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 capability to develop solar farms both domestic and international commercial business in the future.

(2) To be the Leader and provide one-stop service in Engineering, Procurement and Construction (EPC) of Solar Farms.

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

(4) To provide knowledge to all people in the community regarding Solar Energy and its impact on environment through the Solar Farm Education Centre which has area over 1,000 square meter in the 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 as well as investment and EPC business in order to increase the business growth in the future?

### 1.1.2 Business of manufacturing, distribute and installation of roll forming metal sheet including other related roof and wall cladding materials

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 extremely 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's 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 roof

SPR believes the significant demand for our energy solutions results from the following value propositions under "Win Win Win"

- **WIN:** SPR's customer saves the energy costs by switching to clean solar energy for less than they currently pay for electricity from utilities.

- **WIN:** SPR focuses on quality. SPR top priority is to provide value and quality service to our customers. SPR has trained the professionals team to the highest engineering standards, overall quality and customer service during the installation process and throughout the entire life of the solar energy system.

- **WIN:** SPR makes it easy by performing the entire process – designing, permitting, financing, installing, maintenance and monitoring.

SPR has 3 target markets for Solar Roof Business with details as follows;

#### (1) Residential markets

On September 18, 2014, SPR has appointed The Home Product Center Public Company Limited or HomePro to be the only dealer of SPR Solar Roof for residences with 4 standard Sizes, which are S, M, L and XL

Recently, HomePro has provided display spaces for SPR in their 61 branches all over the country and 82 branches of HomePro with sell & service points for all customers. You may find more details information in our websites: [www.sprsolarroof.co.th](http://www.sprsolarroof.co.th) or HomePro Call Center: 02-831-6000

In the year 2017, SPR has continued to promote and advertise the products under the Brand "SPR Solar Roof", which is the leader in solar roof installation.



- On March 17-26, 2017, SPR exhibited booth to introduce SPR Solar Roof product at HomePro Expo 25, organized by Home Product Center Public Company Limited or HomePro. This is a showcase of home decoration from 300 leading manufacturers who discount the price and give the special promotions for customer at Hall 5-8 Exhibition and Convention Center Arena Muang Thong Thani, Nonthaburi.



• On March 23, 2017, SPR collaborated with the Business Service Private Banking sector, Kasikorn Bank Public Company Limited (Kbank) and Home Product Center Public Company Limited (HomePro) to launch the “SPR Solar Roof: the Innovative Energy Saving” for major customers of Kbank who are interested in solar energy and would like to install solar rooftop at SPCG headquarters building, Thonglor Soi 20, Bangkok.



• On July 11, 2017 SPR collaborated with the “Krungsri Executive” Bank of Ayudhya Public Company Limited and Home Product Center Public Company Limited (HomePro). To organize “Afternoon tea with CEO: SPCG”. To help guests understand more on solar roof power generation. On the topic “Reduce Crisis Costs with Solar Roof” to save the electrical bill and reduce the operating costs and also generate more profits for business owners. This event had a lot of attention from the manager and business owners at SPCG Public Company Limited’s headquarters, Soi Thonglor 20, Bangkok.



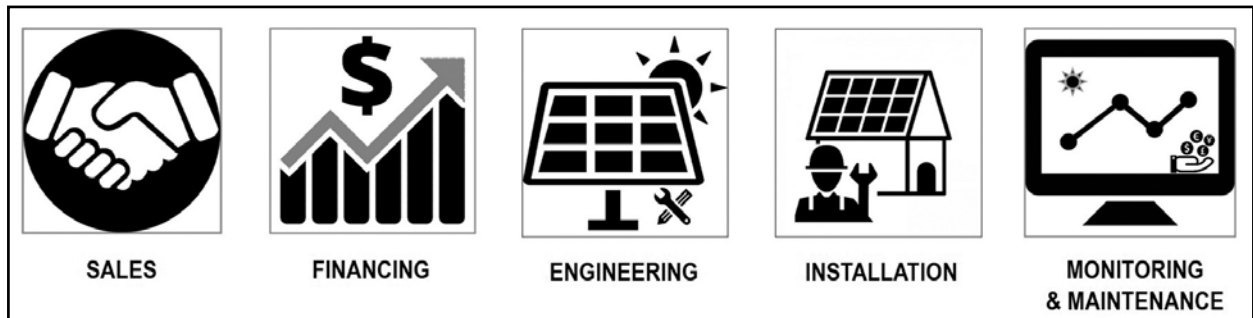
• On April 28, 2017, and May 1, 2017, SPR exhibited booth to introduce SPR Solar Roof product during the event “DBS: Induction day and First day of school 2017”. This event focus on the public relations and give the knowledge of Solar Roof Systems to Parents and School Teachers at Denla British Rajapruek School, Nonthaburi.



• On July 21-30, 2017 SPR exhibited booth to introduce the SPR Solar Roof product at the HomePro Fair 2 (HomePro Fair 2017), which has attracted many customers to open house survey for installing the solar panels on the roof.



• On November 18, 2017, SPR collaborated with Home Product Center Plc., or HomePro, to organize a seminar on topic “Investment on the liberal-free policy of solar roof with SPR”. To educate the public about solar roof power generation and the saving on home electrical bills. The seminar was a preparation for the general public who are interested in the liberal-free policy of solar roof. There were more than 95 participants at Phenix Room 1-3, Impact Exhibition and Convention Center, Muang Thong Thani.



### (2) Commercial markets

SPR has strategic partners with real estate companies to pioneer the installation of solar rooftop on business building, office building and government building, located in Bangkok and other provinces in order that customers can see clearly benefits of the installation and also reduce CO<sub>2</sub> that is main causes of global warming.

### (3) Industrial markets

SPR industrial customers represent the business sectors, including technology, retail, manufacture, agriculture, and more than a ten other businesses across Thailand. SPR industrial customer also includes homeowners within communities developed by home builders we have partnered. SPR also install solar roof for government entities, including Bank of Thailand and Stock Exchange of Thailand.

SPR has the unique strategy by work together with Kyocera Corporation, the highest quality of Solar Module brand. SPR always cares our customers to lower their energy costs in a simple and efficient process.

The key elements of our integrated customer-focused approach are illustrated below:

**Sales:** We market and sell our products and services through the customer that consume high electricity price in order to support customer to reduce their cost which result to increase in their profit. SPR has

strong sale team to organize and engage customers from initial stage to signed contracts. SPR intends to continue growing our sales teams and implement new approaches/business model to benefit our consumers on the solar roof systems in order to lower customer acquisition costs and further expand the market opportunity.

**Financing:** SPR has own financial leasing company to serve our customer by supporting them to install our solar roof systems with a bit upfront cost. SPR provides many pricing options to our customers to help make renewable, distributed energy accessible and affordable, either on a hire-purchase agreement or operating lease agreement. SPR continues focus on an innovative solar financing helps reduce customer cost of investment and offers an alternatives payment to our customers.

**Engineering:** SPR has strong engineering team to serve customer since the survey, installation, commissioning and after sale service. Our engineer design teams perform and customize solar roof layout.

**Installation:** SPR provides the one stop service to our customer when SPR complete the solar roof system design to our customer, SPR obtains all necessary installation permits. We always sets up the schedule with customers at the first meeting in order schedule the whole process with and arrange for interconnection to the utility power grid.



**Monitoring and Maintenance:** After connecting solar roof systems to the grid. SPR has the monitoring service room at the Head office in order to proprietary monitoring provided to our customers with a real-time view of their energy generation. SPR gathering the daily report, monthly report and also annually report in order to inform customer by collecting, monitoring to display performance data from customer solar roof systems,

including production levels, local weather, electricity usage and CO2 reduction. These monitoring systems allow us to confirm the continuing proper operation of our solar energy systems, to identify maintenance issues and to provide our customers with a better understanding of their energy usage, allowing them the opportunity to modify their usage accordingly.

## 1.2 Significant Changes & Development

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

25 April 2014	At the Annual General Shareholder Meeting for the year 2014, the shareholder 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. And, 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 Meeting of Shareholders has approved the Company's Transferable Subscription Authorized Capital to allocate ordinary share to increase the capital at the quantity of 83,998,952 shares, valued Baht 1 per share in order to increase the General Mandate Share Capital. Set the ordinary share to increase share capital by Private Placement of 83,998,952 shares.
9 May 2014	Approved to sell the Ordinary Shares of Solar Power ( KhonKaen 10) Co., Ltd., Solar Power (Loei 2) Co., Ltd., Solar Power (Surin 1) Co., Ltd.. Solar Power (Surin 2) Co., Ltd. which are Subsidiaries to PEA Encom International Co., Ltd. and made 4 contracts between shareholders.
5 June 2014	Approved to sell The Increasing Capital Ordinary Shares to Private Placement at the quantity of 83,998,952 shares and allocated these Increasing Capital Ordinary Shares of 83,998,952 shares to Gulf Energy Development Company Limited (GED) or GED Subsidiaries which GED has assigned with a person who are not involved and have any relationship with the Company by setting the ordinary shares' selling rate at Baht 21.93. Not 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 ending June 30, 2014. The dividend payment at Satang 40 per share is amount 923,990,000 share, amounting to Baht 369,596,000.
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.

25 April 2015	At the Annual General Shareholder Meeting for the year 2015, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the year 2015 at Baht 0.45 per share is amount 923,990,000 share, amounting to Baht 415,795,500 and will be paid on 15 May 2015.
27 August 2015	Established SPCG Leasing Co., Ltd. to providing leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems to support renewable energy policy for the country. Registered capital of Baht 1,000,000 and the company own the shares 100 per cent.
28 October 2015	The Extraordinary General Meeting of the Shareholders No. 1/2015, approved the issuance and offering of debentures in the amount not exceeding Baht 13,000 million for the purpose of on-lending to subsidiaries to refinance loans of such subsidiaries and/or operation and/or expansion of business and/or as working capital and/or for other purposes as deemed appropriate by the board of directors.
5 November 2015	The Board of Directors' Meeting No. 5/2015 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 - September 30, 2015. The dividend payment at Satang 44 per share is amount 923,990,000 share, amounting to Baht 406,555,600 and will be paid on 4 December 2015. Furthermore, approved additional legal reserve for the year 2015 amounting to Baht 43,550,821.70. Regarding the legal reserve fund as of 31 December 2014 was Baht 48,848,178.30. The total amount is Baht 92,399,000 that reached at 10 percent of its registered capital.
5 November 2015	The Board of Directors' Meeting No. 5/2015 approved the clearly objective of the issuance and offering of debentures of the Company as follow: "Proceeds from the issuance and offering of the debentures will be used for the purpose of on-lending to subsidiaries to refinance the full amount of loans of such subsidiaries and/or used for the related expenses of the issuance and offering of debentures"
14 December 2015	Approved the registration of SPCG Capital Co., Ltd.'s dissolution (SPCG Public Company Limited hold its shares 100%).
16 December 2015	The company has already issued and offered of the debentures in the amount of Baht 12,500 million to institutional investors and/or high net worth investors for on-lending to subsidiaries to refinance with 7 financial institutions. As a result of issuance and offering of the debentures, the company can unblock restricted cash from financial institutions in the amount of Baht 1,170 million and decrease any related expenses regarding the original loan and also redeem all of land mortgage and machines of 36 solar farms.
22 April 2016	At the Annual General Shareholder Meeting for the year 2016, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the Year 2015 accounting period October 1 – December 30, 2015 at Baht 0.81 per share is amount 923,990,000 share, amounting to Baht 748,431,900 and will be paid on 16 May 2016.

5 August 2016	The Board Directors' Meeting No.3/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – June 30, 2016 at Baht 0.40 per share is amount 923,990,000 share, amounting to Baht 369,596,000 and will be paid on 2 September 2016.
20 December 2016	The company relocation of the headquarter of the company on 19 December 2016 at 1 Capital Work Place Building, 10 Floor Soi Jamjan Klongton-nua Wattana Bangkok 10110.
24 February 2017	The Board of Directors' Meeting No. 1/2017 approved to open SPCG Holding Pte. Ltd. in Singapore which Private Company Limited
21 April 2017	At the Annual General Shareholder Meeting for the year 2017, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the year 2016 at Baht 0.70 per share is amount 923,990,000 share, amounting to Baht 646,793,000 and will be paid on 15 May 2017.
6 June 2017	The Extraordinary General Meeting of the Shareholders No. 1/2017, approved the increase of registered capital of the Company in an amount of Baht 92,399,000 from the existing registered capital of Baht 923,990,000 to Baht 1,016,389,000, by issuing 92,399,000 newly issued ordinary shares with a par value of Baht 1 per share to be allocated by way of private placement under the general mandate in the number of not exceeding 92,399,000 shares with a par value of Baht 1 per share.
11 August 2017	The Board of Directors' Meeting No. 4/2017 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – June 30, 2017 at Baht 0.50 per share is amount 923,990,000 share, amounting to Baht 461,995,000 and will be paid on 8 September 2017.
6 December 2017	Approved the registration of SPCG Leasing Co., Ltd.'s dissolution (SPCG Public Company Limited hold its shares 100%).



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

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 Provincial Electricity Authority (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 Provincial Electricity Authority (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 Provincial Electricity Authority (PEA)
10 March 2014	Commercial Operation Date (COD) Solar Farm, developed under the name Solar Power (Nakorn Phanom 3 ) Co., Ltd. by means of connecting transmission lines and distributing electricity to Provincial Electricity Authority (PEA)
9 May 2014	Sold Shares and signed contract between shareholders and PEA Encom International Company Limited in Solar Power (Loei 2) Co., Ltd., Solar Power (Khon Kaen 10) Co., Ltd., Solar Power (Surin 1) Co., Ltd. and Solar Power (Surin 2) Co., Ltd.
28 May 2014	Loaned Baht 3,300 million from SPCG Public Company Limited for Company's Equity Bridging loan for monetary institute at the amount of Baht 2,500 million. Distributed the Interim Dividend from Earned Surplus for the ending account of 31 March 2014 at the amount of Baht 596,172,778.70.
17 December 2014	Made a consideration to approve the Interim Dividend Baht 300,000,000.00. Made a consideration to approve the buy back shares from Energy for Environment Foundation (EforE) in accordance with Put and Call Option contract in Solar Power (Sakon Nakorn 1) Co.,Ltd. and Solar Power (Nakon Phanom 1) Co.,Ltd. for 2,178,000 shares and 2,180,000 shares accordingly at the amount of Baht 50,148,995 making shareholding of the Company increased to 61 %
16 June 2015	The Board of Directors' Meeting No. 3/2015 approved to pay interim dividend for the period January 1 - March 31, 2015 from unallocated retain earnings at Baht 2 per share amounting to Baht 150,000,000 shares in the total amount of Baht 300,000,000 and will be paid on 30 June 2015.
16 September 2015	The Board of Directors' Meeting No. 4/2015 approved to pay interim dividend for the period April 1 - June 30, 2015 from unallocated retain earnings at Baht 0.80 per share amounting to Baht 150,000,000 shares in the total amount of Baht 120,000,000 and will be paid on 30 September 2015.
16 November 2015	The Board of Directors' Meeting No. 6/2015 approved to pay interim dividend from net profit at Baht 7.30 per share amounting to Baht 150,000,000 shares in the total amount of Baht 1,095,000,000 and will be paid on 24 December 2015.
18 April 2016	At the Annual General Shareholder Meeting for the year 2016, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the Year 2015 accounting period October 1 December 30, 2015 at Baht 1.54 per share is amount 150,000,000 share, amounting to Baht 231,000,000 and will be paid on 19 April 2016.

3 June 2016	The Board Directors' Meeting No.2/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – May 31, 2016 at Baht 1.56 per share is amount 150,000,000 shares, amounting to Baht 234,000,000 and will be paid on 21 June 2016.
12 July 2016	The Board Directors' Meeting No.3/2016 approved to buy back from International Finance Corporation ("IFC") by market price an amounting to Baht 169,675,616 and approved Miss Wandee Khunchornyakong is signed or authorized to act on behalf of the company with the company seal to sign all documents related to the buy back of the company.
27 September 2016	The Board Directors' Meeting No.4/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period June 1 – August 31, 2016 at Baht 1.85 per share is amount 150,000,000 shares, amounting to Baht 277,500,000 and will be paid on 27 September 2016.
13 October 2016	The Extraordinary General Meeting of the Shareholders No. 1/2016, approved amendment of the company and amend the memorandum of association Article 3 for consistent with the company business operation.
20 December 2016	The Board Directors' Meeting No.6/2016 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period September 1 – November 30, 2016 at Baht 0.75 per share is amount 150,000,000 shares, amounting to Baht 112,500,000 and will be paid on 20 December 2016.
11 April 2017	At the Annual General Shareholder Meeting for the year 2017, approved to pay dividend from the Company's retained earnings of the Company's Financial Statements for the Year 2016 at Baht 1.85 per share is amount 150,000,000 shares, amounting to Baht 277,500,000 and will be paid on 21 April 2017.
22 June 2017	The Board Directors' Meeting No.2/2017 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period January 1 – May 31, 2017 at Baht 1.71 per share is amount 150,000,000 shares, amounting to Baht 256,500,000 and will be paid on 23 June 2017.
18 September 2017	The Board Directors' Meeting No.3/2017 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period June 1 – August 31, 2017 at Baht 1.27 per share is amount 150,000,000 shares, amounting to Baht 190,500,000 and will be paid on 22 September 2017.
15 December 2017	The Board Directors' Meeting No.4/2017 approved to pay interim dividend from the Company's retained earnings of the Company's Financial Statements for the accounting period September 1 – November 30, 2017 at Baht 1.08 per share is amount 150,000,000 shares, amounting to Baht 162,000,000 and will be paid on 15 December 2017.

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

NO.	Company name and its subsidiary	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
1	SPCG Public Company Limited	SPCG	16 Mar 2005	1,016,389,000	923,990,000	1	1. Khunchornyakong Family Group 2. Gulf International Investment (Hong Kong) Limited 3. Kyocera Corporation 4. Others	49.03 9.09 1.46 40.42
2	Solar Power Co., Ltd.	SPC	20 Aug 1996	1,500,000,000	150,000,000	10	SPCG Public Company Limited	100
3	Solar Power Engineering Co., Ltd.	SPE	3 Aug 2011	10,000,000	1,000,000	10	SPCG Public Company Limited	100
4	Solar Power Asset Co., Ltd.	SPA	4 May 2012	240,000,000	24,000,000	10	SPCG Public Company Limited	100
5	Solar Power Roof Co., Ltd.	SPR	1 May 2013	400,000,000	4,000,000	100	SPCG Public Company Limited	100
6	Steel and Solar Roof Co., Ltd.	SSR	5 Sep 2011	57,373,340	5,737,334	10	SPCG Public Company Limited	100
7	SPCG Holding Pte Ltd. (Singapore)	-	21 Apr 2017	1,000,000	1,000,000	1	SPCG Public Company Limited	100
8	Solar Power (Korat 1) Co., Ltd.	KR1	19 Aug 2009	320,000,000	32,000,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	85 15
9	Solar Power (Sakon Nakorn1) Co., Ltd.	SN1	25 Dec 2009	217,800,000	21,780,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	70 30
10	Solar Power (Nakon Phanom 1) Co., Ltd.	NP1	5 Jan 2010	218,100,000	21,810,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	70 30
11	Solar Power (Korat 2) Co., Ltd.	KR2	25 Feb 2010	219,900,000	21,990,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	56 45
12	Solar Power (Loei 1) Co., Ltd.	LO1	25 Dec 2009	220,500,000	22,050,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	56 44
13	Solar Power (Khon Khen 1)	KK1	29 Dec 2009	226,500,000	22,650,000	10	1. Solar Power Co., Ltd. 2. Thaifah Power Co., Ltd.	70 30
14	Solar Power (Korat 3) Co., Ltd.	KR3	26 Mar 2010	188,750,000	18,875,000	10	1. Solar Power Co., Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
15	Solar Power (Korat 4) Co., Ltd.	KR4	26 Mar 2010	199,250,000	19,925,000	10	1. Solar Power Co., Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
16	Solar Power (Korat 7) Co., Ltd.	KR7	26 Mar 2010	188,750,000	18,875,000	10	1. Solar Power Co., Ltd. 2. Ratchaburi Electricity Generating Holding Public Company Limited	60 40
17	Solar Power (Korat 5) Co., Ltd.	KR5	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
18	Solar Power (Korat 8) Co., Ltd.	KR8	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
19	Solar Power (Korat 9) Co., Ltd.	KR9	26 Mar 2010	160,000,000	16,000,000	10	Solar Power Co., Ltd.	100



NO.	Company name and its subsidiary	Initial	Registered Date	Registered Capital	Quantity of Share	Value per Share	Shareholder	Total (%)
20	Solar Power (Khon Khen 3) Co., Ltd.	KK3	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
21	Solar Power (Khon Khen 4) Co., Ltd.	KK4	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
22	Solar Power (Khon Khen 5) Co., Ltd.	KK5	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
23	Solar Power (Khon Khen 8) Co., Ltd.	KK8	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
24	Solar Power (Korat 6) Co., Ltd.	KR6	26 Mar 2010	160,000,000	16,000,000	10	Solar Power Co., Ltd.	100
25	Solar Power (Buriram 1) Co., Ltd.	BR1	29 Mar 2009	160,000,000	16,000,000	10	Solar Power Co., Ltd.	100
26	Solar Power (Buriram 2) Co., Ltd.	BR2	25 Mar 2010	160,000,000	16,000,000	10	Solar Power Co., Ltd.	100
27	Solar Power (Khon Khen 2) Co., Ltd.	KK2	26 Mar 2010	165,000,000	16,500,000	10	Solar Power Co., Ltd.	100
28	Solar Power (Khon Khen 7) Co., Ltd.	KK7	26 Mar 2010	162,500,000	16,250,000	10	Solar Power Co., Ltd.	100
29	Solar Power (Nakon Phanom 2) Co., Ltd.	NP2	25 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
30	Solar Power (NongKai 1) Co., Ltd.	NK1	5 Jan 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
31	Solar Power (Buriram 3) Co., Ltd.	BR3	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
32	Solar Power (Nakon Phanom 3) Co., Ltd.	NP3	25 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
33	Solar Power (Udon Thani 1) Co., Ltd.	UD1	6 Jan 2010	162,500,000	16,250,000	10	Solar Power Co., Ltd.	100
34	Solar Power (Loei 2) Co., Ltd.	LO2	25 Mar 2010	165,000,000	16,500,000	10	1. Solar Power Co., Ltd. 2. PEA Encom International Co., Ltd.	75 25
35	Solar Power (Sakon Nakorn2)	SN2	25 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
36	Solar Power (Surin 3) Co., Ltd.	SR3	25 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
37	Solar Power (Khon Khen 9) Co., Ltd.	KK9	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
38	Solar Power (Khon Khen 10) Co., Ltd.	KK10	26 Mar 2010	165,000,000	16,500,000	10	1. Solar Power Co., Ltd. 2. PEA Encom International Co., Ltd.	75 25
39	Solar Power (Khon Khen 6) Co., Ltd.	KK6	26 Mar 2010	157,500,000	15,750,000	10	Solar Power Co., Ltd.	100
40	Solar Power (Surin 1) Co., Ltd.	SR1	24 Dec 2009	165,000,000	16,500,000	10	1. Solar Power Co., Ltd. 2. PEA Encom International Co., Ltd.	75 25
41	Solar Power (Surin 2) Co., Ltd.	SR2	25 Mar 2010	165,000,000	16,500,000	10	1. Solar Power Co., Ltd. 2. PEA Encom International Co., Ltd.	75 25
42	AJ Technology Co., Ltd.	AJ	18 Feb 1987	75,000,000	750,000	100	1. Solar Power Asset Co., Ltd. 2. Dr. Art-ong Jumsai Na Ayudhya	75 25
43	Thippayanarai Co., Ltd.	TP	18 Mar 2005	80,000,000	800,000	100	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 (SET) under the Energy & Utilities sector. SPCG is a holding company with the main purpose to own shares of 42 companies. SPCG has registered a total of 1,016,389,000 shares and registered paid-up capital of 923,990,000 Baht with a par value of 1 Baht per share.

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), SPCG also run the Steel Business that distribute, install steel roof, structure and all Fitting business included providing leasing business for companies and manufactures to invest in Solar Roof and other saving energy systems.

### Solar Power Company Limited

Solar Power Company Limited (SPC) is established on August 20, 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” (OM&M) for Solar Farms under SPCG Group.

SPC has started business on June 1, 2008 by getting 34 Solar Power Purchase Agreement (PPAs) with Provincial Electricity Authority (PEA) 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 unit 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) “Engineering, Procurement and Construction” (EPC) and “Operation, Maintenance and Monitoring” (OM&M) of solar farms both domestically and internationally.

#### **Steel and Solar Roof Company Limited**

Steel and Solar Roof Co.,Ltd (SSR) is 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 included the preferred base metal thickness (BMT) depending on requirement.

#### **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. All in all, EMS will contribute to energy efficiency and environmental conservation in Thailand and ASEAN countries in direct and indirect manners.

EGT has registered the dissolution of the company on December 6, 2017

#### **Solar Power Assets Company Limited**

Solar Power Asset Co., Ltd. (SPA) is established on May 4, 2012 with a registered capital of Baht 112,500,000. SPA is the Holding company and has 2 subsidiaries, AJ Technology Co., Ltd. (AJ) and Tipayanarai Co., Ltd. (TP) which received the Power Purchase Agreement (PPAs) to sell the solar energy with the installed capacity of 3 megawatts. Both companies are located in Lopburi Province. SPA has completed both Solar Farms and COD since June 25, 2013. Then, SPA has increased registered capital to 240,000,000 Baht in order to invest in solar farm business internationally.

#### **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. Which is the pioneer of Solar Roof developer in Thailand and ASEAN for residence, business building, office building, and industry factory. In addition, since September 18, 2014 SPR appointed the Home Product Center Public Company Limited (HomePro) to be the dealer of SPR Solar Roof, not exceeded 10 Kilowatts for residence market to install



and selling electricity to Metropolitan Electricity Authority (MEA) or Provincial Electricity Authority (PEA) and energy saving in households.

#### SPCG Leasing Company Limited

SPCG Leasing Company Limited (SPCG Leasing) is established on August 27, 2015 with registered capital of Baht 1,000,000 to provide leasing services for companies and manufactures to invest in Solar development system and solar rooftop in order to support energy saving and renewable energy for the country.

SPCG Leasing has registered the dissolution of the company on December 6, 2017

#### SPCG Holding Pte Ltd. (Singapore)

SPCG Holding Pte Ltd. (Singapore) is established on April 21, 2017 with registered capital of Baht 1,000,000, is a holding company with the main purpose to Private Company Limited and represented by SPCG in order to invest in solar farm business internationally. It also supports the financial transactions of SPCG and subsidiaries.

## 2.1 Overview of the Company business

### Business structure and overview of SPCG and subsidiaries

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
1	Solar Power (Korat 1) Co., Ltd.	5.88	Nakhon Ratchasima	320,000,000	85%	15 May 2009	21 Apr 2010
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	5.88	Sakon Nakhon	217,800,000	70%	19 Jun 2009	9 Feb 2011
3	Solar Power (Nakorn Phanom 1) Co., Ltd.	5.88	Nakhon Phanom	218,100,000	70%	18 Jun 2009	22 Apr 2011
4	Solar Power (Korat 2) Co., Ltd.	5.88	Nakhon Ratchasima	219,900,000	56%	27 July 2009	13 Aug 2011
5	Solar Power (Loei 1) Co., Ltd.	5.88	Loei	220,500,000	56%	29 July 2009	15 Aug 2011
6	Solar Power (Khon Kean 1) Co., Ltd.	5.88	Khon Kaen	226,500,000	70%	28 July 2009	15 Feb 2012
7	Solar Power (Korat 3) Co., Ltd.	5.88	Nakhon Ratchasima	188,750,000	60%	8 Jan 2010	9 Mar 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.	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 Jan 2013

NO.	Name of Solar Farm	Capacity under the PPA. (MW)	The Province	registered Capital	The proportion of investment SPC	Agreement dated	COD
11	Solar Power (Korat 8) Co., Ltd.	5.88	Nakhon Ratchasima	157,500,000	100%	8 Jan 2010	15 Jan 2013
12	Solar Power (Korat 9) Co., Ltd.	5.88	Nakhon Ratchasima	160,000,000	100%	8 Jan 2010	16 Jan 2013
13	Solar Power (Khon Kean 3) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	17 Jan 2013
14	Solar Power (Khon Kean 4) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	17 Jan 2013
15	Solar Power (Khon Kean 5) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	18 Jan 2013
16	Solar Power (Khon Kean 8) Co., Ltd.	5.88	Khon Kaen	157,500,000	100%	8 Jan 2010	18 Jan 2013
17	Solar Power (Korat 6) Co., Ltd.	5.88	Nakhon Ratchasima	160,000,000	100%	8 Jan 2010	26 Jun 2013
18	Solar Power (Bureerum 1) Co., Ltd.	5.88	Buriram	160,000,000	100%	8 Jan 2010	26 Jun 2013
19	Solar Power (Bureerum 2) Co., Ltd.	5.88	Buriram	160,000,000	100%	8 Jan 2010	26 Jun 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	Lopburi	75,000,000	75%	18 Aug 2011	25 June 2013
36	Tipayanarai Company Limited (TP)	3.00	Lopburi	80,000,000	100%	18 Aug 2011	25 June 2013

## 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. Revenue from investment and development of Solar Farms
2. Revenue from Engineering Procurement Construction (EPC) services
3. Revenue from Operation and Maintenance, and Monitoring (OM&M) services

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

1. Revenue from Sales
2. Revenue from Sales with Installation

**2.2.3 Revenue from Solar power roof is divided into 2 parts**

1. Revenue from Sales
2. Revenue from Sales with Installation

The Company's revenue structures for the year ended 31<sup>st</sup> December 2015, 2016 and 2017 are summarized as below;

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



	Company financial statement						Consolidated financial statement					
	For the year ended 31-Dec-15		For the year ended 31-Dec-16		For the year ended 31-Dec-17		For the year ended 31-Dec-15		For the year ended 31-Dec-16		For the year ended 31-Dec-17	
	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
	-	-	-	-	-	-	4,529.50	89.6	4,361.50	78.7	4,273.0	69.8
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	6.0	0.1
	-	-	-	-	-	-	4,529.50	89.6	4,361.50	78.7	4,279.0	69.9
	-	-	-	-	-	-	163	3.2	143.1	2.6	148.2	2.4
	-	-	-	-	-	-	93.1	1.8	68.3	1.2	61.9	1.0
	-	-	-	-	-	-	256.1	5	211.4	3.8	210.1	3.4
	-	-	-	-			12.8	0.3	12.4	0.2	19.7	0.3
	-	-	-	-			201.6	4	862.8	15.6	1,499.6	24.5
	-	-	-	-			214.4	4.3	875.2	15.8	1,519.3	24.8
	1,904.10	100	1,636.90	100	1,615.4	100.0	57.6	1.1	96.2	1.7	114.8	1.9
	1,904.10	100	1,636.90	100	1,615.4	100.0	5,057.60	100	5,544.30	100	6,123.2	100.0

Remark: \* Percentage of the total revenues

## 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 31<sup>st</sup> December 2015, 2016 and 2017 are summarized as below

Revenue structure	For the year ended 31-Dec-15		For the year ended 31-Dec-16		For the year ended 31-Dec-17	
	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
1-Solar Power (Korat 1) Co., Ltd.	132.5	2.9	126.7	2.9	125.4	2.9
2-Solar Power (Sakon Nakorn 1) Co., Ltd.	126.3	2.8	120.6	2.8	119.1	2.8
3-Solar Power (Nakorn Phanom 1) Co., Ltd.	122.9	2.7	119.4	2.7	117.6	2.8
4-Solar Power (Korat 2) Co., Ltd.	132.9	2.9	127.6	2.9	126.5	3.0
5-Solar Power (Loei 1) Co., Ltd.	123.3	2.7	117.3	2.7	113.0	2.6
6-Solar Power (Khon Kean 1) Co., Ltd.	123.9	2.8	121.9	2.8	117.5	2.8
7-Solar Power (Korat 3) Co., Ltd.	131.6	2.9	126.3	2.9	123.8	2.9
8-Solar Power (Korat 4) Co., Ltd.	128.9	2.9	122.6	2.8	119.6	2.8
9-Solar Power (Korat 7) Co., Ltd.	130.8	2.9	125.6	2.9	123.4	2.9
10-Solar Power (Korat 5) Co., Ltd.	133.0	2.9	127.4	2.9	125.7	2.9
11-Solar Power (Korat 8) Co., Ltd.	132.9	2.9	127.6	2.9	126.3	3.0
12-Solar Power (Korat 9) Co., Ltd.	129.9	2.9	124.5	2.9	121.2	2.8
13-Solar Power (Khon Kean 3) Co., Ltd.	125.9	2.8	123.2	2.8	119.6	2.8
14-Solar Power (Khon Kean 4) Co., Ltd.	122.3	2.7	119.7	2.7	118.6	2.8
15-Solar Power (Khon Kean 5) Co., Ltd.	129.5	2.9	126.1	2.9	124.3	2.9
16-Solar Power (Khon Kean 8) Co., Ltd.	132.6	2.9	128.2	2.9	125.2	2.9
17-Solar Power (Korat 6) Co., Ltd.	132.7	2.9	127.2	2.9	126.2	3.0
18-Solar Power (Bureerum 1) Co., Ltd.	133.3	2.9	127.4	2.9	123.9	2.9
19-Solar Power (Bureerum 2) Co., Ltd.	131.3	2.9	126.5	2.9	122.2	2.9
20-Solar Power (Khon Kean 2) Co., Ltd.	127.9	2.8	125.8	2.9	122.2	2.9
21-Solar Power (Khon Kean 7) Co., Ltd.	129.3	2.9	125.2	2.9	123.6	2.9
22-Solar Power (Nakorn Phanom 2) Co., Ltd.	125.1	2.8	119.9	2.7	117.1	2.7

Revenue structure	For the year ended 31-Dec-15		For the year ended 31-Dec-16		For the year ended 31-Dec-17	
	Amount (\$Million)	%	Amount (\$Million)	%	Amount (\$Million)	%
23-Solar Power (Nong Kai 1) Co., Ltd.	126.6	2.8	120.3	2.8	116.8	2.7
24-Solar Power (Bureerum 3) Co., Ltd.	133.6	3.0	129.4	3.0	125.7	2.9
25-Solar Power (Nakorn Phanom 3) Co., Ltd.	127.8	2.8	122.8	2.8	118.3	2.8
26-Solar Power (Udon Thani 1) Co., Ltd.	128.1	2.8	123.7	2.8	116.1	2.7
27-Solar Power (Loei 2) Co., Ltd.	122.2	2.7	118.2	2.7	113.7	2.7
28-Solar Power (Sakon Nakorn 2) Co., Ltd.	130.5	2.9	125.5	2.9	123.1	2.9
29-Solar Power (Surin 3) Co., Ltd.	135.9	3.0	131.0	3.0	129.7	3.0
30-Solar Power (Khon Kean 9) Co., Ltd.	124.0	2.7	120.3	2.8	118.5	2.7
31-Solar Power (Khon Kean 10) Co., Ltd.	126.0	2.8	122.2	2.8	119.5	2.8
32-Solar Power (Khon Kean 6) Co., Ltd.	128.2	2.8	125.7	2.9	124.2	2.9
33-Solar Power (Surin 1) Co., Ltd.	136.8	3.0	128.1	2.9	129.9	3.0
34-Solar Power (Surin 2) Co., Ltd.	137.5	3.0	128.9	3.0	128.3	3.0
35-AJ Technology Company Limited (AJ)	66.4	1.5	63.8	1.5	63.0	1.4
36-Tipayanarai Company Limited (TP)	67.1	1.5	64.9	1.5	64.2	1.5
<b>Total revenue from sales of electricity</b>	<b>4,529.5</b>	<b>100.0</b>	<b>4,361.5</b>	<b>100.0</b>	<b>4,273.0</b>	<b>99.9</b>
Revenue from sales	-	-	-	-	6.0	0.1
<b>Total revenue from solar power plant business</b>	<b>4,529.5</b>	<b>100.0</b>	<b>4,361.5</b>	<b>100.0</b>	<b>4,279.0</b>	<b>100.0</b>

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



## 3 RISK FACTORS

SPCG Public Company Limited is currently operated in 3 main businesses as follows

3.1 Our Solar Farm business operates under “Solar Power Co., Ltd. (SPC)”, “Solar Power Asset Co., Ltd. (SPA)” and “Solar Power Engineering Co., Ltd. (SPE)” which are separated into three business units:

- Investment in Solar Farm business
- Engineering, Procurement and Construction Services (EPC) for the Solar Farm Projects.
- Operation, Maintenance, and Monitoring Services (OM&M)

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

3.3 Steel Roof, Structure and all fitting 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) Risks from Relying on a Single Manufacturer of Solar Photovoltaic (PV) Panels and Inverters.

All of our Solar Farms use 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).

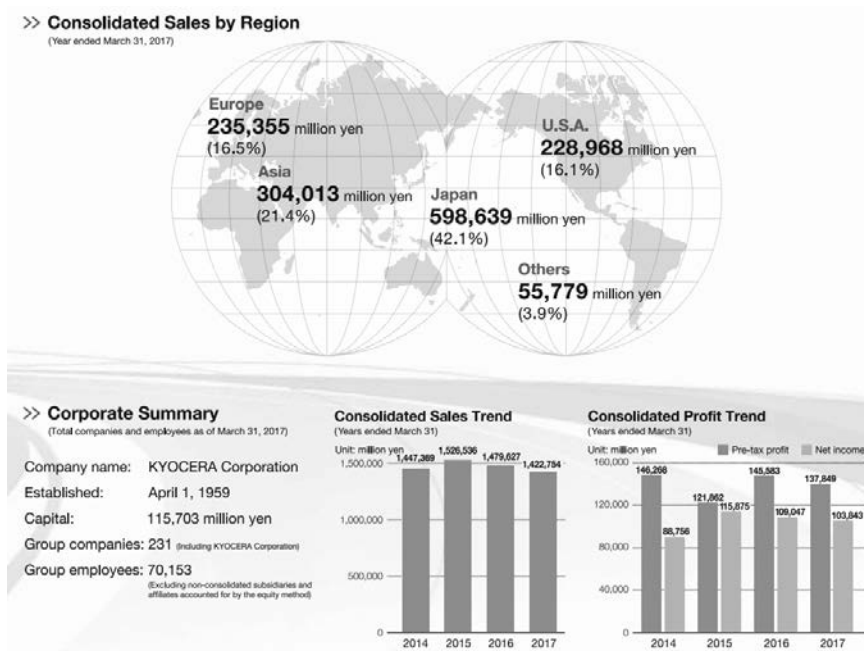
Kyocera Corporation, Japan was established on April 1, 1959 and listed on New York Stock Exchange and Tokyo Stock Exchange. Kyocera has long term financial strength, no loss for over its 60 Years operation. As at March 31, 2017, Kyocera has paid-up capital of JPY 115,703 million. Its consolidated net sale is JPY 1,422,754 million with net income amount of JPY 103,843 million. Kyocera has 70,153 employees under 231 companies. Details as follows figures:

#### >> Consolidated Sales by Segment

(Starting from fiscal 2018, Kyocera will change the classification of its reporting segments. Sales for fiscal 2017 have been restated in line with this change to reporting segment classifications.)

Consolidated Sales: **1,422,754** million yen (Year ended March 31, 2017)

Industrial & Automotive Components 16.2%	Communications 17.7%	Others 1.5%
Fine Ceramic Components	Smartphones	Hotels, etc.
Automotive Components	Feature Phones	
Displays	Tablets	
Cutting Tools	IoT Modules	Adjustments and Eliminations -2.9%
Optical Components	Information Systems & Telecommunication Services	
Semiconductor Components 17.3%	Document Solutions 22.8%	
Ceramic Packages & Substrates	Printers & Multifunctional Products	
Organic Materials	Solutions Business	
Organic Packages & Printed Wiring Boards		
Electronic Devices 16.9%	Life & Environment 10.5%	
Capacitors	Solar Energy	
SAW Devices	Medical & Dental Products	
Crystal Devices	Jewelry & Kitchen Tools, etc.	
Power Devices		
Connectors		
Printing Devices		
Total Components Business 50.4%	Total Equipment & Systems Business 51.0%	Others + Adjustments and Eliminations -1.4%



Resource: <http://global.kyocera.com/company/download/index.html>

SMA is listed on the Frankfurt Stock Exchange. They engaged in the manufacture and sale of large inverters and used around the world more than 50 Gigawatts installed base worldwide. SMA has a subsidiary which supports the operation of solar energy can cover both the production and maintenance. SMA is the leader of inverter technology for over 30 years. SMA sales Euro 592.5 million and total power generation of over 5,894 Megawatt (Information as of September 30, 2017).

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

- Direct exposure to the global solar market
- SMA is the Number 1 for solar inverters for more than two decades
- Proven technology and game changing new products
- Flexible business model and best-cost sourcing strategy

- Powerful sales and after-sale service infrastructure

- Transformation process will lead to significant cost reduction

- Strong financial position due to high equity ratio and net cash in-hand

- Unique positioning among competitors

- 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 for 30 years which still working under good conditions and its percentage of loss in power only 9.6% from the warranty percentage at 20%.

### (2) Risks from the Lower Intensity of Sunlight

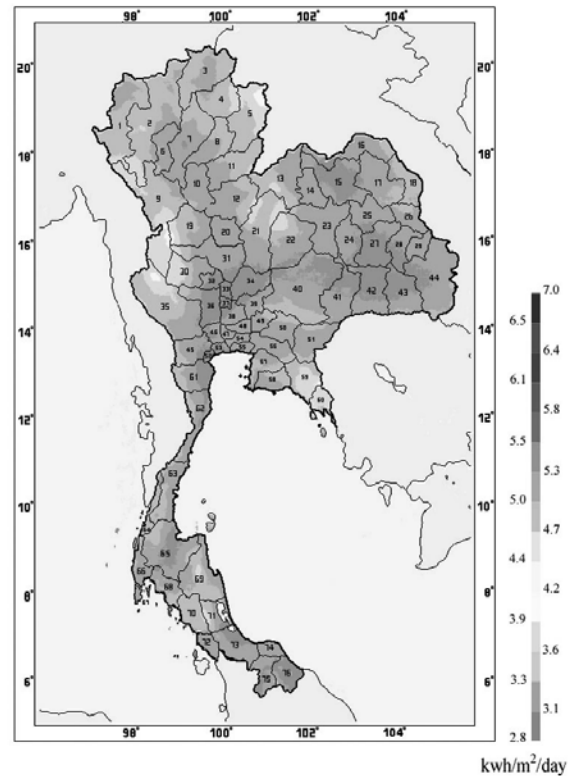
SPCG's solar farm and solar roof business are relying on sunlight as the key resources, so solar irradiance is the key to be successful. If SPCG cannot receive sufficient sunshine to our Solar Farm, it may result to the reduction of energy from forecasting which may affect the revenue.

Thailand is located near the equator; thus, there is high level of solar radiance. Moreover, SPCG has seriously researched and collected all relating statistic of solar irradiance for the past 10 years by utilizing National Aeronautics and Space Administration of America (NASA)'s database and we are confident that all of our Solar Farm's locations are in the high level of the solar radiance in Thailand.

Furthermore, SPCG has installed the intensity of solar radiation measure equipment in every Solar Farms to collect, analyze, follow in the track of the climate change result. From the SPCG Solar Farms Production, SPCG in average can generate 20% higher than the probability of electricity production which forecasted by financial institute.

### (3) Risks from Natural Disasters

36 Solar Farms of SPCG are located in 10 provinces consists of 34 solar farms in Northeastern part of Thailand which consider as a high flat zone and 2 Solar Farms in Lopburi which is consider a high flat zone area as well. SPCG has comprehensively well considered the location before developing all of our solar farm projects by studying the possibility of flooding and strong wind from Typhoon.



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

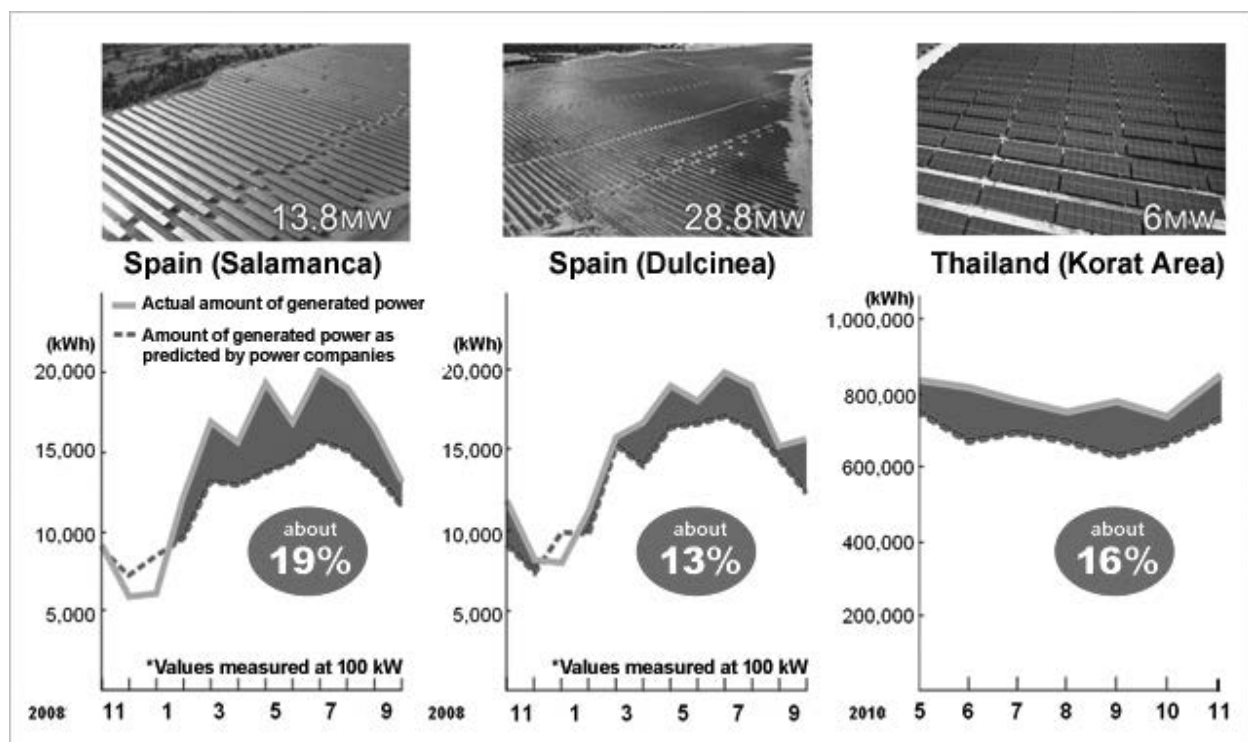
SPCG has studied statistic of flooding level in all area as well as the wind speed of Typhoon from the past 20 years. Every Solar Farms heighten the level of land field higher than level of highway and foundation of the support structure of solar module with engineering durability standard with 80 km./hr. wind pressure resistant. SPCG has the wiring systems that separate the array of solar module and wire the ground wire independently to protect thunderstorm damages. Moreover, SPCG has purchased the all risk insurance as well as business interruption insurance to protect future damages that beyond our control.

#### (4) Solar Modules' Deterioration ahead of schedule.

Electricity output from Solar Farms depend on several factors, one of the factors which affected on electricity output is solar module's deterioration. If Solar Modules have deteriorated earlier than standard, it may decrease the electricity output production which results in lower revenue.

However, SPCG has used Photovoltaic Solar Modules which had deterioration 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 peak power. 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 30 years, those Kyocera Solar Modules in Solar Farm produce electricity at 91.4 % of its peak power.



Resource: <http://global.kyocera.com>



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

#### (1) Risks 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 are 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 country 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 permanently employ specialists which result in the flexibility in outsourcing easily, plus SPE will assign engineers and supervisors to oversee the construction and the installation closely.

#### (2) Risks from uncontrollable 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 to be manpower in the constructions. This might make the quality of solar farm construction labor change.

However, SPCG realized about this risk and prevented by appointing engineers and supervisors to oversee the projects. The engineers will give direction closely during the projects as well as the company's supervisors will evaluate the operations to ensure the quality of the constructions following the design standards of SPC. Even though, the Solar Farm Development under SPC 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 Risks from Operation, Maintenance, and Monitoring Services (OM&M)

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

Monitoring is the important key in the solar farm's OM&M 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 transmitting 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 operation as well as in electronic files, to be risk preventive method too.

#### (2) Risks of the Accident during Maintenance

Due to maintenance and cleaning solar modules, SPC does not have personnel in charge of duties. 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 courses and educated local labors before taking up work to clearly understand their responsibilities. Moreover, the company's engineers are stationed at the project sites for supervising. As a result, those labors perform more efficiently and can help reducing accident risks. Apart from that, the reviewed training and instructing annually. However, any accident has never occurred under our operations yet.

## 3.2 Risks from Solar Roof Business

### 3.2.1 Risks from industry competition

For solar roof business, it is very high competition market since the government promotes the renewable energy and solar power energy. Therefore, there are many competitors entering to solar roof market that import variety of brand of solar modules and inverters from both oversea and in Thailand. Whereas, the Company has the very clear positioning in the market that we use the only highest quality of equipment and high quality installation which differentiate our price from competitors.

SPR, one of the subsidiaries of SPCG, signed a contract with Home Product Center Public Company Limited (HomePro) and appointed HomePro to be an exclusive distributor for households Solar Roof. HomePro provides demonstration of solar Roof system in 61 branches from all of HomePro 82 branches all over Thailand in order to be a distribution channel that helps interested customers and to provide the best services to SPR Solar Roof's customers.

However, there are many small company entering solar roof market that may not have enough experience of solar business and installation knowledge, while SPR Solar Roof offer the highest quality of equipment and highly expertise of installation team from our staff that developing 36 solar farms. SPR Solar Roof Can offer the total solution one stop service of solar roof from surveying, developing, designing, procuring, installing to monitoring and after-sale service. SPR Solar Roof is the exclusive partner of Kyocera in Thailand for solar roof business that has experience in this field for long time. Therefore, SPR Solar Roof has the advantage over competitors in the market.

### 3.2.2 Risks from new product in the market

Solar roof is electricity generating system which is a 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 clients with useful & proven information on the efficiency and safety of solar rooftop in order to further expansion of this business.

### 3.2.3 Risks from Exchange Rate Fluctuations

SPR Solar Roof is the total solution solar roof service provider for commercial building, residential housing, and factories that imports solar module from Kyocera Corporation, Japan and inverter from SMA Technology AG, Germany in foreign currency.

SPR Solar Roof closely monitors 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.

## 3.3 Risks from Steel Business

### 3.3.1 Risks 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. In partnering with Loxley PLC and Nippon Steel and Sumitomo Metal Corporation in 2013, they established the steel factory that manufactures the top grade quality steel as the biggest in Southeast Asia with capacity of manufacturing cold rolled steel sheets plated with zinc on aluminum-color coated for 400,000 tons, non-color coated sheets 375,000 tons, and color-coated sheets 90,000 tons with its employee of 400 staffs. 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. In addition, 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 Risks 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 be 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 Risks 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 Risks from Hiring Subcontractors to Project Installation**

Since 2013, the company has set up its own installation team to solve problems in monitoring and control of past problems closely and effectively.

However, even with increased sales and installation costs, SSR continues to have a project management approach that can control the costs and quality of the project. Key factors in project management. Are as follows

**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.



SSR established 2 installation teams to support the work increased by about 5,000 square meters per month. At the same time, they can solve problems in tracking and quality control more closely.

**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.

**The Warranty and after-sales service:** Since 2015, SSR has focused on quality and service. Therefore, the Quality and Service Department was established. To build confidence and satisfaction after installation.

### 3.3.5 Risks 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 Risks 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.

### 3.3.7 Risks from the Operation of Factory

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. Under the quality policy that "the company will produce the same quality and standard products and has continued to develop to provide customers with the highest satisfaction"

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

SSR 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 completed products will be sent back to SSR. However, SSR has never had any complaints so far from the social and communities nearby.

SSR has still 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.

There are only a few types of wastes or industrial wastes that are produced by the process, such as scrap steel and hydraulic oil. The Company has dealt with the waste or industrial waste in accordance with the regulation of the Department of Industrial Works.

## 3.4 Other Risks

### 3.4.1 Risks from Being Controlled in the General Meeting by Major Shareholders

A group of majority shareholders of the company, namely, The Khunchornyakong's consisted of Miss Wandee Khunchornyakong, Mrs. Prakong Khunchornyakong, Mr. Somsak Khunchornyakong, Miss Sompong Khunchornyakong, and Mrs. Kanokporn 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 subcommittees 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.



- 
- 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) Registered capital and Paid-Up Capital

SPCG has a registered capital of 1,016,389,000 Baht which is 1,016,389,000 shares of common stock and registered paid-up capital of 923,990,000 Baht with a par value of 1 Baht per share.

(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

List of Major Shareholders of SPCG Here is a list of the first 10 major shareholders of the company regarding the Record Date on March 12, 2018 by Thailand Securities Depository Company Limited ("TSD") as follows:

No.	NAME OF SHAREHOLDERS	No. OF SHARES	% OF SHARES
1.	The KHUNCHORNYAKONG Consist of Ms. Wandee Khunchornyakong Mrs. Prakhong Khunchornyakong Mr. Somsak Khunchornyakong Ms. Sompong Khunchornyakong Mrs. Kanokporn Khunchornyakong	357,788,637 300,000,000 32,400,000 13,500,000 9,863,637 2,025,000	36.73
2.	UBS AG SINGAPORE BRANCH	95,200,050	9.77
3.	GULF INTERNATIONAL INVESTMENT (HONG KONG) LIMITED	82,636,352	8.48
4.	KYOCERA CORPORATION	63,500,000	6.52
5.	THAI NVDR COMPANY LIMITED	33,101,552	3.40
6.	Mr. Withoon Manomaikul	19,290,000	1.98
7.	EGAT, Employees Provident Fund	17,121,900	1.76
8	N.C.B.TRUST LIMITED-NORGES BANK 4	12,383,339	1.27
9.	The SETHIWAN Consist of	9,056,500	0.93
	Mr. Suchart Sethiwan	5,400,000	
	Mr. Pongchai Sethiwan	1,996,000	
	Mr. Ponthepp Sethiwan	1,587,500	
	Ms. Saowanee Sethiwan	40,000	
	Ms. Warunee Sethiwan	33,000	
10.	HSBC (SINGAPORE) NOMINEES PTE LTD	7,644,733	0.78
	<b>Total</b>	<b>697,723,063</b>	<b>71.64</b>

### 4.3 Dividend Policy

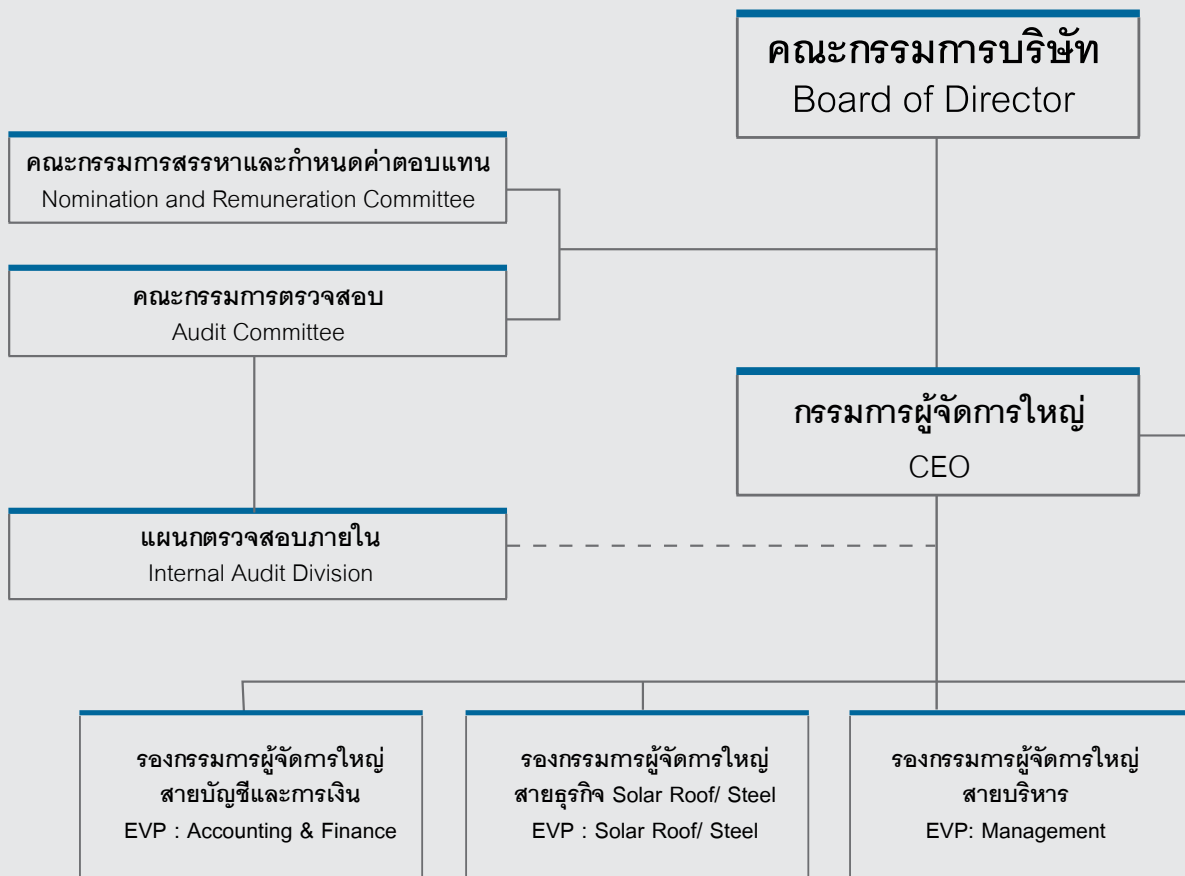
SPCG has set the dividend policy to pay dividend to shareholders not less than 40 percent of net profit of the Company's financial statements after legal reserve in compliance with the company regulations and laws, if for no other reason and such dividend payment shall have no impact on the normal operations 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.

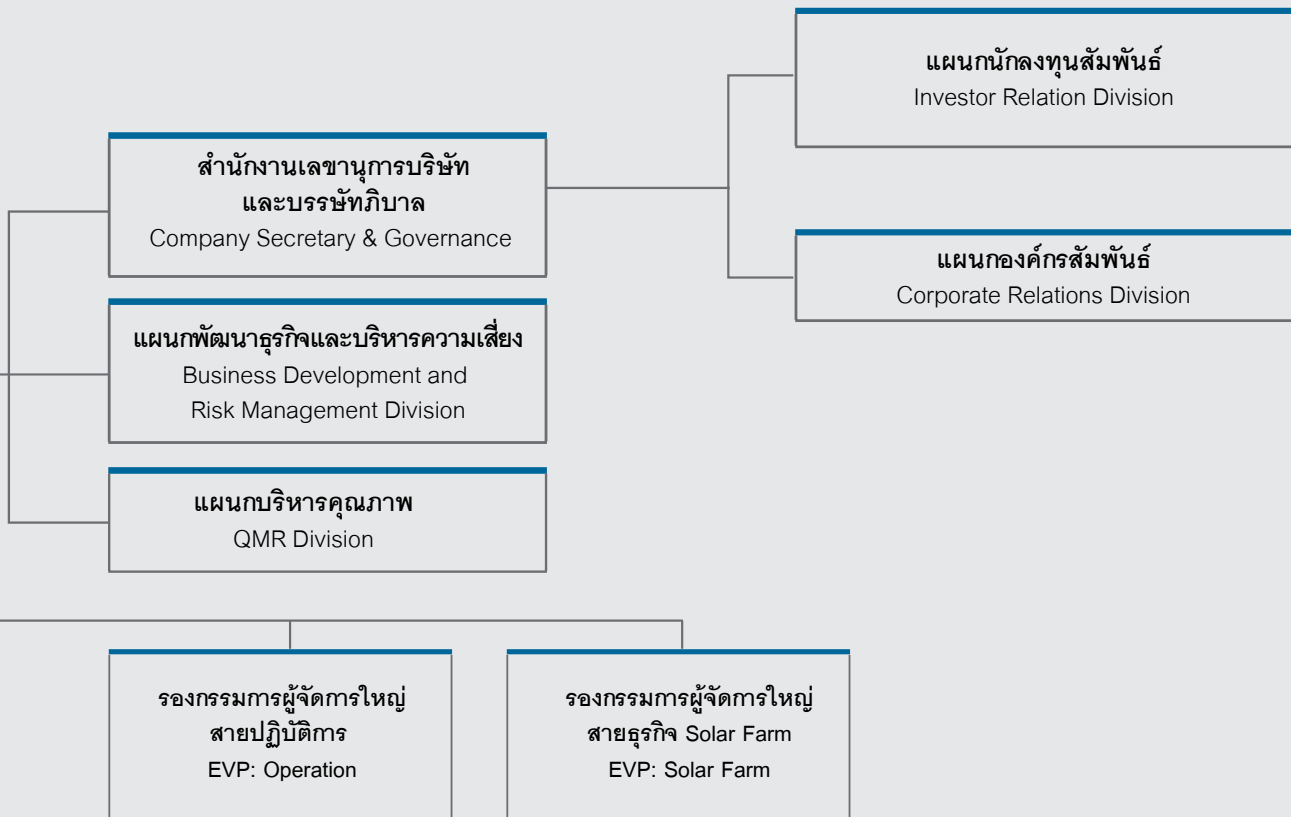
SPCG and subsidiaries has set the dividend policy to pay dividend to shareholders regarding net profit of the Company's financial statements after legal reserve in compliance with the company regulations and laws, if for no other reasons and such dividend payment shall have no impacts on the normal operations 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

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 December 31, 2017. The Company has the total of 8 Directors as listed below;

No.	Name	Position
1.	Dr. Wandee Khunchornyakong Juljareern	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Jirakom Padumanon	Director
4.	Mr. Withoon Manomaikul	Director
5.	Police Major General Wanchai Wisuttinan	Director
6.	Mr. Wanchai Lawatanatrakul	Chairperson of Audit Committee and Independent Director
7.	Dr. Art-ong Jumsai Na Ayudhya	Audit Committee and Independent Director
8.	Mr. Apichat Limsethanuwat	Audit Committee and Independent Director

**Remark:** Mr. Ratthaphol Cheunsomchit has resigned from his directorship, effective from December 4, 2017 onward.

#### Company's authorized directors are as follows;

Dr. Wandee Khunchornyakong Juljareern sign her name Alone and affix the Company's seal, 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 Directors 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, Chairperson 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.	Dr. Wandee Khunchornyakong Juljarern	Chairperson
2.	Mr. Somsak Khunchornyakong	Director
3.	Mr. Jirakom Padumanon	Director

### 5.2.2 Audit Committee

As at December 31, 2017. The Company's Audit Committee consisted of 3 independent directors;

No.	Name	Position
1.	Mr. Wanchai Lawatanatrakul	Chairperson of Audit Committee & Independent Director *
2.	Dr. Art-ong Jumsai Na Ayudhya	Audit Committee and Independent Director*
3.	Mr. Apichat Limsethanuwat	Audit Committee and Independent Director

**Remark\*** 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 Company practices according to Securities and Exchange of Thailand laws, regulations of Stock Exchange of Thailand and other laws related to the Company's business.
4. Consider, select and propose to appoint independent individual to stand in the Company's auditor and propose remuneration for 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 in line 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 Chairperson 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 JPen 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 JPen 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 December 31, 2017. The Company has 3 remuneration committee members, which are as follow;

No.	Name	Position
1.	Mr. Wanchai Lawatanatrakul	Chairperson of Recruitment and Remuneration Committee
2.	Dr. Wandee Khunchornyakong Juljarern	Recruitment and Remuneration Committee
3.	Mr. Somsak Khunchornyakong	Recruitment and Remuneration Committee



#### Scope of duties and responsibilities of recruitment and remuneration committee

The recruitment and remuneration committee has the following authorities;

1. Select and recruit individual that is suitable to be propose to the director with principles and transparent by which the individual that was proposed must have knowledge, competence, independence, perform director's duties with carefulness, faithfulness, able to fully dedicate their time, have appropriate age, healthy and perfect mind, able to attend directors' meeting regularly and prepare oneself beforehand. This is also to consider from other name list that shareholders suggested (if have).
2. Prepare in advance the name list of suitable individuals to be directors and/or in the case where there's vacant in the director or chief executive officer position.
3. Asking for opinions from Board of Director and/or other committees to include in the consideration of recruiting before propose to the committee or shareholders meeting depends upon case to consider and appoint.
4. Perform any other tasks that the committee assign that is related to recruitment of directors.
5. Evaluate performance of committee, subcommittee and chief executive officer according to the operating performance of each year.
6. Consider remuneration for committee and subcommittee, which also includes monthly allowance, meeting allowance, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable then propose to the shareholders meeting for approval.
7. Consider remuneration for the chief executive officer which includes wages, yearly bonus and other benefits, both monetary and non-monetary with principles or method and structure that are fair and reasonable.
8. Reconsider remuneration for committee, subcommittee, chief executive officer by considering from performance and Company's operating performance as well as regulations in industry and top listed companies in Stock Exchange of Thailand and scope of responsibilities.
9. Perform any other action that is assign by the committee.

#### 5.2.4 Company Secretary

To be in comply with The Securities and Exchange Act B.E. 2535 (amendment) the Board of directors' meeting no. 1/2015 on February 20, 2015 has the resolution to appoint Ms. Parichat Saipia as Company secretary, commencing on February 20, 2015 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 2017 consisted of 5 persons which are as follow;

No.	Name	Position
1.	Dr. Wandee Khunchornyakong Juljarearn	Chief executive officer
2.	Mr. Somsak Khunchornyakong	Deputy chief executive officer (Operation)
3.	Mr. Chaiwat Tungsuwanpanit	Deputy chief executive officer (Accounting & Finance)
4.	Mr. Chanchai Banditsaowapak	Deputy chief executive officer (Solar Farm)
5.	Mr. Jirakom Padumanon	Deputy Chief executive officer (Solar Roof & Steel)

#### 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 assigned 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 Directors

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 Recruit and Remuneration 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 Chairperson of the Board.

At every Ordinary Shareholder's 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

As no 5.2.3 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 independent 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 2017			
Dr. Wandee Khunchornyakong Juljareen	-	130,000	130,000
Mr. Somsak Khunchornyakong	-	90,000	90,000
Mr. Jirakom Padumanon	240,000	75,000	315,000
Mr. Withoon Manomaikul	240,000	75,000	315,000
Police Major General Wanchai Wisuttinan	240,000	60,000	300,000
Mr. Ratthaphol Cheunsomchit	240,000	45,000	285,000
Mr. Wanchai Lawatanatrakul	400,000	190,000	590,000
Dr. Art-ong Jumsai Na Ayudhya	247,000	105,000	352,000
Mr. Apichat Limsethanuwat	247,000	105,000	352,000
Mr. Kiatchai Pongpanich	140,000	35,000	175,000
Asst.Prof.Dr. Siripong Preutthipan	120,000	30,000	150,000
<b>Total</b>	<b>2,114,000</b>	<b>940,000</b>	<b>3,054,000</b>

- Remark:**
1. Dr. Art-ong Jumsai Na Ayudhya has been appointed as an Independent Director in replacement of Mr. Kiatchai Pongpanich due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.
  2. Mr. Apichat Limsethanuwat has been appointed as an Independent Director in replacement of Asst.Prof.Dr. Siripong Preutthipan due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.
  3. Mr. Wanchai Lawatanatrakul has been appointed as an Independent Director and Chairperson of Audit Committee in replacement of Mr. Kiatchai Pongpanich due to retire by rotation on April 24, 2017.
  4. Mr. Ratthaphol Cheunsomchit has resigned from his directorship, effective from December 4, 2017 onward.
  5. \* Directors' Monthly Allowance only for Non-Executive Director



In the Company's annual general shareholders meeting for the year 2017 on April 21, 2017. The resolution was to propose to the shareholders' meeting to approve the remuneration for each directors committee, the details are as follow:

#### Board of Directors

Remuneration of the Directors are divided into 2 parts: Directors' Monthly Allowance and Meeting Allowance, with details as follow;

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson	THB 35,000 per month	THB 20,000 per attendance
Director	THB 20,000 per month	THB 15,000 per attendance

#### Audit Committee

Remuneration of the Audit Committee are divided into 2 parts: Directors' Monthly Allowance and Meeting Allowance, with details as follow;

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson of Audit Committee	THB 35,000 per month	THB 20,000 per attendance
Audit Committee	THB 30,000 per month	THB 15,000 per attendance

#### Recruitment and Remuneration Committee

Remuneration for the Nomination and Remuneration Committee consist of only meeting allowance, with details as follow;

	Monthly Retainer (Only for non-executive directors)	Meeting Allowance (Only for attending the meeting)
Chairperson of Nomination and Remuneration Committee	-	THB 20,000 per attendance
Nomination and Remuneration Committee Directors	-	THB 15,000 per attendance

### Directors Bonus

The company to settle directors' remuneration bonus that reflect and link to Company's operating result or net profit not over 2% of the Company's financial statements net profit as per details as follows;

Position	Bonus
Chairperson of Board of Directors and Chairperson of Audit Committee	The maximum limit for payment of bonus is Baht 1,200,000
Chief Executive Officer	The maximum limit for payment of bonus is Baht 1,000,000
Directors and Audit Committee	The maximum limit for payment of bonus is Baht 800,000

In this regard, the Nomination and Remuneration Committee has authorization to determine the guidelines and the allocation of bonuses and to propose the Board of Directors' Meeting and the Annual General Meeting of Shareholders to consider before the actual allocation.

For the year 2017, SPCG paid bonus to the Board of Directors in the aggregate amount of 7,319,452 Baht (Seven million three hundred nineteen thousand four hundred fifty two Baht)

### Executives Remuneration

As of December 31, 2017 the Company has a total of 5 executives. Therefore, the Company's executive remuneration in 2017 and 2016 are at the total of 12.23 million baht and 13.35 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 held, one vote per share. The shareholder meetings operate as follows;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 5.4.7 Category 5: Directors Responsibilities

##### 1. Committee Structure

The Company's Board of Directors consist of knowledgeable individuals who are the key players in setting company policies. Together with executive officers, who are responsible for the planning and execution of the Company's long and short term operations as well as financial policies, risk management and the overall image of the Company. Additionally they play a crucial role on the governance and evaluating the Company's operating performance as well as to freely evaluate the executive officers performance to be in line 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 Govern 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 2017, the board of directors and sub-committees that the board of directors had appointed held meetings that are appropriate with nature of business and tasks that were assigned.

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

**Remark:**

1. Dr. Art-ong Jumsai Na Ayudhya has been appointed as an Independent Director in replacement of Mr. Kiatichai Pongpanich due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.
2. Mr. Apichat Limsethanuwat has been appointed as an Independent Director in replacement of Asst.Prof.Dr. Siripong Preuththipan due to retire by rotation on April 21, 2017 and was appointed as Audit Committee on April 24, 2017.
3. Mr. Wanchai Lawatanatrakul has been appointed as an Independent Director and Chairperson of Audit Committee in replacement of Mr. Kiatichai Pongpanich due to retire by rotation on April 24, 2017.
4. Mr. Rattaphol Cheunsomchit has resigned from his directorship, effective from December 4, 2017 onward.



## 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 shareholder 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 (IOD), 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 reflects and connect between performance and Company's operating performance

## 8. Board of Directors Selection Criteria

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

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

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

- 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**

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

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

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

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

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

## 5.6 Personnel

### 5.6.1 Personnel

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

Unit : person

Number of employees at	SPCG	SPC	SSR	SPR	SPC & SPA and its Subsidiaries (36 Companies)*	Total
December 31, 2015	57	15	86	22	0	180
December 31, 2016	44	18	82	20	0	164
December 31, 2017	57	22	79	18	0	176

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

\* No employees of the subsidiaries of the 36<sup>th</sup> SPC and SPA to hire a management company because instead.

As of December 31, 2017 employees of the Company And subsidiaries Received compensation from the company. A total number of 176 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	2	2	0	0	7
HR	3	0	5	0	0	8
Account	22	0	7	0	0	29
Office Staff	24	10	28	10	0	72
Production & maintenance	0	0	2	0	0	2
Sales & Marketing	0	0	11	4	0	15
Engineering	0	8	22	4	0	34
IT	0	2	1	0	0	3
Quality	5	0	1	0	0	6
<b>Total</b>	<b>57</b>	<b>22</b>	<b>79</b>	<b>18</b>	<b>0</b>	<b>176</b>

Source: Eemployee Records

\* No employees of the subsidiaries of the 36<sup>th</sup> SPC and SPA 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, 2017 total of 82.03 million baht.

### 5.6.3 Policies in the training and development of employees

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

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

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

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

## 6 Internal Control



### 6.1 Internal Control Policies

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 2016, BK IA & IC presented its internal audit plan to the Company and subsidiaries in accordance with the following topics.

No.	Subject	SPCG	SPC	SPV	SPR	SSR
1.	Revenue and Expense Control	✓				
2.	Purchasing Control	✓	✓	✓	✓	
3.	Inventory Control		✓		✓	
4.	Accounts Payable Record		✓	✓	✓	
5.	Payment Record		✓			✓
6.	Revenue Recognition and Cost of Solar Farms Control			✓		
7.	Salary and benefit Control				✓	✓
8.	Asset Control				✓	✓
9.	Human resources Control					✓
10.	Payment Control					✓
11.	Petty Cash Control					✓
12.	Advance Payment Control					✓

## 6.2 Roles of Audit Committee with Internal Control

The Audit Committee of SPCG Public Company Limited comprised of 3 independent directors, namely, Mr. Wanchai Lawatanatakul as the Chairperson of the Audit Committee, Dr. Art-ong Jumsai Na Ayudhya and Mr. Apichat Limsethanuwat as Member of the Audit Committee. The scope of authority and responsibilities in accordance to the Charter of the Audit Committee, maintain the Company's financial reports in accordance with standards and principles accounting, to review the Company's operations in accordance with the principles of good corporate governance, effective internal control system, compliance with laws and regulations and review related transactions or transaction that may have conflict of interest.

The Audit Committee act in accordance with the roles and responsibilities that were assigned by the Board of Directors. There are 4 Audit Committee Meetings altogether in 2017. The detail of the meeting attendance that each audit committee attends are as follows;

No.	Name	Position	No. of Time
1.	Mr. Wanchai Lawatanatakul	Independent Director Chairperson of Audit and Committee	4
2.	Dr. Art-ong Jumsai Na Ayudhya	Independent Director and Audit Committee	3
3.	Mr. Apichat Limsethanuwat	Independent Director and Audit Committee	3
4.	Mr. Kiatchai Pongpanich	Independent Director Chairperson of Audit and Committee	1
5.	Asst. Prof. Dr. Siripong Preuthiphan	Independent Director and Audit Committee	1

**Remark :**

- 1) Mr. Wanchai Lawatanatrakul has been appointed as an Independent Director and Chairperson of Audit Committee in replacement of Mr. Kiatchai Pongpanich due to retire by rotation on April 24, 2017.
- 2) Dr. Art-ong Jumsai Na Ayudhya has been appointed as an Independent Director and Audit Committee on April 24, 2017.
- 3) Mr. Apichat Limsethanuwat has been appointed as an Independent Director and Audit Committee on April 24, 2017.
- 4) Mr. Kiatchai Pongpanich due to retire by rotation of Independent Director and Chairperson of the Audit Committee on April 21, 2017.
- 5) Asst. Prof. Dr. Siripong Preuthiphan due to retire by rotation of Independent Director and Chairperson of the Audit Committee on April 21, 2017.

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 2017. 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 2017 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 2018, 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 2018 to appoint KPMG Phoomchai Audit Ltd. ("KPMG") as the Company's auditor for the year 2018, name as follow;

1. Mr. Vairoj Jindamaneepitak,  
Certified Public Accountant No. 3565
2. Mr. Natthaphong Tantichattanont,  
Certified Public Accountant No. 8829
3. Ms. Dussanee Yimsuwan  
Certified Public Accountant No. 10235

### 6.3 SPCG Public Company Limited and Subsidiary Companies

Overview, the results of internal control for the year 2017 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



### 7.1 Related Transactions of SPCG and Subsidiaries

SPCG and subsidiaries have an important transactions with related company and related person whereas the company has disclosed the related transactions of SPCG and subsidiaries regarding to consolidated financial statement ended December 31, 2017 and 2016 for comparison as follows;

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2017 Ended December 31, 2017	Year 2016 Ended December 31, 2016	
1. JPEN Co.,Ltd (JPEN) is the solar power plant construction contractor company	<p>1. <b>Mr. Jirakom Padumanon</b></p> <ul style="list-style-type: none"> <li>Taking a position of the board of directors and holds 0.2%</li> <li>One of the company major shareholder</li> <li>Holding 10.0% of JPEN Co., Ltd. shares</li> </ul> <p>2. <b>Mrs. Piyarat Suksombat</b></p> <ul style="list-style-type: none"> <li>Sister of Mr. Jirakom Padumanon</li> <li>Holding 70% of JPEN Co., Ltd. shares</li> </ul> <p>However in accordance to section 258 of the securities and exchange act B.E 2535, Ms. Wandee Khunchomyakong and related person are not hareholder, executive, authorized person, stakeholder or beneficial in JPEN Co., Ltd. or gain any benefit that occur from related transactions of the company or subsidiaries of JPEN Co., Ltd.</p>	<p>1. <b>Cost of OM&amp;M</b> This transaction is cost recognition solar farm from hiring JPEN Co., Ltd.</p> <p>2. <b>Account payable - M&amp;M</b> This transaction is account payable of OM&amp;M contract regarding to SPC with JPEN Co., Ltd.</p> <p>3. <b>Account payable - equipment</b> This transaction is account payable of selling equipment for solar farm with JPEN Co., Ltd.</p>	168,000	168,000	<p>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 SPC</p> <p>2. 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 SPC</p> <p>3. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPV</p>
			28,980	28,980	
			596	-	



Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2017 Ended December 31, 2017	Year 2016 Ended December 31, 2016	
		<b>4. Cost of Solar Roof Installation</b> This transaction is acquired of solar roof installation and O&M with JPEN Co., Ltd.  <b>5. Account payable - Solar Roof Installation</b> This transaction is account payable of solar roof installation and O&M with JPEN Co., Ltd.	189,111  229,339	117,426  115,087	4. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPR  5. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPR
		<b>6. Revenue from selling equipment</b> This transactions is revenue from selling equipment of solar farm and solar roof to JPEN Co., Ltd.	20,529	1,271	6. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd., SPC and SPR
		<b>7. Account Receivables</b> This transactions is account receivables from solar roof installation charged by SPR	-	1,343	7. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPR
		<b>8. Buying goods</b> This transactions is buying goods from JPEN Co., Ltd	28,796	5,706	8. This transaction is a normal business transaction and in accordance to the condition of Trading between JPEN Co., Ltd. and SPR

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2017 Ended December 31, 2017	Year 2016 Ended December 31, 2016	
2. Woracha Holding Co., Ltd. is a company of property and asset management	<p>1. <b>Ms. Wandee Khunchornyakong</b></p> <ul style="list-style-type: none"> <li>is a director and holds 42.77% shares of SPCG Public Company Limited</li> <li>is one of the major shareholders</li> <li>holds 2.00% shares in Woracha Holding Co., Ltd.</li> </ul> <p>2. <b>Mr. Somsak Khunchornyakong</b></p> <ul style="list-style-type: none"> <li>is a director and holds 1.46% shares</li> <li>holds 2.00% shares in Woracha Holding Co., Ltd.</li> </ul> <p>3. <b>Ms. Prakong Khunchornyakong</b></p> <ul style="list-style-type: none"> <li>holds 3.51% shares</li> <li>is a director and holds 1.00% shares in Woracha Holding Co., Ltd.</li> </ul> <p>4. <b>Ms. Sompong Khunchornyakong</b></p> <ul style="list-style-type: none"> <li>holds 1.07% shares</li> <li>is a director and holds 90% shares in Woracha Holding Co., Ltd.</li> </ul> <p>5. <b>Ms. Kanokporn Khunchornyakong</b></p> <ul style="list-style-type: none"> <li>holds 0.22% shares</li> <li>is a director and holds 5% shares in Woracha Holding Co., Ltd.</li> </ul>	<p>1. Warehouse rental</p> <p>This transaction is acquired of warehouse rental contract between SPC, SPR, SPE and SPV with Woracha Holding Co., Ltd.</p>	10,825	7,015	1. This transaction is a normal business transaction and in accordance to the condition of rental contract between Woracha Holding Co., Ltd. with SPC, CPR, SPE and SPV

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2017 Ended December 31, 2017	Year 2016 Ended December 31, 2016	
3. ENEGATE (Thailand) Co., Ltd.	1. Ms. Wandee Khunchornyakong • is a director and holds 42.77% shares of SPCG Public Company Limited • is one of the major shareholders • is a director of ENEGATE (Thailand) Co., Ltd.	1. Other receivables This transaction is advertisement charged by SPCG	-	161	1. This transaction is a normal business transaction and in accordance to the condition of Trading between ENEGATE (Thailand) Co., Ltd. and SPCG  2. This transaction is a normal business transaction and in accordance to the condition of Trading between ENEGATE (Thailand) Co., Ltd. and SPR
	2. is a joint venture that SPCG holds 30% shares	2. Account payable This transaction is account payable from buying goods of SPR with ENEGATE (Thailand) Co., Ltd.	-	4,096	

Person/Potential ARM's Length Basis Juristic Person	Relationship	Transactions	Transactions Value (Thousand Baht)		Necessity and Reasonability
			Year 2017 Ended December 31, 2017	Year 2016 Ended December 31, 2016	
4. Capital Work Place Co., Ltd.	<b>1. Ms. Wandee Khunchornyakong</b> <ul style="list-style-type: none"> <li>is a director and holds 42.77% shares of SPCG Public Company Limited</li> <li>is one of the major shareholders</li> <li>is a director and holds 2% of Capital Work Place Co., Ltd.</li> </ul>	<b>1. Account payable</b> This transaction is account payable of office rental contract between SPCG, SPC and SPR with Capital Work Place Co., Ltd	149	1,298	1. This transaction is a normal business transaction and in accordance to the condition of rental contract between Capital Work Place Co., Ltd. and SPCG, SPC and SPR
	<b>2. Ms. Sompong Khunchornyakong</b> <ul style="list-style-type: none"> <li>is a director and holds 1.07% shares of SPCG Public Company Limited</li> <li>is a director and holds 8% of Capital Work Place Co., Ltd.</li> </ul>	<b>2. Office rental</b> This transaction is acquired of office rental contract between SPCG, SPC and SPR with Capital Work Place Co., Ltd	7,390	-	2. This transaction is a normal business transaction and in accordance to the condition of rental contract between Capital Work Place Co., Ltd. and SPCG, SPC and SPR
		<b>3. Maintenance fee</b> This transaction is acquired of maintenance fee between SPCG, SPC and SPR with Capital Work Place Co., Ltd	12,754	-	3. This transaction is a normal business transaction and in accordance to the condition of rental contract between Capital Work Place Co., Ltd. and SPCG, SPC and SPR.

On February 23, 2017, The board of director has considered the related transaction of the company at the end of fiscal year on December 31, 2016. The board of director said that related transaction of the company in the fiscal year ended December 31, 2015 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.

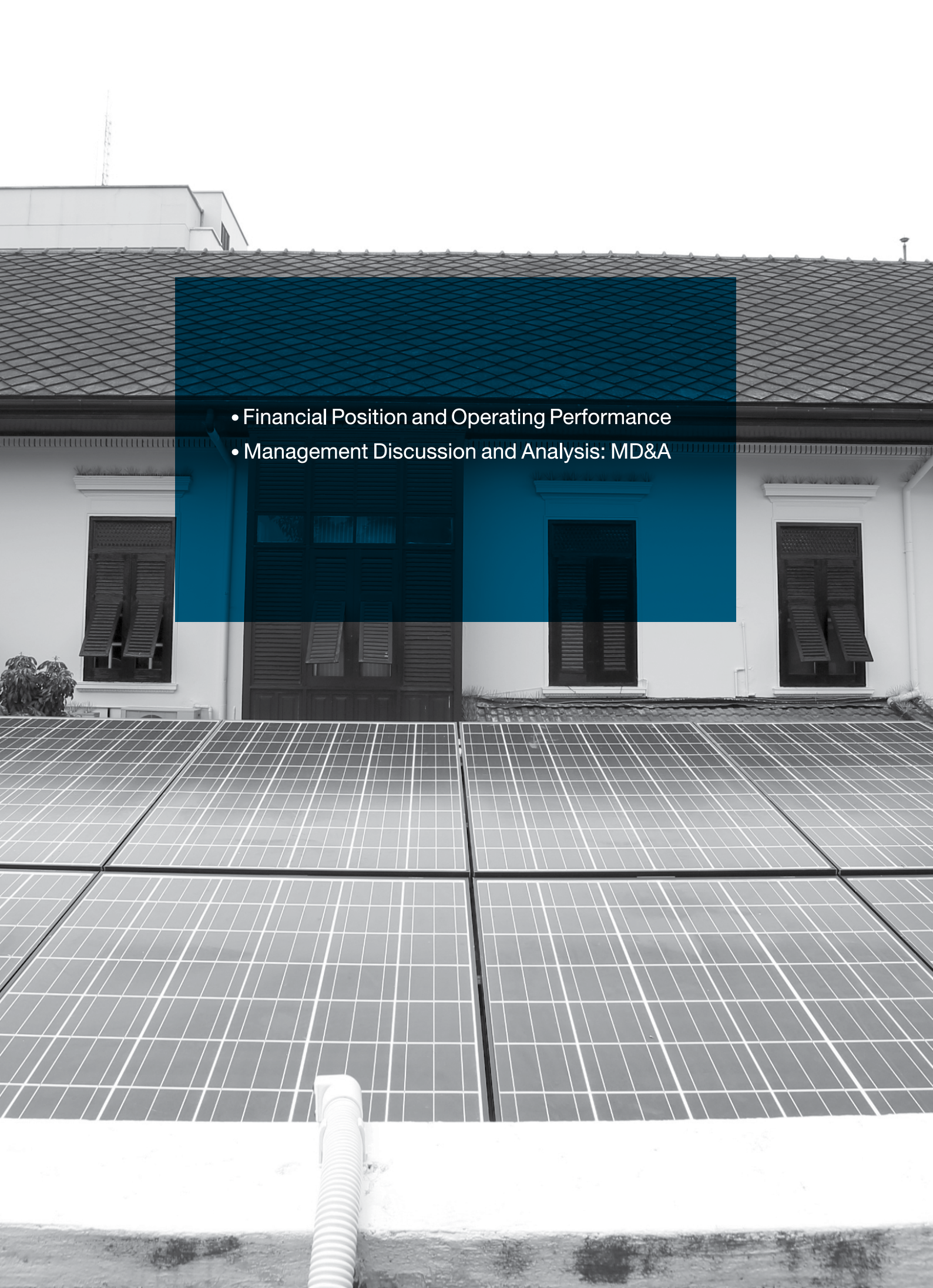
The company has hired JPEN Co., Ltd. to be a sub-contractor to construct the solar power plant project. JPEN Co., Ltd. is connected to the major shareholders of the company, however the company has given precedence to procurement system based on the highest profit for the shareholders and specific the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

## 7.3 Policies or the related transactions trend in the future

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

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



- 
- Financial Position and Operating Performance
  - Management Discussion and Analysis: MD&A



## 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's financial statements for the year ended December 31, 2015

Mrs. Unakorn Phruthithada  
 Certified Public Accountant No. 3257  
 PricewaterhouseCoopers ABAS Ltd.

The consolidated and company's financial statements for the year ended December 31, 2016

1. Mr. Vairoj Jindamaneepitak,  
 Certified Public Accountant No. 3565
2. Mr. Sakda Kaothanthong,  
 Certified Public Accountant No. 4628

3. Mr. Natthaphong Tantichattanont,  
 Certified Public Accountant No. 8829  
 KPMG Phoomchai Holdings Co., Ltd.

The consolidated and company's financial statements for the year ended December 31, 2017

1. Mr. Vairoj Jindamaneepitak,  
 Certified Public Accountant No. 3565
2. Mr. Waiyawat Korsamarnchaiyakij  
 Certified Public Accountant No. 6333
3. Mr. Natthaphong Tantichattanont,  
 Certified Public Accountant No. 8829  
 KPMG Phoomchai Holdings Co., Ltd.

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

Auditor's opinion on the consolidated and company's financial statements for the year ended December 31, 2015 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2015, 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 consolidated and company's financial statements for the year ended December 31, 2016 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2016, 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 consolidated and company's financial statements for the year ended December 31, 2017 are as follows:

Unqualified auditor's report shows that the consolidated and company's financial statements of SPCG Public Company Limited present fairly, in all material respects, the consolidated and company's financial statements for the year ended December 31, 2017, 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  
consolidated and company Statements of financial Position

List	Audited for the year ended						Audited for the year ended					
	31-Dec-15		31-Dec-16		31-Dec-17		31-Dec-15		31-Dec-16		31-Dec-17	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<u>Current assets</u>												
Cash and cash equivalents	76.1	0.3	455.0	1.9	345.9	1.5	21.3	0.1	31.4	0.2	40.1	0.2
Current investments	3,633.5	14.7	2,904.8	12.0	1,441.1	6.3	3,456.0	15.8	2,643.6	13.8	1,270.6	7.8
Trade and other accounts receivable	941.0	3.8	972.0	4.0	1,525.9	6.6	33.8	0.1	13.0	0.1	16.3	0.1
Short-term loans to related parties	-	-	-	-	-	-	-	-	7.0	-	274.7	1.7
Current portion of long-term loans to related parties	-	-	-	-	-	-	2,028.4	9.3	2,107.5	11.0	2,114.9	12.9
Inventories	215.9	0.9	581.0	2.4	709.0	3.1	-	-	-	-	-	-
Other current assets	120.0	0.5	106.8	0.4	149.6	0.6	14.6	0.1	5.3	-	0.2	-
Total current assets	4,986.5	20.2	5,019.6	20.7	4,171.5	18.1	5,554.1	25.4	4,807.8	25.1	3,716.8	22.7
<u>Non-current assets</u>												
Investments held as available for sale	-	-	-	-	251.5	1.1	-	-	-	-	251.5	1.5
Investments in a joint venture	3.3	-	2.7	-	1.8	-	3.0	-	3.0	-	3.0	-
Investments in subsidiaries	-	-	-	-	-	-	2,979.2	13.6	2,979.2	15.5	3,083.8	18.9
Other long-term investments	468.7	1.9	468.7	1.9	468.7	2.0	340.0	1.6	340.0	1.8	340.0	2.1
Long-term loans to related parties	-	-	-	-	-	-	12,951.8	59.2	11,005.4	57.4	8,890.5	54.4
Investment properties	14.3	0.1	14.1	0.1	13.9	0.1	2.3	-	2.2	-	2.0	-
Property, plant and equipment	18,314.5	74.0	17,743.7	73.2	17,175.8	74.6	37.3	0.2	39.1	0.2	66.3	0.4
Intangible assets	105.0	0.4	107.6	0.4	99.3	0.4	0.4	-	0.8	-	0.6	-
Deferred tax assets	156.7	0.6	159.9	0.7	156.7	0.7	-	-	-	-	-	-
Other non-current assets	686.7	2.8	716.0	3.0	687.4	3.0	0.3	-	1.6	-	1.4	-
Total non-current assets	19,749.2	79.8	19,212.7	79.3	18,855.1	81.9	16,314.3	74.6	14,371.3	74.9	12,639.1	77.3
Total assets	24,735.7	100.0	24,232.3	100.0	23,026.6	100.0	21,868.4	100.0	19,791.1	100.0	16,355.9	100.0

List	Audited for the year ended						Audited for the year ended					
	31-Dec-15		31-Dec-16		31-Dec-17		31-Dec-15		31-Dec-16		31-Dec-17	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<b>Current liabilities</b>												
Bank overdrafts and short-term borrowings from financial institutions	6.0	-	-	-	10.9	-	-	-	-	-	-	-
Trade and other accounts payable	245.5	1.0	1,047.4	4.3	1,085.8	4.7	50.7	0.3	47.2	0.2	55.3	0.3
Current portion of debentures	2,467.6	10.0	2,702.2	11.2	2,940.5	12.8	2,467.6	11.3	2,702.2	14.1	2,940.5	18.1
Current portion of finance lease liabilities	1.9	-	1.4	-	1.4	-	0.8	-	0.9	-	1.2	-
Income tax payable	-	-	0.7	-	38.6	0.2	-	-	-	-	5.4	-
Other current liabilities	121.6	0.5	90.1	0.4	62.3	0.3	47.1	0.2	8.8	0.1	7.1	-
<b>Total current liabilities</b>	<b>2,842.6</b>	<b>11.5</b>	<b>3,841.8</b>	<b>15.9</b>	<b>4,139.5</b>	<b>18.0</b>	<b>2,566.2</b>	<b>11.8</b>	<b>2,759.1</b>	<b>14.4</b>	<b>3,009.5</b>	<b>18.4</b>
<b>Non-current liabilities</b>												
Debentures	13,318.3	53.9	10,601.5	43.8	7,661.0	33.3	13,318.3	60.9	10,601.5	55.3	7,661.0	46.9
Finance lease liabilities	2.5	-	0.6	-	2.0	-	1.4	-	0.6	-	2.0	-
Deferred tax liabilities	18.7	0.1	12.5	-	4.9	-	18.6	0.1	12.4	0.1	4.8	-
Non-current provisions for employee benefits	9.0	-	10.0	-	11.0	-	5.7	-	6.4	-	7.2	-
Ordinary shares of subsidiaries with conditions to buy/sell back	74.2	0.3	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>13,422.7</b>	<b>54.3</b>	<b>10,624.6</b>	<b>43.8</b>	<b>7,678.9</b>	<b>33.3</b>	<b>13,344.0</b>	<b>61.0</b>	<b>10,620.9</b>	<b>55.4</b>	<b>7,675.0</b>	<b>46.9</b>
<b>Total liabilities</b>	<b>16,265.3</b>	<b>65.8</b>	<b>14,466.4</b>	<b>59.7</b>	<b>11,818.4</b>	<b>51.3</b>	<b>15,910.2</b>	<b>72.8</b>	<b>13,380.0</b>	<b>69.8</b>	<b>10,684.5</b>	<b>65.3</b>



List	Audited for the year ended						Audited for the year ended					
	31-Dec-15		31-Dec-16		31-Dec-17		31-Dec-15		31-Dec-16		31-Dec-17	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
<u>Shareholders' equity</u>												
Authorised share capital												
Ordinary shares, 1,016,389,000 shares **	-	-	-	-	1,016.4	-	-	-	-	-	1,016.4	-
Ordinary shares, 923,990,000 shares **	924.0	-	924.0	-	-	-	924.0	-	924.0	-	-	-
Issued and paid share capital												
Ordinary shares, 923,990,000 shares **	924.0	3.7	924.0	3.8	924.0	4.0	924.0	4.2	924.0	4.8	924.0	5.6
Share premium on ordinary shares	2,920.9	11.8	2,920.9	12.1	2,920.9	12.7	3,747.8	17.1	3,747.8	19.5	3,747.8	22.9
Share premium from business combination	89.0	0.4	89.0	0.4	89.0	0.4	-	-	-	-	-	-
Retained earnings – appropriated - legal reserve	87.0	0.4	87.0	0.4	101.7	0.4	92.4	0.4	92.4	0.5	101.7	0.7
Retained earnings – unappropriated	3,111.4	12.6	4,247.6	17.5	5,672.6	24.7	1,156.0	5.3	1,009.2	5.3	891.7	5.5
Other components of shareholder's equity	38.4	0.1	26.1	-	6.6	-	38.0	0.2	25.7	0.1	6.2	-
Equity attributable to owners of the parent	7,170.7	29.0	8,294.6	34.2	9,714.8	42.2	5,958.2	27.2	5,799.1	30.2	5,671.4	34.7
Non-controlling interests	1,299.7	5.2	1,471.3	6.1	1,493.4	6.5	-	-	-	-	-	-
Total shareholders' equity	8,470.4	34.2	9,765.9	40.3	11,208.2	48.7	5,958.2	27.2	5,799.1	30.2	5,671.4	34.7
Total liabilities and shareholders' equity	24,735.7	100.0	24,232.3	100.0	23,026.6	100.0	21,868.4	100.0	19,179.1	100.0	16,355.9	100.0

**Remarks:**

\*Percentage of the total assets

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

# The Consolidated and Company's Statements of Comprehensive Income

List	Audited for the year ended						Audited for the year ended					
	31-Dec-15		31-Dec-16		31-Dec-17		31-Dec-15		31-Dec-16		31-Dec-17	
	(Consolidated)						(Company)					
	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*	Baht Million	%*
Revenues												
Revenue from sales and rendering of services	5,000.0	98.9	5,448.1	98.3	6,008.4	98.1	-	-	-	-	-	-
Other income	57.6	1.1	96.2	1.7	114.8	1.9	1,904.1	100.0	1,636.9	100.0	1,615.4	100.0
Total Revenues	5,057.6	100.0	5,544.3	100.0	6,123.2	100.0	1,904.1	100.0	1,636.9	100.0	1,615.4	100.0
Expenses												
Costs of sales and rendering of services	1,359.4	26.9	1,919.7	34.6	2,276.7	37.2	-	-	-	-	-	-
Selling and distribution expenses	20.0	0.4	14.0	0.3	68.7	1.1	-	-	-	-	-	-
Administrative expenses	386.2	7.6	237.8	4.3	271.8	4.4	87.7	4.6	92.0	5.6	109.5	6.8
Share of loss of investement in joint ventures	1.0	-	0.6	-	0.9	-	-	-	-	-	-	-
Total Expenses	1,766.6	34.9	2,172.1	39.2	2,618.1	42.7	87.7	4.6	92.0	5.6	109.5	6.8
Profit before finance costs and tax expense	3,291.0	65.1	3,372.2	60.8	3,505.1	57.3	1,816.4	95.4	1,544.9	94.4	1,505.9	93.2
Finance costs	897.8	17.8	745.2	13.4	618.2	10.1	236.0	12.4	568.1	34.7	485.7	30.1
Profit before income tax xpense	2,393.2	47.3	2,627.0	47.4	2,886.9	47.2	1,580.4	83.0	976.8	59.7	1,020.2	63.1
Tax expense	71.8	1.4	(9.5)	(0.2)	(64.8)	(1.1)	(5.3)	(0.3)	(5.5)	(0.3)	(19.7)	(1.2)
Profit for the year	2,465.0	48.7	2,617.5	47.2	2,822.1	46.1	1,575.1	82.7	971.3	59.4	1,000.5	61.9
Other comprehensive income (loss) for the year, net of tax	16.8	0.3	(12.3)	(0.2)	(19.5)	(0.3)	18.4	1.0	(12.3)	(0.8)	(19.4)	(1.2)
Total comprehensive income for the year	2,481.8	49.0	2,605.2	47.0	2,802.6	45.8	1,593.5	83.7	959.0	58.6	981.1	60.7
Profit attributable to:												
Owners of parent	2,190.1	-	2,314.2	-	2,524.3	-	1,575.1	-	971.3	-	1,000.5	-
Non-controlling interests	274.9	-	303.3	-	297.8	-	-	-	-	-	-	-
Total comprehensive income attributable for the year	2,465.0	-	2,617.5	-	2,822.1	-	1,575.1	-	971.3	-	1,000.5	-
Basic earnings per share (Baht)	2.37	-	2.50	-	2.73	-	1.70	-	1.05	-	1.08	-
Weighted average number of ordinary shares (Million shares)	924.0	-	924.0	-	924.0	-	924.0	-	924.0	-	924.0	-

Remarks: \* Percentage of the total revenues

**Consolidated and Company's Statements of Cash flows**

List (Unit: Baht Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-15	31-Dec-16	31-Dec-17
	(Consolidated)			(Company)		
<b>Cash flow from operating activities</b>						
Profit for the year	2,465.0	2,617.5	2,822.1	1,575.1	971.3	1,000.5
Adjustments						
Depreciation & amortisation	643.2	644.2	642.8	5.1	5.3	8.4
Gain from sale of investment held as available for sale	(26.4)	(71.4)	(68.4)	(24.0)	(63.5)	(59.6)
Dividend income	-	-	-	(1,575.4)	(898.9)	(924.4)
Interest income	(25.0)	(13.2)	(39.4)	(201.0)	(565.8)	(518.5)
(Reversal of) bad and doubtful debts expenses	-	0.2	(0.6)	-	-	-
Reversal of losses on inventories devaluation	(0.2)	-	-	-	-	-
(Gain) loss on disposal of plant and equipment	25.5	10.3	(0.6)	0.3	-	(0.7)
Finance costs	897.8	745.2	618.2	236.0	568.1	485.7
Impairment loss on investment in subsidiary	-	-	-	0.3	-	-
Unrealised (gain) loss on foreign exchange	0.3	13.9	(11.2)	-	-	1.6
Provisions for employee benefit	(1.3)	1.0	1.0	0.5	0.7	0.8
Share of loss of investment in join venture	1.1	0.6	0.9	-	-	-
Tax expense	(71.8)	9.5	64.8	5.3	5.5	19.7
	3,908.2	3,957.8	4,029.6	22.0	22.7	13.5
Changes in operating assets and liabilities						
Trade and other current accounts receivable	77.8	(31.9)	(549.9)	(5.5)	7.9	(1.2)
Inventories	212.5	(365.0)	(128.1)	-	-	-
Other current assets	134.5	42.4	(30.1)	(1.9)	9.7	5.1
Other non-current assets	(52.7)	(31.1)	28.6	-	(1.3)	0.3
Trade and other current accounts payable	(22.6)	773.2	51.3	34.5	(19.0)	10.6
Other current liabilities	45.6	(31.4)	(27.9)	42.3	(38.4)	(1.6)
Net cash generated from (used in) operating	4,303.3	4,314.0	3,373.5	91.6	(18.4)	26.7
Tax paid	(19.2)	(42.6)	(38.9)	(5.0)	(9.1)	(17.0)
Net cash from (used in) operating activities	4,284.1	4,271.4	3,334.6	86.6	(27.5)	9.7

List (Unit: Baht Million)	Audited for the year ended			Audited for the year ended		
	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-15	31-Dec-16	31-Dec-17
	(Consolidated)			(Company)		
<b>Cash flows from investing activities</b>						
Increase in short term deposits at financial institutions	-	-	(171)	-	-	(171)
Restricted cash	1,446.4	-	-	340.0	-	-
Payments of long-term investment used as collateral	(340)	-	-	(340)	-	-
Payments of general investment	(128.7)	-	-	-	-	-
Proceeds from sale of available for sale securities	4,831.2	8,455.5	12,311.8	1,437	4,153.0	8,217.5
Acquisition of available for sale securities	(5,669.6)	(7,670.7)	(10,886.3)	(2,150.0)	(3,292.5)	(6,891.3)
Acquisition of plant and equipment	(202.2)	(79.7)	(89.5)	(0.5)	(6.6)	(33.0)
Acquisition of intangible assets	(17.6)	(10.9)	(0.2)	-	(0.5)	-
Proceed from sale of plant and equipment	5.6	3.5	26.5	2.5	0.1	1.6
Proceed from sale of intangible assets	-	0.5	-	-	-	-
Proceeds from repayment of short-term loans to related parties	-	-	-	138.0	165.0	365.3
Proceeds from repayment of long-term loans to related parties	-	-	-	422.5	2,037.3	11,654.0
Short-term loans to related parties	-	-	-	(8.0)	(172.0)	(633.0)
Long-term loans to related parties	-	-	-	(12,282.6)	(170.0)	(9,546.5)
Proceed (acquisition) of non-controlling interest	3.0	(169.7)	(104.6)	(127.5)	-	(104.6)
Dividends received	-	-	-	1,575.4	898.8	924.4
Interest received	23.7	13.2	36.1	180.9	578.2	516.3
<b>Net cash from (used in) investing activities</b>	<b>(48.2)</b>	<b>541.7</b>	<b>1,122.8</b>	<b>(10,684.9)</b>	<b>4,190.8</b>	<b>4,299.7</b>
<b>Cash flows from financing activities</b>						
Increases in bank overdrafts and short-term borrowings from financial institutions	6.0	(6.0)	10.9	-	-	-
Repayments on long-term loans from financial institutions	(14,019.6)	-	-	-	-	-
Proceeds from debentures	12,464.9	-	-	12,464.9	-	-
Payment of debentures	(680.0)	(2,480.0)	(2,715.0)	(680)	(2,480.0)	(2,715.0)
Payment of finance lease liabilities	(7.2)	(2.5)	(2.5)	(5.0)	(0.8)	(1.9)
Dividends paid	(1,115.0)	(1,229.0)	(1,255.6)	(822.3)	(1,118.0)	(1,108.8)
Interest paid	(896.8)	(716.7)	(604.3)	(268.9)	(554.4)	(475.0)
<b>Net cash from (used in) financing activities</b>	<b>(4,247.7)</b>	<b>(4,434.2)</b>	<b>(4,566.5)</b>	<b>10,561.2</b>	<b>(4,153.2)</b>	<b>(4,300.7)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11.8)</b>	<b>378.9</b>	<b>(109.1)</b>	<b>(37.1)</b>	<b>10.1</b>	<b>8.7</b>
Cash and cash equivalents at 1 January	87.9	76.1	455.0	58.4	21.3	31.4
<b>Cash and cash equivalents at 31 December</b>	<b>76.1</b>	<b>455.0</b>	<b>345.9</b>	<b>21.3</b>	<b>31.4</b>	<b>40.1</b>

**Key Financial Ratio of the Consolidated and Company's Financial statements**

Financial Ratio	Unit	For the year ended			For the year ended		
		31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-15	31-Dec-16	31-Dec-17
		(Consolidated)			(Company)		
<u>Liquidity Ratio</u>							
Current ratio	Times	1.8	1.3	1.0	2.2	1.8	1.2
Accounts receivable turnover	Times	5.4	5.7	4.8	-	-	-
Average collection period	Days	67.2	64.0	76.0	-	-	-
Inventory turnover	Times	4.2	4.8	3.5	-	-	-
Average inventory period	Days	86.5	75.7	104.3	-	-	-
Accounts payable turnover	Times	8.1	3.0	2.1	-	-	-
Average payment period	Days	45.0	121.5	173.8	-	-	-
<u>Profitability Ratio</u>							
Gross profit margin	%	72.8	64.8	62.1	-	-	-
EBIT margin	%	65.1	60.8	57.2	95.4	94.4	93.2
Net profit margin	%	43.3	41.7	41.2	82.7	59.3	61.9
Return on equity	%	33.8	29.9	28.0	28.3	16.5	17.4
Debt to equity ratio	Times	2.3	1.7	1.2	2.7	2.3	1.9
Dividend payout ratio	%	52.7	44.0	42.1	73.3	104.7	106.5
<u>Efficiency Ratio</u>							
Return on assets	%	13.1	13.8	14.8	11.7	7.5	8.5
Total asset turnover	Times	0.2	0.2	0.3	0.1	0.1	0.1



## 9 Management Discussion and Analysis: MD&A



### 9.1 Significant events of the year 2017 effecting to the financial statements

9.1.1 The increase of registered capital of the SPCG Public Company Limited in an amount of Baht 92,399,000 from the existing registered capital of Baht 923,990,000 to Baht 1,016,389,000 by issuing 92,399,000 newly issued ordinary shares with a par value of Baht 1 per share to be allocated by way of private placement under the general mandate in the number of not exceeding 92,399,000 shares with a par value of Baht 1 per share.

The resolutions of the Extraordinary General Meeting of Shareholders No. 1/2017 held on June 6, 2017, to approve the increase of registered capital of the Company in an amount of Baht 92,399,000 from the existing registered capital of Baht 923,990,000 to Baht 1,016,389,000, by issuing 92,399,000 newly issued

ordinary shares with a par value of Baht 1 per share to be allocated by way of private placement under the general mandate in the number of not exceeding 92,399,000 shares with a par value of Baht 1 per share.

9.1.2 The additional investment in 24 % of the issued and paid capital of Solar Power Roof Company Limited, a subsidiary of the SPCG Public Company Limited.

The resolutions of the Board of Directors' meeting of the SPCG Public Company Limited No. 3/2017 held on May 12, 2017, to approved an additional investment in 24 % of the issued and paid capital of Solar Power Roof Company Limited, a subsidiary of the SPCG Public Company Limited from non-related party and related party. After the share acquisition, the Group's interest in Solar Power Roof Company Limited increased from 76 % to 100%. The Company completed the share acquisition on July 31, 2017.

## 9.2 Analysis of Operation Results According to Consolidated Financial Statements

	2017		2016		Change	
	Amount (Million Baht)	% Income	Amount (Million Baht)	% Income	Amount (Million Baht)	% Income
Revenue from sales and rendering of services	6,008.4	100%	5,448.1	100%	560.3	10%
Cost of sales and rendering of services	(2,276.7)	-38%	(1,919.7)	-35%	357.0	19%
Gross profit	3,731.7	62%	3,528.4	65%	203.3	6%
Other income	114.8	2%	96.2	2%	18.6	19%
Selling, general and administrative expenses (SG&A)	(340.5)	-6%	(251.8)	-5%	88.7	35%
Share of gain (loss) of investment in joint venture	(0.9)	0%	(0.6)	0%	0.3	-50%
Profit (Loss) before finance costs and income tax expense	3,505.1	58%	3,372.2	62%	132.9	4%
Finance costs	(618.2)	-10%	(745.2)	-14%	(127.0)	-17%
Profit (Loss) before income tax expense	2,886.9	48%	2,627.0	48%	259.9	10%
Income tax (expense) benefit	(64.8)	-1%	(9.5)	0%	55.3	582%
Net profit (loss)	2,822.1	47%	2,617.5	48%	204.6	8%
Other comprehensive income (loss)	(19.5)	0%	(12.3)	0%	(7.2)	-59%
Comprehensive income (loss)	2,802.6	47%	2,605.2	48%	197.4	8%

Net profit (loss) attributable to:

Owners of parent	2,524.3		2,314.2			
Non-controlling interests	297.8		303.3			
	2,822.1		2,617.5			

Comprehensive income attributable to:

Owners of parent	2,504.8		2,302.0			
Non-controlling interests	297.8		303.2			
	2,802.6		2,605.2			

Earnings per share

Number of shares (Million shares)	924.0		924.0			
EPS (Baht per share)	2.73		2.50			

The operating results according to the consolidated financial statements of the Company and subsidiaries for the year ended December 31, 2017, with a net profit of Baht 2,822.1 million (Earning per share Baht 2.73) which increasing by Baht 204.6 million or 8%, compared to the net profit of Baht 2,617.5 million in the year 2016 (Earning per share Baht 2.50). The significant reasons were as follows;

#### 9.2.1 Revenue from sales and rendering of services

Revenue from sales and services of the year 2017 was Baht 6,008.4 million which increasing by Baht 560.3 million or 10% from Baht 5,448.1 million in the year 2016. The significant reasons were as follows;

- In the year 2017 Solar Power Roof Co., Ltd. (SPR) which is the business of installation of solar roof for residential, business building, office building, and industry factory, with a revenue from sales and services was Baht 1,519.5 million which increase by Baht 657.7 million or 76% from Baht 861.8 million in the year 2016.

- In the year 2017, the Company had revenue from the production and distribution of 36 solar farms totaling Baht 4,273.2 million which decreasing by Baht 88.3 million or 2% from Baht 4,361.5 million in the year 2016. Because (1) the power that operated and sells was Units 384.9 million which decreasing by Units 6.0 million or 1.5% from Units 390.9 million in the year 2016. And (2) average sales price in the year 2017 is Baht 11.10 per unit which decreasing by Baht 0.05 per unit from Baht 11.15 per unit in the year 2016.

- In the year 2017 Steel and Solar Roof Co., Ltd. (SSR) which is the business of manufacturing, distribution and installation services of steel or metal roofing sheets, with a from sales was Baht 210.1 million which decreasing by Baht 1.3 million or 1% from Baht 211.4 million in the year 2016.

#### 9.2.2 Cost of sales and rendering of services and Gross Profit

Cost of sales and rendering services of the year 2017 and 2016 were Baht 2,276.7 million and Baht 1,919.7 million which is the Gross profit margin at 62% and 65% respectively. By the way revenue from sale of goods and rendering of services which increase in the same direction from sale of goods and rendering of services of solar roof but base profit of solar roof less than base profit. As a result, Gross Profit margins was decreased.

#### 9.2.3 Selling, general and administrative expenses (SG&A)

Selling, general and administrative expenses of the year 2017 was Baht 340.5 million which increase by Baht 88.7 million or 35% from Baht 251.8 million in the year 2016. The significant reasons were as follows;

- Commission fee of the year 2017 increased by Baht 88.7 million by Baht 60.8 million from the year 2016 with increase in the same direction from revenue from sales and rendering of services of solar roof.

- Commission fee of the year 2017 increased by Baht 88.7 million by Baht 60.8 million from the year 2016 with increase in the same direction from revenue from sales and rendering of services of solar roof.

- Office rental and Maintenance Fee of the year 2017 increase by Baht 27.4 million due to the relocation of the new office by the end of 2016.

#### 9.2.4 Finance costs

Finance costs of the year 2017 was Baht 618.2 million which decreasing by Baht 127.0 million or 17% from Baht 745.2 million in the year 2016. The significant reasons were the Company paid on remaining debentures in the amount of Baht 2,715.0 million, resulting in decreasing of interest.

## 9.3 Analysis of financial position according to consolidated financial statement

### 9.3.1 Analysis of Assets

As of December 31, 2017, the total assets were Baht 23,026.6 million, decreasing by Baht 1,205.7 million or 5% from Baht 24,232.3 million as of December 31, 2016. The details were as follows:

	December 31, 2017	December 31, 2016	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Plant, Property and equipment- Net	17,175.8	17,743.7	(567.9)	-3%
Other assets	5,850.8	6,488.6	(637.8)	-10%
<b>Total assets</b>	<b>23,026.6</b>	<b>24,232.3</b>	<b>(1,205.7)</b>	<b>-5%</b>

- As of December 31, 2017, the plant, property and equipment were Baht 17,175.8 million, decreasing by Baht 567.9 million or 3% from Baht 17,743.7 million as of December 31, 2016. The significant reasons were its depreciation was Baht 634.5 million and the purchase of equipment in the amount of Baht 92.1 million.

- As of December 31, 2017, the other assets were Baht 5,850.8 million, decreasing by Baht 637.8 million or 10% from Baht 6,488.6 million as of December 31, 2016. The significant reasons were the decreasing of investments held as available for sale

in the amount of Baht 1,212.1 million and the increasing of trade accounts receivable in the amount of Baht 553.9 million with the expansion of the solar roof.

### 9.3.2 Analysis of Liabilities and Shareholders' Equity

As of December 31, 2017, the total Liabilities and Shareholders' Equity were Baht 23,026.6 million, decreasing by Baht 1,205.7 million or 5% from Baht 24,232.3 million as of December 31, 2016. The details were as follows:

	December 31, 2017	December 31, 2016	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing liabilities	10,615.8	13,305.7	(2,689.9)	-20%
Other liabilities	1,202.6	1,160.7	41.9	4%
Shareholders' equity	11,208.2	9,765.9	1,442.3	15%
<b>Total Liabilities and Shareholders' Equity</b>	<b>23,026.6</b>	<b>24,232.3</b>	<b>(1,205.7)</b>	<b>-5%</b>

- As of December 31, 2017, interest bearing liabilities was Baht 10,615.8 million, decreasing by Baht 2,705.1 million or 20% from Baht 13,305.7 million as of December 31, 2016. The significant reasons were the Company paid on remaining debentures in the amount of Baht 2,689.9 million.

- As of December 31, 2017, other liabilities was Baht 1,202.6 million, increasing by Baht 41.9 million or 4% from Baht 1,160.7 million as of December 31, 2016. The significant reasons were the increasing of trade accounts payable with the expansion of the solar roof.

- As of December 31, 2017, shareholders' equity was Baht 11,208.2 million, increasing by Baht 1,442.3 million or 15% from Baht 9,765.9 million as of December 31, 2016. The significant reasons were as follows;

- The net profit of the year 2017 in the amount of Baht 2,822.1 million.

- The dividend payment of the year 2017 in the amount of Baht 1,255.7 million.

- Change the proportion of investment in subsidiaries in the amount of Baht 104.6 million.

### 9.3.3 The appropriate of capital structure

Financial position according to consolidated financial statement as of December 31, 2017, Debt to Equity ratio was at 1.05 times whereas 1.48 times in the year 2016. Thus, the Debt to Equity ratio has been decreasing due to the Company paid on remaining debentures in the amount of Baht 2,715.0 million.

## 9.4 Analysis of consolidated cash flow according financial statement

	2017	2016	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash (used in) from operating activities	3,334.6	4,271.4	(936.8)
Net cash (used in) from investing activities	1,122.8	541.7	581.1
Net cash (used in) from financing activities	(4,566.5)	(4,434.2)	(132.3)
Net increase (decrease) in cash and cash equivalents	(109.1)	(378.9)	(488.0)
Cash and cash equivalents at the beginning of the period	455.0	76.1	378.9
Cash and cash equivalents at the end of the period	345.9	455.0	(109.1)



As of December 31, 2017, cash and cash equivalents were Baht 345.9 million, decreasing by Baht 109.1 million from Baht 455.0 million as of December 31, 2016. The significant reasons were as follows;

1) Net cash from operating activities is amount to Baht 3,334.6 million due to as follow;

- Cash from operating profit is amount to Baht 3,373.5 million
- Cash used in paid of income tax is amount to Baht 38.9 million

2) Net cash from investing activities is amount to Baht 1,122.8 million due to as follow;

- Cash from sale of available for sale securities is amount to Baht 12,311.8 million
- Cash used in acquisition of available for sale securities is amount to Baht 10,866.3 million

- Cash used in acquisition of Plant, Property, equipment and intangible assets is amount to Baht 89.7 million

- Cash used in acquisition of non-controlling interest is amount to Baht 104.6 million

- Cash used in short term deposits at financial institutions is amount to Baht 171.0 million

3) Net cash used in from financing activities is amount to Baht 4,566.5 million due to as follow;

- Cash used in payment of debenture is amount to Baht 2,715.0 million
- Cash used in Payment of financial costs is amount to Baht 604.3 million
- Cash used in Payment of dividends is amount to Baht 1,255.7 million

**SPCG Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2017  
and  
Independent auditor's report

## 10 Financial Statement

### Independent auditor's report

To the Shareholders of SPCG Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of SPCG Public Company Limited and its subsidiaries (the "Group") and of SPCG Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### Valuation of inventories

Refer to Notes 3 (f), 8 to the financial statements.

Inventories are measured at the lower of cost and net realizable value. Due to some inventories have slow movement and long outstanding which may cause the net realizable value to be lower than cost, therefore, this is focus area in my audit.

My audit procedures included understanding the policies and procedures that the Management applied for net realizable value calculation. I verified the appropriateness of the net realizable value calculation and randomly tested the selling price of inventories with the relevant sales documents. I considered the adequacy of the disclosure of inventories.

#### Related party transactions

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

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

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information

is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.




- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Natthaphong Tantichattanont)  
Certified Public Accountant  
Registration No. 8829

KPMG Phoomchai Audit Ltd.  
Bangkok  
23 February 2018

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

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2017	2016	2017	2016
		(in thousand Baht)			
<b>Current assets</b>					
Cash and cash equivalents	5	345,897	454,974	40,050	31,405
Current investments	6	1,441,067	2,904,750	1,270,577	2,643,586
Trade and other accounts receivable	4, 7	1,525,866	972,004	16,308	12,972
Short-term loan to related parties	4	-	-	274,700	7,000
Current portion of long-term loans to related parties	4	-	-	2,114,912	2,107,470
Inventories	8	709,093	580,996	-	-
Other current assets	9	149,614	106,833	235	5,363
<b>Total current assets</b>		<b>4,171,537</b>	<b>5,019,557</b>	<b>3,716,782</b>	<b>4,807,796</b>
<b>Non-current assets</b>					
Investments held as available for sale	6	251,542	-	251,542	-
Investments in joint venture	10	1,799	2,718	3,000	3,000
Investments in subsidiaries	11	-	-	3,083,813	2,979,173
Other long-term investments	6	468,678	468,678	340,000	340,000
Long-term loans to related parties	4	-	-	8,890,444	11,005,356
Investment properties		13,920	14,146	2,028	2,159
Property, plant and equipment	13	17,175,788	17,743,670	66,294	39,096
Intangible assets	14	99,330	107,562	626	799
Deferred tax assets	15	156,667	159,945	-	-
Other non-current assets	16	687,377	716,000	1,351	1,638
<b>Total non-current assets</b>		<b>18,855,101</b>	<b>19,212,719</b>	<b>12,639,098</b>	<b>14,371,221</b>
<b>Total assets</b>		<b>23,026,638</b>	<b>24,232,276</b>	<b>16,355,880</b>	<b>19,179,017</b>

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

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

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity</b>		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Bank overdraft and short-term borrowing from financial institutions	17	10,938	-	-	-
Trade and other accounts payable	4, 18	1,085,772	1,047,374	55,282	47,238
Current portion of debentures	17	2,940,485	2,702,277	2,940,485	2,702,277
Current portion of finance lease liabilities	17	1,392	1,352	1,168	883
Income tax payable		38,625	664	5,430	-
Other current liabilities		62,266	90,190	7,087	8,687
<b>Total current liabilities</b>		<b>4,139,478</b>	<b>3,841,857</b>	<b>3,009,452</b>	<b>2,759,085</b>
<b>Non-current liabilities</b>					
Debentures	17	7,661,014	10,601,492	7,661,014	10,601,492
Finance lease liabilities	17	2,012	566	2,012	566
Deferred tax liabilities	15	4,914	12,500	4,833	12,388
Non-current provisions for employee benefits		11,020	9,971	7,150	6,397
<b>Total non-current liabilities</b>		<b>7,678,960</b>	<b>10,624,529</b>	<b>7,675,009</b>	<b>10,620,843</b>
<b>Total liabilities</b>		<b>11,818,438</b>	<b>14,466,386</b>	<b>10,684,461</b>	<b>13,379,928</b>
<b>Shareholders' equity</b>					
Share capital	19				
Authorized share capital		1,016,389	923,990	1,016,389	923,990
Issued and paid share capital		923,990	923,990	923,990	923,990
Share premium on ordinary shares	20	2,920,923	2,920,923	3,747,793	3,747,793
Share premium from business combination		89,000	89,000	-	-
Retained earnings					
Appropriated					
Legal reserve	20	101,639	86,984	101,639	92,399
Unappropriated		5,672,623	4,247,596	891,748	1,009,223
Other components of shareholders' equity	20	6,636	26,127	6,249	25,684
<b>Equity attributable to owners of the parent</b>		<b>9,714,811</b>	<b>8,294,620</b>	<b>5,671,419</b>	<b>5,799,089</b>
Non-controlling interests	12	1,493,389	1,471,270	-	-
<b>Total shareholders' equity</b>		<b>11,208,200</b>	<b>9,765,890</b>	<b>5,671,419</b>	<b>5,799,089</b>
<b>Total liabilities and shareholders' equity</b>		<b>23,026,638</b>	<b>24,232,276</b>	<b>16,355,880</b>	<b>19,179,017</b>

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

**SPCG Public Company Limited and its Subsidiaries****Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Revenue from sales and rendering of services	22, 28	6,008,353	5,448,096	-	-
Cost of sales and rendering of services		(2,276,699)	(1,919,718)	-	-
<b>Gross profit</b>		<b>3,731,654</b>	<b>3,528,378</b>	<b>-</b>	<b>-</b>
Other income	4, 23	114,824	96,206	1,615,404	1,636,852
Selling and distribution expenses		(68,750)	(14,023)	-	-
Administrative expenses		(271,755)	(237,812)	(109,422)	(92,011)
Share of loss of investment in joint venture	10	(919)	(611)	-	-
Finance costs	26	(618,170)	(745,217)	(485,721)	(568,124)
<b>Total expenses</b>		<b>(959,594)</b>	<b>(997,663)</b>	<b>(595,143)</b>	<b>(660,135)</b>
<b>Profit before income tax expense</b>		<b>2,886,884</b>	<b>2,626,921</b>	<b>1,020,261</b>	<b>976,717</b>
Tax expense	27	(64,779)	(9,454)	(19,715)	(5,521)
<b>Profit for the year</b>		<b>2,822,105</b>	<b>2,617,467</b>	<b>1,000,546</b>	<b>971,196</b>
<b>Other comprehensive income (loss)</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Losses on remeasurement investments held as available for sale		(24,365)	(15,364)	(24,294)	(15,376)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		4,885	3,077	4,859	3,075
<b>Other comprehensive income (loss) for the year, net of tax</b>		<b>(19,480)</b>	<b>(12,287)</b>	<b>(19,435)</b>	<b>(12,301)</b>
<b>Total comprehensive income for the year</b>		<b>2,802,625</b>	<b>2,605,180</b>	<b>981,111</b>	<b>958,895</b>
<b>Profit attributable to:</b>					
Owners of parent		2,524,325	2,314,209	1,000,546	971,196
Non-controlling interests		297,780	303,258	-	-
<b>Profit for the year</b>		<b>2,822,105</b>	<b>2,617,467</b>	<b>1,000,546</b>	<b>971,196</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		2,504,834	2,301,975	981,111	958,895
Non-controlling interests		297,791	303,205	-	-
<b>Total comprehensive income for the year</b>		<b>2,802,625</b>	<b>2,605,180</b>	<b>981,111</b>	<b>958,895</b>
<b>Basic earnings per share (Baht)</b>	29	<b>2.73</b>	<b>2.50</b>	<b>1.08</b>	<b>1.05</b>

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

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

Consolidated financial statements									
	Note	Retained earnings					Other components of equity		Total shareholders' equity
		Issued and paid share capital	Share premium on ordinary shares	Shares premium from business combination	Legal reserve	Unappropriated	Investment held as available for sale	Equity attributable to owners of parent	
(in thousand Baht)									
Year ended 31 December 2016									
Balance at 1 January 2016		923,990	2,920,923	89,000	86,984	3,111,354	38,361	7,170,612	8,470,357
Transactions with owners, recorded directly in equity									
Distributions to owners of the Company									
Dividends to owners of the company	30	-	-	-	-	(1,118,025)	-	(1,118,025)	(1,228,985)
Total distributions to owners of the Company		-	-	-	-	(1,118,025)	-	(1,118,025)	(1,228,985)
Changes in ownership interests in subsidiaries									
Change in investment holding in subsidiaries		-	-	-	-	(59,942)	-	(59,942)	(80,662)
Total changes in ownership interests in subsidiaries		-	-	-	-	(59,942)	-	(59,942)	(80,662)
Total transactions with owners, recorded directly in equity		-	-	-	-	(1,177,967)	-	(1,177,967)	(1,309,647)
Comprehensive income (loss) for the year									
Profit		-	-	-	-	2,314,209	-	2,314,209	2,617,467
Other comprehensive income (loss)		-	-	-	-	-	(12,234)	(12,234)	(53)
Total comprehensive income (loss) for the year		-	-	-	-	2,314,209	(12,234)	2,301,975	2,605,180
Balance at 31 December 2016		923,990	2,920,923	89,000	86,984	4,247,596	26,127	8,294,620	9,765,890

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



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

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

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

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

		Separate financial statements				Other components of equity		Total shareholders' equity
		Issued and paid share capital	Share premium on ordinary shares	Retained earnings		Investment held as available for sale		
				Legal reserve	Unappropriated reserve (in thousand Baht)			
	Year ended 31 December 2016							
	Balance at 1 January 2016	923,990	3,747,793	92,399	1,156,052	37,985	5,958,219	
	Transactions with owners, recorded directly in equity							
	Distributions to owners of the Company							
	Dividends to owners of the company	-	-	-	(1,118,025)	-	(1,118,025)	
30	Total distributions to owners of the Company	-	-	-	(1,118,025)	-	(1,118,025)	
	Comprehensive income (loss) for the year							
	Profit	-	-	-	971,196	-	971,196	
	Other comprehensive income (loss)	-	-	-	-	(12,301)	(12,301)	
	Total comprehensive income (loss) for the year	-	-	-	971,196	(12,301)	958,895	
	Balance at 31 December 2016	923,990	3,747,793	92,399	1,009,223	25,684	5,799,089	

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

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

	Separate financial statements					
	Note	Issued and paid share capital	Share premium on ordinary shares	Retained earnings		Total shareholders' equity
				Legal reserve (in thousand Baht)	Other components of equity Investment held as available for sale	
<b>Year ended 31 December 2017</b>						
<b>Balance at 1 January 2017</b>		<b>923,990</b>	<b>3,747,793</b>	<b>92,399</b>	<b>1,009,223</b>	<b>5,795,089</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the company	30	-	-	-	-	(1,108,781)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,108,781)</b>
<b>Comprehensive income (loss) for the year</b>						
Profit		-	-	-	1,000,546	1,000,546
Other comprehensive income (loss)		-	-	-	(19,435)	(19,435)
<b>Total comprehensive income (loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,546</b>	<b>981,111</b>
Transfer to legal reserve	20	-	-	9,240	(9,240)	-
<b>Balance at 31 December 2017</b>		<b>923,990</b>	<b>3,747,793</b>	<b>101,639</b>	<b>891,748</b>	<b>5,671,419</b>

**SPCG Public Company Limited and its Subsidiaries****Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	2,822,105	2,617,467	1,000,546	971,196
<i>Adjustments</i>				
Depreciation and amortisation	642,804	644,166	8,426	5,336
Gain from sale of investment held as available for sale	(68,370)	(71,433)	(59,693)	(63,477)
Dividends income	-	-	(924,420)	(898,920)
Interest income	(39,458)	(13,189)	(518,467)	(565,797)
(Reversal of) bad and doubtful debts expenses	(607)	229	-	(5)
Reversal of losses on inventories devaluation	-	(48)	-	-
(Gain) loss on disposal of plant and equipment	(560)	10,281	(743)	(16)
Finance costs	618,170	745,217	485,721	568,124
Unrealised (gain) loss on foreign exchange	(11,230)	13,886	1,635	-
Provisions for employee benefits	1,049	1,006	753	721
Share of loss of investment in joint venture	919	611	-	-
Tax expense	64,779	9,454	19,715	5,521
	<u>4,029,601</u>	<u>3,957,647</u>	<u>13,473</u>	<u>22,683</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other current accounts receivable	(549,941)	(31,880)	(1,174)	7,910
Inventories	(128,097)	(364,953)	-	-
Other current assets	(30,090)	42,415	5,128	9,689
Other non-current assets	28,623	(31,054)	287	(1,326)
Trade and other current accounts payable	51,393	773,159	10,539	(19,021)
Other current liabilities	(27,924)	(31,388)	(1,600)	(38,442)
Net cash generated from (used in) operating	<u>3,373,565</u>	<u>4,313,946</u>	<u>26,653</u>	<u>(18,507)</u>
Tax paid	(38,932)	(42,636)	(16,981)	(9,109)
<b>Net cash from (used in) operating activities</b>	<u><b>3,334,633</b></u>	<u><b>4,271,310</b></u>	<u><b>9,672</b></u>	<u><b>(27,616)</b></u>

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

**SPCG Public Company Limited and its Subsidiaries****Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Increase in short term deposits at financial institutions	(171,000)	-	(171,000)	-
Proceeds from sale of available for sale securities	12,311,828	8,455,494	8,217,519	4,153,000
Acquisition of available for sale securities	(10,886,318)	(7,670,702)	(6,891,288)	(3,292,500)
Acquisition of plant and equipment	(89,508)	(79,664)	(33,011)	(6,553)
Acquisition of intangible assets	(196)	(10,899)	-	(526)
Proceeds from sale of plant and equipment	26,466	3,471	1,577	140
Proceeds from sale of intangible assets	-	549	-	15
Proceeds from repayment of short-term loans to related parties	-	-	365,300	165,000
Proceeds from repayment of long-term loans to related parties	-	-	11,653,947	2,037,345
Short-term loans to related parties	-	-	(633,000)	(172,000)
Long-term loans to related parties	-	-	(9,546,477)	(170,000)
Acquisition of non-controlling interest	(104,640)	(169,676)	(104,640)	-
Dividends received	-	-	924,420	898,920
Interest received	36,153	13,189	516,305	578,167
<b>Net cash from investing activities</b>	<b>1,122,785</b>	<b>541,762</b>	<b>4,299,652</b>	<b>4,191,008</b>
<b><i>Cash flows from financing activities</i></b>				
Increase in bank overdrafts and short-term borrowing				
from financial institutions	10,938	-	-	-
Payment of short-term borrowing from financial institutions	-	(6,000)	-	-
Payment of debenture	(2,715,000)	(2,480,000)	(2,715,000)	(2,480,000)
Payment of finance lease liabilities	(2,485)	(2,496)	(1,908)	(826)
Dividends paid	(1,255,675)	(1,228,985)	(1,108,781)	(1,118,025)
Interest paid	(604,273)	(716,696)	(474,990)	(554,402)
<b>Net cash used in financing activities</b>	<b>(4,566,495)</b>	<b>(4,434,177)</b>	<b>(4,300,679)</b>	<b>(4,153,253)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(109,077)</b>	<b>378,895</b>	<b>8,645</b>	<b>10,139</b>
Cash and cash equivalents at 1 January	454,974	76,079	31,405	21,266
<b>Cash and cash equivalents at 31 December</b>	<b>345,897</b>	<b>454,974</b>	<b>40,050</b>	<b>31,405</b>

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



**SPCG Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

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# SPCG Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2017

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorized for issue by the Board of Directors on 23 February 2018.

## 1 General information

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

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

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

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

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

The Company’s major shareholder during the financial period was the Kunchornyakong family (49.03% shareholding).

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

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

Details of the Company’s subsidiaries as at 31 December 2017 and 2016 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest direct/ indirect (%)	
			2017	2016
<b>Direct subsidiaries</b>				
Solar Power Company Limited	Holding company	Thailand	100	100
Steel and Solar Roof Company Limited	Manufacturing, trading and installation services for roof sheets	Thailand	100	100
Solar Power Engineering Company Limited	Engineering, Procurement and Construction for solar farms	Thailand	100	100
Solar Power Roof Company Limited	Trading and installation services for solar roofing	Thailand	100	76

## SPCG Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

Name of the entity	Type of business	Country of incorporation	Ownership interest direct/ indirect (%) 2017	2016
Solar Power Asset Company Limited	Holding company	Thailand	100	100
SPCG Leasing Company Limited (In process of dissolution)	Leasing company	Thailand	100	100
<b>Indirect subsidiaries</b>				
Solar Power (Korat 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	85	85
Solar Power (Korat 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Korat 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Khonkaen 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

**SPCG Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

<b>Name of the entity</b>	<b>Type of business</b>	<b>Country of incorporation</b>	<b>Ownership interest direct/ indirect (%)</b>	
			<b>2017</b>	<b>2016</b>
Solar Power (Khonkaen 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 10) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Nakornphanom 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

<b>Name of the entity</b>	<b>Type of business</b>	<b>Country of incorporation</b>	<b>Ownership interest direct/ indirect (%)</b>	
			<b>2017</b>	<b>2016</b>
Solar Power (Sakonnakorn 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Sakonnakorn 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Loei 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Loei 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Nongkai 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Udonthani 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

## **2 Basis of preparation of the financial statements**

### *(a) Statement of compliance*

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

*(b) Basic of measurement*

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

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

*(c) Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

*(d) Use of judgements and estimates*

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

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

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

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

*Measurement of fair values*

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

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

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



## SPCG Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

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

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

### 3 Significant accounting policies

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

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

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

##### *Business combinations*

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

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

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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

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

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

### **Notes to the financial statements**

### **For the year ended 31 December 2017**

#### *Subsidiaries*

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

#### *Non-controlling interests*

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

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

#### *Loss of control*

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

#### *Interests in equity-accounted investees*

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

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **(b) Foreign currencies**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

**(c) *Derivative financial instruments***

*Hedge of future foreign currency transactions*

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates. Transaction fee and discounts are amortised to profit and loss on a straight-line basis over the length of the agreements.

*Hedge of interest rates*

The Group is party to derivative financial instruments, comprise “cross currency interest rate swap” which is not recognised on the inception date of the contract.

**(d) *Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**(e) *Trade and other accounts receivable***

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

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

**(f) *Inventories***

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

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(g) *Construction contracts work in progress***

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

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

**(h) Investments**

*Investments in subsidiaries and joint venture*

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

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

## SPCG Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

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

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

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment property	20 years
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No depreciation is provided on land.

##### (j) *Property, plant and equipment*

###### *Recognition and measurement*

###### *Owned assets*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

###### *Leased assets*

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

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*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings, building improvements and infrastructure	5 - 25 years
Solar modules	30 years
Inverters	20 years
Equipment and machinery	5 - 10 years
Office equipment	5 years
Vehicles	5 years

No depreciation is provided on land or assets under construction.

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

**(k) Intangible assets**

*Goodwill*

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

*Energy Industry License*

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

*Other intangible assets*

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



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*Subsequent expenditure*

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

*Amortisations*

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

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

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

Computer software	5 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(l) Impairment**

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

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(m) Interest-bearing liabilities**

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

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

Trade and other accounts payable are stated at cost.

**(o) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every 3 years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(p) Provisions**

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

**(q) Revenue**

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

*Income from sale of electricity*

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

*Sale of goods*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Rendering of services*

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

*Construction contracts*

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

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The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

*Dividend income*

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

*Interest and other income*

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

**(r) Finance costs**

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

**(s) Lease payments**

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

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

*Determining whether an arrangement contains a lease*

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

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

**(t) Income tax**

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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#### **For the year ended 31 December 2017**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **(u) *Earnings per share***

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### **(v) *Segment reporting***

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

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**4 Related parties**

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

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

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
JPEN Co., Ltd.	Thailand	Common shareholders and some directors
Woracha Holding Co., Ltd.	Thailand	Common shareholders
Capital Work Place Co., Ltd.	Thailand	Common shareholders and some directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Contractually agreed prices
Interest on loans	Contractually agreed rate with reference to market rate
Dividends income	Upon declaration
Other income	Contractually agreed prices
Purchase of goods and services	Contractually agreed prices
Service expense for operation and maintenance	Contractually agreed prices
Building rental and utilities expense	Contractually agreed prices
Warehouse rental expense	Contractually agreed prices
Contractual installation service of solar roof	Contractually agreed prices

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Year ended 31 December</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Interest income	-	-	419,183	505,107
Dividends income	-	-	924,420	898,920
Other income	-	-	111,881	107,546
Other expense	-	-	-	2,305



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<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Sales of goods	20,529	1,271	-	-
Other income	-	-	-	10
Purchases of goods	28,796	5,706	-	-
Service expense for operation and maintenance	168,000	168,000	-	-
Building rental expense and utilities expense	20,144	1,298	8,577	664
Warehouse rental expense	10,825	7,015	-	-
Contractual installation service of solar roof	189,111	117,426	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	31,576	36,821	19,870	24,545
Post-employment benefits	715	664	349	439
<b>Total</b>	<b>32,291</b>	<b>37,485</b>	<b>20,219</b>	<b>24,984</b>

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

<i>Trade and other accounts receivable - related parties</i>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Subsidiaries		-	-	6,364	6,174
Other related parties		-	1,343	-	-
Joint venture		-	161	-	161
<b>Total</b>		<b>-</b>	<b>1,504</b>	<b>6,364</b>	<b>6,335</b>
<i>Loans to related parties</i>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<b>Short-term loans</b>					
Subsidiaries	Interest Rate				
	2017      2016				
	<i>(% per annum)</i>				
Subsidiaries	3.50      -	-	-	269,700	-
	4.00      4.00	-	-	5,000	7,000
<b>Total short-term loans</b>		<b>-</b>	<b>-</b>	<b>274,700</b>	<b>7,000</b>
<i>Long-term loans</i>					
Subsidiaries	THBFIX3M				
	+1.55      -	-	-	8,717,131	-
	THBFIX3M				
	-      +1.65	-	-	-	10,530,501
	3.50      3.50	-	-	143,225	161,075
Subsidiaries	5.65      5.65	-	-	2,145,000	2,421,250
<b>Total</b>		<b>-</b>	<b>-</b>	<b>11,005,356</b>	<b>13,112,826</b>
<i>Less current portion due within one year</i>		<b>-</b>	<b>-</b>	<b>(2,114,912)</b>	<b>(2,107,470)</b>
<b>Total long-term loans</b>		<b>-</b>	<b>-</b>	<b>8,890,444</b>	<b>11,005,356</b>
<b>Total loans to related parties</b>		<b>-</b>	<b>-</b>	<b>11,280,056</b>	<b>13,119,826</b>

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

<i>Loans to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Short-term loan</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	7,000	-
Increase	-	-	633,000	172,000
Decrease	-	-	(365,300)	(165,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>274,700</b>	<b>7,000</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	13,112,826	14,980,170
Increase	-	-	9,546,477	170,000
Decrease	-	-	(11,653,947)	(2,037,344)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>11,005,356</b>	<b>13,112,826</b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Investments in subsidiaries (Note 11)</b>	<b>-</b>	<b>-</b>	<b>3,083,813</b>	<b>2,979,173</b>
<b>Investments in joint venture (Note 10)</b>	<b>1,799</b>	<b>2,718</b>	<b>3,000</b>	<b>3,000</b>
<b>Trade and other accounts payable - related parties</b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	41	972
Other related parties	259,064	144,067	57	-
Joint venture	-	4,096	-	-
<b>Total</b>	<b>259,064</b>	<b>148,163</b>	<b>98</b>	<b>972</b>

**Significant agreements with related parties**

As at 31 December 2017, the Group has significant agreements with related parties as follows:

**Operation, maintenance and monitoring agreement**

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

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#### ***Building rental agreement***

The Company and various subsidiaries have entered into building rental agreement with a related party. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in November 2019 with the rental fee and condition are as stipulated in the agreement.

#### ***Warehouse rental agreement***

Various subsidiaries have entered into warehouse rental agreement with a related party. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2018 with the rental fee and condition are as stipulated in the agreement.

#### ***Service agreement***

The Company has entered into service agreement with various subsidiaries for general management service. The Company agreed to provide human resources to manage operation process in accordance with subsidiaries' condition. The agreement term is for a period of 1 year, commencing from the effective date as specified in the agreement and expiring in December 2017 with the service fee and condition are as stipulated in the agreement.

#### ***Loan agreements***

On 1 April 2015, the Company entered into a long-term loan agreement with related party totaling of Baht 3,120 million which has repayment period every 6 months with the last due date for repayments in 2022. The loans bear interest at the rate of 5.65% per annum, loans are unsecured.

On 29 July 2016, the Company entered into a long-term loan agreement with related party totaling of Baht 170 million which has repayment period every 6 months with the last due date for repayments in 2022. The loans bear interest at the rate of 3.50% per annum, loans are unsecured.

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

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

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

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

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Cash on hand	211	211	20	20
Cash at financial institutions	345,686	454,763	40,030	31,385
<b>Total</b>	<b>345,897</b>	<b>454,974</b>	<b>40,050</b>	<b>31,405</b>

**6 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Current investments</i></b>				
Short-term deposits at financial institutions (Private fund)	171,000	-	171,000	-
Equity securities available for sale (Short-term fixed income fund)	1,223,372	2,904,750	1,052,882	2,643,586
Debt securities available for sale (Private fund)	46,695	-	46,695	-
	<b>1,441,067</b>	<b>2,904,750</b>	<b>1,270,577</b>	<b>2,643,586</b>
<b><i>Long-term investments</i></b>				
<b><i>- Investment held as available for sale</i></b>				
Debt securities available for sale (Private fund)	212,149	-	212,149	-
Equity securities available for sale (Equity fund)	39,393	-	39,393	-
	<b>251,542</b>	<b>-</b>	<b>251,542</b>	<b>-</b>
<b><i>- Other long-term investments</i></b>				
Non-marketable equity securities	128,678	128,678	-	-
Debt securities held to maturity	340,000	340,000	340,000	340,000
	<b>468,678</b>	<b>468,678</b>	<b>340,000</b>	<b>340,000</b>
	<b>720,220</b>	<b>468,678</b>	<b>591,542</b>	<b>340,000</b>
<b>Total</b>	<b>2,161,287</b>	<b>3,373,428</b>	<b>1,862,119</b>	<b>2,983,586</b>

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

Debt securities held to maturity are investments in debentures of another company and bear interest at the fixed rate of 3.75% per annum and have a maturity date on 1 April 2018. The investments are used as collateral for the Company's debentures (note 17).

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

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	2,904,750	3,633,474	2,643,586	3,455,985
Purchases during the year	10,886,318	7,670,702	6,891,288	3,292,500
Sales during the year	(12,311,828)	(8,455,495)	(8,217,519)	(4,153,000)
Gain from sale of investments	68,370	71,433	59,693	63,477
Valuation adjustment	(24,366)	(15,364)	(24,294)	(15,376)
Exchange rates adjustment	(1,635)	-	(1,635)	-
<b>At 31 December</b>	<b>1,521,609</b>	<b>2,904,750</b>	<b>1,351,119</b>	<b>2,643,586</b>

**7 Trade and other accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	<b>4</b>	<b>-</b>	<b>1,504</b>	<b>6,364</b>	<b>6,335</b>
<b>Other parties</b>					
Trade accounts receivable		540,962	858,610	1,403	1,403
Accrued income		948,239	2,610	-	-
Retention receivable		11,024	92,310	-	-
Others		29,168	21,104	9,944	6,637
		<b>1,529,393</b>	<b>974,634</b>	<b>11,347</b>	<b>8,040</b>
<b>Total</b>		<b>1,529,393</b>	<b>976,138</b>	<b>17,711</b>	<b>14,375</b>
Less allowance for doubtful accounts		(3,527)	(4,134)	(1,403)	(1,403)
<b>Net</b>		<b>1,525,866</b>	<b>972,004</b>	<b>16,308</b>	<b>12,972</b>
(Reversal of) doubtful debts for the year		(607)	229	-	(5)

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit terms	507,565	842,837	-	-
Overdue:				
Less than 3 months	24,356	10,216	-	-
3-6 months	1,139	682	-	-
6-12 months	4,158	1,194	-	-
Over 12 months	3,744	3,681	1,403	1,403
	540,962	858,610	1,403	1,403
<i>Less allowance for doubtful accounts</i>	<i>(3,527)</i>	<i>(4,134)</i>	<i>(1,403)</i>	<i>(1,403)</i>
<b>Total</b>	<b>537,435</b>	<b>854,476</b>	<b>-</b>	<b>-</b>

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

## 8 Inventories

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	14,258	3,485	-	-
Work in progress	1,029	177	-	-
Raw materials	691,199	441,976	-	-
Goods in transit	6,114	138,865	-	-
<b>Total</b>	<b>712,600</b>	<b>584,503</b>	<b>-</b>	<b>-</b>
<i>Less allowance for decline in value of inventories</i>	<i>(3,507)</i>	<i>(3,507)</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b>709,093</b>	<b>580,996</b>	<b>-</b>	<b>-</b>

Inventories recognised as an expense in  
‘cost of sales of goods’:

- Cost	1,141,924	813,848	-	-
- Reversal of write-down	-	(48)	-	-
<b>Net Total</b>	<b>1,141,924</b>	<b>813,800</b>	<b>-</b>	<b>-</b>

## 9 Other current assets

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Receivable from revenue department	50,164	28,496	-	-
Refundable corporate income tax	48,856	51,672	-	5,018
Others	50,594	26,665	235	345
<b>Total</b>	<b>149,614</b>	<b>106,833</b>	<b>235</b>	<b>5,363</b>



## SPCG Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 10 Investment in joint venture

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	2,718	3,329	3,000	3,000
Share of loss of investment in joint venture	(919)	(611)	-	-
<b>At 31 December</b>	<b>1,799</b>	<b>2,718</b>	<b>3,000</b>	<b>3,000</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017 (Unaudited)**

Investment in joint venture as at 31 December 2017 and 2016 and dividend income for the year then ended were as follows:

<b>Consolidated financial statements</b>										
	Ownership interest		Paid-up capital		Cost Method		Equity Method		Impairment	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Enegate (Thailand) Co., Ltd.	30	30	10,000	10,000	3,000	3,000	1,799	2,718	-	-
(In process of dissolution)					3,000	3,000	1,799	2,718	-	-
<b>Total</b>					<b>3,000</b>	<b>3,000</b>	<b>1,799</b>	<b>2,718</b>	<b>-</b>	<b>-</b>
<b>Separate financial statements</b>										
	Ownership interest		Paid-up capital		Cost Method		Impairment		At cost - net	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Enegate (Thailand) Co., Ltd.	30	30	10,000	10,000	3,000	3,000	-	-	3,000	3,000
(In process of dissolution)					3,000	3,000	-	-	-	-
<b>Total</b>					<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>

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

At the extraordinary meeting of shareholders of Enegate (Thailand) Co., Ltd., a joint venture, held on 12 October 2017, the shareholders approved the dissolution of the company. The company registered its dissolution with the Ministry of Commerce on 6 December 2017. The company is in dissolution process.

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017 (Unaudited)**

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

	<b>Immaterial joint venture</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial joint venture	1,799	2,718
Group's share of:		
- Loss	(919)	(611)
- Other comprehensive income	-	-
- Total comprehensive income (loss)	<u>(919)</u>	<u>(611)</u>

**11 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	2,979,173	2,979,173
Increase	104,640	-
Reversal of allowance for impairment	-	250
Decrease	-	(250)
<b>At 31 December</b>	<b><u>3,083,813</u></b>	<b><u>2,979,173</u></b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017 (Unaudited)**

Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for the year then ended were as follows;

	Ownership interest	Paid-up capital	Separate financial statements				At cost - net	Dividend income
			2017	2016	Impairment	2017		
	2017	2017	2017	2016	2017	2017	2016	2016
	(%)				(in thousand Baht)			
<b>Direct Subsidiaries</b>								
Solar Power Company Limited	100	1,500,000	2,301,000	2,301,000	-	2,301,000	2,301,000	886,500
Steel and Solar Roof Company Limited	100	57,373	57,373	57,373	-	57,373	57,373	-
Solar Power Engineering Company Limited	100	3,500	3,500	3,500	-	3,500	3,500	-
Solar Power Roof Company Limited	100	400,000	408,640	304,000	-	408,640	304,000	-
Solar Power Asset Company Limited	100	240,000	312,300	312,300	-	312,300	312,300	37,920
SPCG Leasing Company Limited	100	1,000	1,000	1,000	-	1,000	1,000	-
(In process of dissolution)			<b>3,083,813</b>	<b>2,979,173</b>	<b>-</b>	<b>3,083,813</b>	<b>2,979,173</b>	<b>898,920</b>

All subsidiaries were incorporated in Thailand.

At the extraordinary meeting of shareholders of SPCG Leasing Company Limited, a subsidiary, held on 22 November 2017, the shareholders approved the dissolution of the company. The company registered its dissolution with the Ministry of Commerce on 6 December 2017. The company is in dissolution process.

## SPCG Public Company Limited and its Subsidiaries

### Notes to financial statements

#### For the year ended 31 December 2017

#### *Changes in investment in subsidiaries*

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

On 21 July 2016, Solar Power Company Limited, a subsidiary entered into share sale & purchase agreement with International Finance Corporation to purchase ordinary shares of the 3 indirect subsidiaries as follow: Solar Power (Korat1) Company Limited for 2.45% for a consideration totaling Baht 88.05 million, Solar Power (Nakorn Phanom1) Company Limited for 1.19% for consideration totaling Baht 40.74 million and Solar Power (Sakon Nakorn1) Company Limited for 1.18% for consideration totaling Baht 40.88 million.

## 12 Non-controlling interests

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

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

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

	<b>31 December 2016</b>		
	Solar power group company	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	<b>Total</b>
Current assets	979,020		
Non-current assets	18,137,583		
Current liabilities	2,303,646		
Non-current liabilities	10,765,547		
<b>Net assets</b>	<b>6,047,410</b>		
Carrying amount of non-controlling interest	1,352,142	119,128	<b>1,471,270</b>
Revenue	4,256,636		
Profit	2,461,604		
Other comprehensive income	53		
<b>Total comprehensive income</b>	<b>2,461,657</b>		
Profit allocated to non-controlling interest	286,269	16,989	<b>303,258</b>
Other comprehensive income allocated to non-controlling interest	19	(72)	<b>(53)</b>
Net cash from operating activities	(731,028)		
Net cash from investing activities	1,169,858		
Net cash from financing activities	(440,971)		
<b>Net decrease in cash and cash equivalents</b>	<b>(2,141)</b>		



**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

**13 Property, plant and equipment**

**Consolidated financial statements**

	Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment	Vehicles	Asset under construction	Total
			<i>(in thousand Baht)</i>				
<b>Cost</b>							
At 1 January 2016	1,971,737	1,177,649	16,923,069	18,621	20,966	3	20,112,045
Additions	665	5,363	59,440	8,849	3,101	2,049	79,467
Transfers	-	1,320	(2,457)	3,154	-	(2,049)	(32)
Disposals	-	(3,257)	(13,767)	(5,436)	(4,725)	(3)	(27,188)
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,972,402</b>	<b>1,181,075</b>	<b>16,966,285</b>	<b>25,188</b>	<b>19,342</b>	-	<b>20,164,292</b>
Additions	20,651	49,347	8,386	8,816	4,949	-	92,149
Transfers	-	1,593	(2,434)	-	-	-	(841)
Disposals	-	(3,119)	(28,372)	(2,138)	(5,024)	-	(38,653)
<b>At 31 December 2017</b>	<b>1,993,053</b>	<b>1,228,896</b>	<b>16,943,865</b>	<b>31,866</b>	<b>19,267</b>	-	<b>20,216,947</b>
<b>Depreciation</b>							
At 1 January 2016	-	147,147	1,625,673	12,802	11,954	-	1,797,576
Depreciation charge for the year	-	49,601	578,019	5,078	3,576	-	636,274
Transfers	-	-	(7)	-	-	-	(7)
Disposals	-	(3,165)	(2,170)	(4,477)	(3,409)	-	(13,221)
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>193,583</b>	<b>2,201,515</b>	<b>13,403</b>	<b>12,121</b>	-	<b>2,420,622</b>
Depreciation charge for the year	-	55,057	571,994	4,826	2,625	-	634,502
Transfers	-	286	(1,063)	-	-	-	(777)
Disposals	-	(1,147)	(7,737)	(232)	(4,072)	-	(13,188)
<b>At 31 December 2017</b>	<b>-</b>	<b>247,779</b>	<b>2,764,709</b>	<b>17,997</b>	<b>10,674</b>	-	<b>3,041,159</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

Consolidated financial statements								
	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment	Vehicles	Asset under construction	Total		
		(in thousand Baht)						
Net book value At 1 January 2016								
	Owned assets	1,971,737	1,030,502	15,297,396	5,819	2,942	3	18,308,399
	Assets under finance leases	-	-	-	-	6,070	-	6,070
	<u>1,971,737</u>	<u>1,030,502</u>	<u>15,297,396</u>	<u>5,819</u>	<u>9,012</u>	<u>3</u>	<u>18,314,469</u>	
At 31 December 2016 and 1 January 2017								
	Owned assets	1,972,402	987,492	14,764,770	11,785	4,428	-	17,740,877
	Assets under finance leases	-	-	-	-	2,793	-	2,793
	<u>1,972,402</u>	<u>987,492</u>	<u>14,764,770</u>	<u>11,785</u>	<u>7,221</u>	<u>-</u>	<u>17,743,670</u>	
At 31 December 2017								
	Owned assets	1,993,053	981,117	14,179,156	13,623	4,242	-	17,171,191
	Assets under finance leases	-	-	-	246	4,351	-	4,597
	<u>1,993,053</u>	<u>981,117</u>	<u>14,179,156</u>	<u>13,869</u>	<u>8,593</u>	<u>-</u>	<u>17,175,788</u>	

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

		<b>Separate financial statements</b>				
		Land	Buildings and building improvements	Office equipment (in thousand Baht)	Vehicles	Construction in process
						Total
<b>Cost</b>						
At 1 January 2016		17,412	24,382	5,824	9,999	57,617
Additions		-	396	2,800	1,690	6,935
Transfers		-	1,294	755	-	-
Disposals		-	-	(1,289)	-	(1,289)
<b>At 31 December 2016 and 1 January 2017</b>		<b>17,412</b>	<b>26,072</b>	<b>8,090</b>	<b>11,689</b>	<b>63,263</b>
Additions		-	30,084	2,520	3,550	36,154
Disposals		-	-	(659)	(4,000)	(4,659)
<b>At 31 December 2017</b>		<b>17,412</b>	<b>56,156</b>	<b>9,951</b>	<b>11,239</b>	<b>94,758</b>
<b>Depreciation</b>						
At 1 January 2016		-	11,839	3,645	4,778	20,262
Depreciation charge for the year		-	1,639	1,196	2,235	5,070
Disposals		-	-	(1,165)	-	(1,165)
<b>At 31 December 2016 and 1 January 2017</b>		<b>-</b>	<b>13,478</b>	<b>3,676</b>	<b>7,013</b>	<b>24,167</b>
Depreciation charge for the year		-	4,851	1,604	1,666	8,121
Disposals		-	-	(592)	(3,232)	(3,824)
<b>At 31 December 2017</b>		<b>-</b>	<b>18,329</b>	<b>4,688</b>	<b>5,447</b>	<b>28,464</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

Separate financial statements							
	Land	Buildings and building improvements	Office equipment (in thousand Baht)	Vehicles	Construction in process	Total	
Net book value At 1 January 2016							
	Owned assets	17,412	12,543	2,179	2,300	-	34,434
	Assets under finance leases	-	-	-	2,921	-	2,921
	<u>17,412</u>	<u>12,543</u>	<u>2,179</u>	<u>5,221</u>	<u>-</u>	<u>37,355</u>	
At 31 December 2016 and 1 January 2017							
	Owned assets	17,412	12,594	4,414	2,777	-	37,197
	Assets under finance leases	-	-	-	1,899	-	1,899
	<u>17,412</u>	<u>12,594</u>	<u>4,414</u>	<u>4,676</u>	<u>-</u>	<u>39,096</u>	
At 31 December 2017							
	Owned assets	17,412	37,827	5,263	1,441	-	61,943
	Assets under finance leases	-	-	-	4,351	-	4,351
	<u>17,412</u>	<u>37,827</u>	<u>5,263</u>	<u>5,792</u>	<u>-</u>	<u>66,294</u>	

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 mounted to Baht 7.01 million (2016: Baht 6.67 million).

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

**14 Intangible assets**

<b>Consolidated financial statements</b>				
	License for Energy Industry	Goodwill <i>(in thousand Baht)</i>	Computer software	Total
<b><i>Cost</i></b>				
At 1 January 2016	57,895	11,286	48,325	117,506
Acquisitions	-	-	10,945	10,945
Disposal	-	-	(839)	(839)
Transfer	-	-	32	32
<b>At 31 December 2016 and 1 January 2017</b>	<b>57,895</b>	<b>11,286</b>	<b>58,463</b>	<b>127,644</b>
Acquisitions	-	-	221	221
Disposal	-	-	(650)	(650)
Transfer	-	-	841	841
<b>At 31 December 2017</b>	<b>57,895</b>	<b>11,286</b>	<b>58,875</b>	<b>128,056</b>
<b><i>Amortisation</i></b>				
At 1 January 2016	4,632	-	7,921	12,553
Amortisation for the year	2,315	-	5,524	7,839
Disposal	-	-	(317)	(317)
Transfer	-	-	7	7
<b>At 31 December 2016 and 1 January 2017</b>	<b>6,947</b>	<b>-</b>	<b>13,135</b>	<b>20,082</b>
Amortisation for the year	2,315	-	5,862	8,177
Disposal	-	-	(310)	(310)
Transfer	-	-	777	777
<b>At 31 December 2016</b>	<b>9,262</b>	<b>-</b>	<b>19,464</b>	<b>28,726</b>
<b><i>Net book value</i></b>				
<b>At 1 January 2016</b>	<b>53,263</b>	<b>11,286</b>	<b>40,404</b>	<b>104,953</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>50,948</b>	<b>11,286</b>	<b>45,328</b>	<b>107,562</b>
<b>At 31 December 2017</b>	<b>48,633</b>	<b>11,286</b>	<b>39,411</b>	<b>99,330</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

	<b>Separate financial statements</b>
	<i>Computer software (in thousand Baht)</i>
<b>Cost</b>	
At 1 January 2016	723
Acquisitions	526
Disposal	(16)
<b>At 31 December 2016 and 1 January 2017</b>	<b>1,233</b>
<b>At 31 December 2017</b>	<b>1,233</b>
<b>Amortisation</b>	
At 1 January 2016	301
Amortisation for the year	135
Disposal	(2)
<b>At 31 December 2016 and 1 January 2017</b>	<b>434</b>
<b>At 31 December 2017</b>	<b>607</b>
<b>Net book value</b>	
<b>At 1 January 2016</b>	<b>422</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>799</b>
<b>At 31 December 2017</b>	<b>626</b>

## 15 Deferred tax

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

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2017	2016	2017	2016
		<i>(in thousand Baht)</i>		
Total	158,097	161,221	(6,344)	(13,776)
Set off of tax	(1,430)	(1,276)	1,430	1,276
<b>Net deferred tax assets (liabilities)</b>	<b>156,667</b>	<b>159,945</b>	<b>(4,914)</b>	<b>(12,500)</b>

	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2017	2016	2017	2016
		<i>(in thousand Baht)</i>		
Total	1,430	1,279	(6,263)	(13,667)
Set off of tax	(1,430)	(1,279)	1,430	1,279
<b>Net deferred tax assets (liabilities)</b>	<b>-</b>	<b>-</b>	<b>(4,833)</b>	<b>(12,388)</b>



**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

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

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January 2017	Profit or loss (note 27) (in thousand Baht)	Other comprehensive income	At 31 December 2017
<b>Deferred tax assets</b>				
Property, plant and equipment	159,227	(3,334)	-	155,893
Provisions for employee benefits	1,994	210	-	2,204
<b>Total</b>	<b>161,221</b>	<b>(3,124)</b>	<b>-</b>	<b>158,097</b>
<b>Deferred tax liabilities</b>				
Investment held as available for sale	6,530	-	(4,885)	1,645
Debentures	7,246	(2,547)	-	4,699
<b>Total</b>	<b>13,776</b>	<b>(2,547)</b>	<b>(4,885)</b>	<b>6,344</b>
<b>Net</b>	<b>147,445</b>	<b>(577)</b>	<b>4,885</b>	<b>151,753</b>

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January 2016	Profit or loss (note 27) (in thousand Baht)	Other comprehensive income	At 31 December 2016
<b>Deferred tax assets</b>				
Property, plant and equipment	156,107	3,120	-	159,227
Provisions for employee benefits	1,793	201	-	1,994
<b>Total</b>	<b>157,900</b>	<b>3,321</b>	<b>-</b>	<b>161,221</b>
<b>Deferred tax liabilities</b>				
Investment held as available for sale	9,607	-	(3,077)	6,530
Debentures	10,247	(3,001)	-	7,246
<b>Total</b>	<b>19,854</b>	<b>(3,001)</b>	<b>(3,077)</b>	<b>13,776</b>
<b>Net</b>	<b>138,046</b>	<b>6,322</b>	<b>3,077</b>	<b>147,445</b>

**SPCG Public Company Limited and its Subsidiaries****Notes to financial statements****For the year ended 31 December 2017**

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

	<b>At 1 January 2016</b>	<b>Separate financial statements (Charged) / Credited to:</b>		<b>At 31 December 2016</b>
		Profit or loss (note 27) (in thousand Baht)	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Provisions for employee benefits	1,136	143	-	1,279
<b>Total</b>	<b>1,136</b>	<b>143</b>	<b>-</b>	<b>1,279</b>
<b><i>Deferred tax liabilities</i></b>				
Investment held as available for sale	9,496	-	(3,075)	6,421
Debentures	10,247	(3,001)	-	7,246
<b>Total</b>	<b>19,743</b>	<b>(3,001)</b>	<b>(3,075)</b>	<b>13,667</b>
<b>Net</b>	<b>(18,607)</b>	<b>3,144</b>	<b>3,075</b>	<b>(12,388)</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
		(in thousand Baht)		
Tax losses	639,248	630,157	-	-

The tax losses expire during 2017 to 2022. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the can utilise the benefits therefrom.

**16 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
		(in thousand Baht)		
Deferred warranty fee of inventors	682,852	711,184	-	-
Others	4,525	4,816	1,351	1,638
<b>Total</b>	<b>687,377</b>	<b>716,000</b>	<b>1,351</b>	<b>1,638</b>

**17 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
		(in thousand Baht)		
<b>Current</b>				
Short-term borrowings from financial institutions				
- Unsecured	10,938	-	-	-
Current portion of debentures				
- Secured	1,146,556	909,409	1,146,556	909,409
- Unsecured	1,793,929	1,792,868	1,793,929	1,792,868
	<b>2,940,485</b>	<b>2,702,277</b>	<b>2,940,485</b>	<b>2,702,277</b>
Current portion of finance lease liabilities	1,392	1,352	1,168	883
<b>Total current</b>	<b>2,952,815</b>	<b>2,703,629</b>	<b>2,941,653</b>	<b>2,703,160</b>
<b>Non-current</b>				
Debentures				
- Secured	574,338	1,720,894	574,338	1,720,894
- Unsecured	7,086,676	8,880,598	7,086,676	8,880,598
	<b>7,661,014</b>	<b>10,601,492</b>	<b>7,661,014</b>	<b>10,601,492</b>
Finance lease liabilities	2,012	566	2,012	566
<b>Total non-current</b>	<b>7,663,026</b>	<b>10,602,058</b>	<b>7,663,026</b>	<b>10,602,058</b>
<b>Total</b>	<b>10,615,841</b>	<b>13,305,687</b>	<b>10,604,679</b>	<b>13,305,218</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

*Debentures*

Detail of debentures as at 31 December 2017 and 2016 were as follows;

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Debentures	10,625,000	13,340,000	10,625,000	13,340,000
Less Unamortized deferred expenses on debentures	(23,501)	(36,231)	(23,501)	(36,231)
	<b>10,601,499</b>	<b>13,303,769</b>	<b>10,601,499</b>	<b>13,303,769</b>
Less Current portion due within one year	(2,940,485)	(2,702,277)	(2,940,485)	(2,702,277)
<b>Total</b>	<b>7,661,014</b>	<b>10,601,492</b>	<b>7,661,014</b>	<b>10,601,492</b>

On 30 May 2014, the Company issued the Guaranteed and amortised debentures in an amount of Baht 4,000 million with the interest of 5.55% per annum and repayment in principal every 6 months and interest every 3 months. Its maturity date is 30 June 2019.

On 16 December 2015, the Company issued the name-registered, unsubordinated and unsecured debentures, the repayment date is the same with maturity date with no debentureholders' representative to institutional investors and high net worth investors in an amount of Baht 12,500 million with 8 series which interest is payable on semi-annual basis. The maturity dates from December 2016 to 2023.

Details debentures as at 31 December 2017 were as follow:

Amount <i>(in million Baht)</i>	Interest rates <i>(%) p.a.</i>	Term <i>(years)</i>	Maturity dates
4,000	5.55	5 years 1 month	30 June 2019
1,800	2.66	3 years	16 December 2018
1,800	2.97	4 years	16 December 2019
1,700	3.37	5 years	16 December 2020
1,700	3.62	6 years	16 December 2021
1,250	3.80	7 years	16 December 2022
650	3.94	8 years	16 December 2023

Movements during the year ended 31 December 2017 and 2016 of debentures which included current portion were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	13,303,769	15,768,770	13,303,769	15,768,770
Repayment of debentures	(2,715,000)	(2,480,000)	(2,715,000)	(2,480,000)
Adjusted debentures per effective interest rate method	12,730	14,999	12,730	14,999
<b>At 31 December</b>	<b>10,601,499</b>	<b>13,303,769</b>	<b>10,601,499</b>	<b>13,303,769</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to financial statements**  
**For the year ended 31 December 2017**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2017	2016	2017	2016
			<i>(in thousand Baht)</i>		
Other long-term investment	6	340,000	340,000	340,000	340,000

As at 31 December 2017, the Group had unutilised credit facilities totalling Baht 140 million. (2016: Baht 400 million).

**18 Trade and other accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2017	2016	2017	2016
			<i>(in thousand Baht)</i>		
<b>Related parties</b>	4	<b>259,064</b>	<b>148,163</b>	<b>98</b>	<b>972</b>
<b>Other parties</b>					
Trade accounts payable		562,255	697,124	-	-
Accrued expense		131,829	25,391	8,960	9,491
Unearned revenues		71,090	36,175	-	-
Liabilities from forward contract		-	38,890	-	-
Accrued interest expense		16,264	15,206	13,118	15,206
Others		45,270	86,425	33,106	21,569
		<u>826,708</u>	<u>899,211</u>	<u>55,184</u>	<u>46,266</u>
<b>Total</b>		<b><u>1,085,772</u></b>	<b><u>1,047,374</u></b>	<b><u>55,282</u></b>	<b><u>47,238</u></b>

**19 Share capital**

		Par value per share (in Baht)	2017		2016	
			Number	Baht	Number	Baht
				<i>(thousand shares / thousand Baht)</i>		
<b>Authorised</b>						
At 1 January						
- ordinary shares	1		923,990	923,990	923,990	923,990
Issue of new shares			<u>92,399</u>	<u>92,399</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>						
- ordinary shares	1		<b><u>1,016,389</u></b>	<b><u>1,016,389</u></b>	<b><u>923,990</u></b>	<b><u>923,990</u></b>
<b>Issued and paid-up</b>						
At 1 January						
- ordinary shares	1		<u>923,990</u>	<u>923,990</u>	<u>923,990</u>	<u>923,990</u>
<b>At 31 December</b>						
- ordinary shares	1		<b><u>923,990</u></b>	<b><u>923,990</u></b>	<b><u>923,990</u></b>	<b><u>923,990</u></b>

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

### **Notes to financial statements**

### **For the year ended 31 December 2017**

#### *Increase of registered share capital*

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

## **20 Additional paid-in capital and reserves**

### *Share premium*

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

### *Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### *Other components of equity*

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

## **21 Operating segments**

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

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

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

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

***Information about reportable segments***

	Manufacture, trading, and installation service of roof sheets		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
Revenue from operations	213,030	216,701	4,301,286	4,399,278	1,608,860	928,323	-	-	6,123,177	5,544,302
Revenue from inter-segment	-	-	-	-	1,529,395	1,649,070	(1,529,394)	(1,649,070)	-	-
Total revenue and other income	213,030	216,701	4,301,286	4,399,278	3,138,255	2,577,393	(1,529,394)	(1,649,070)	6,123,177	5,544,302
Operating profit	2,763	3,413	3,182,855	3,265,195	278,126	115,807	2,771	(24,855)	3,466,515	3,359,560
Interest income	11	19	326	257	518,586	565,828	(479,465)	(552,915)	39,458	13,189
Finance costs	(566)	(513)	(604,193)	(729,200)	(492,876)	(568,419)	479,465	552,915	(618,170)	(745,217)
Finance costs, net	(555)	(494)	(603,867)	(728,943)	25,710	(2,591)	-	-	(578,712)	(732,028)
Share of loss of investment in joint venture	-	-	-	-	(919)	(611)	-	-	(919)	(611)
<b>Profit before income tax expense</b>	<b>2,208</b>	<b>2,919</b>	<b>2,578,988</b>	<b>2,536,252</b>	<b>1,227,337</b>	<b>1,011,525</b>	<b>(921,649)</b>	<b>(923,775)</b>	<b>2,886,884</b>	<b>2,626,921</b>
Income tax benefit (expense)	(302)	(664)	(2,986)	42	(61,203)	(11,961)	(288)	3,129	(64,779)	(9,454)
<b>Profit for the year</b>	<b>1,906</b>	<b>2,255</b>	<b>2,576,002</b>	<b>2,536,294</b>	<b>1,166,134</b>	<b>999,564</b>	<b>(921,937)</b>	<b>(920,646)</b>	<b>2,822,105</b>	<b>2,617,467</b>



**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

As at 31 December	Manufacture, trading, and installation service of roof sheets		Production and distribution of electricity from solar energy		Others (in thousand Baht)		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Segment assets</b>										
Property, plant and equipment	37,819	39,430	17,094,227	17,698,496	80,499	47,639	(36,757)	(41,895)	17,175,788	17,743,670
Investments in joint venture	-	-	-	-	1,799	2,718	-	-	1,799	2,718
Current investments	-	-	66,137	118,196	1,374,930	2,786,554	-	-	1,441,067	2,904,750
Investments held as available for sale	-	-	-	-	251,542	-	-	-	251,542	-
Other long-term investments	-	-	128,678	128,678	340,000	340,000	-	-	468,678	468,678
Unallocated assets	-	-	-	-	-	-	-	-	3,687,764	3,112,460
<b>Total assets</b>							<b>23,026,638</b>	<b>(41,895)</b>	<b>23,026,638</b>	<b>24,232,276</b>
<b>Segment liabilities</b>										
Borrowings	15,938	7,000	11,005,356	13,112,826	269,700	-	(11,280,056)	(13,119,826)	10,938	-
Debentures	-	-	-	-	10,601,499	13,303,769	-	-	10,601,499	13,303,769
Unallocated liabilities	-	-	-	-	-	-	-	-	1,206,001	1,162,617
<b>Total liabilities</b>							<b>11,818,438</b>	<b>(13,119,826)</b>	<b>11,818,438</b>	<b>14,466,386</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**22 Revenue from sale and rendering of services**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Revenue from sale electricity distribution	1,194,941	1,235,007	-	-
Revenue from subsidy of adders	3,078,087	3,126,500	-	-
Revenue from sales and installation service of roof	1,561,528	931,145	-	-
Revenue from sales of goods	173,797	155,444	-	-
<b>Total</b>	<b>6,008,353</b>	<b>5,448,096</b>	<b>-</b>	<b>-</b>

**23 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Dividends Income	-	-	924,420	898,920
Interest Income	39,458	13,189	518,467	565,797
Gain on sale of other investments	68,370	71,433	59,693	63,477
Management service income	-	-	109,356	105,021
Others	6,996	11,584	3,468	3,637
<b>Total</b>	<b>114,824</b>	<b>96,206</b>	<b>1,615,404</b>	<b>1,636,852</b>

**24 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Salaries and wages	68,970	58,728	31,674	31,564
Overtime and bonus	11,571	10,064	5,848	5,545
Defined contribution plan	1,491	1,156	696	656
Defined benefit plans	1,049	1,006	753	721
Others	7,185	18,873	2,710	13,846
<b>Total</b>	<b>90,266</b>	<b>89,827</b>	<b>41,681</b>	<b>52,332</b>

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the various Companies within the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 6% of their basic salaries and by the Group at rates ranging from 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**25 Expense by nature**

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Changes in inventories	(128,097)	615,496	-	-
Raw materials and consumables used	1,270,021	293,083	-	-
Depreciation and Amortization	642,804	644,166	8,426	5,336
Management and utilities fee	290,609	270,199	9,841	7,374
Contractual installation service of solar roof	208,847	117,426	-	-
Employee benefit expenses	90,266	89,827	41,681	52,332
Commission expense	64,799	155	-	-
Signboard tax and property tax	26,929	45,650	-	-
Insurance expenses	24,051	28,335	606	810
Others	126,975	67,216	48,868	26,159
<b>Total cost of sale of goods, selling and distribution expenses and administrative expenses</b>	<b>2,617,204</b>	<b>2,171,553</b>	<b>109,422</b>	<b>92,011</b>

**26 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Interest expense:</b>				
Debentures	485,632	567,994	485,632	567,994
Bank loans and overdrafts	317	311	-	-
Interest rate swap	132,111	158,661	-	-
<b>Total interest expense</b>	<b>618,060</b>	<b>726,966</b>	<b>485,632</b>	<b>567,994</b>
Others finance costs	110	18,251	89	130
<b>Total</b>	<b>618,170</b>	<b>745,217</b>	<b>485,721</b>	<b>568,124</b>

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**27 Income tax expense**

*Income tax recognised in profit or loss*

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
<b>Current tax expense</b>				
Current year	64,185	15,776	22,301	8,665
Adjustment for prior years	17	-	110	-
	<b>64,202</b>	<b>15,776</b>	<b>22,411</b>	<b>8,665</b>
<b>Deferred tax expense</b>	15			
Movements in temporary differences	577	(6,322)	(2,696)	(3,144)
	<b>577</b>	<b>(6,322)</b>	<b>(2,696)</b>	<b>(3,144)</b>
<b>Total income tax expense</b>	<b>64,779</b>	<b>9,454</b>	<b>19,715</b>	<b>5,521</b>

*Reconciliation of effective tax rate*

	Consolidated financial statements			
	Rate (%)	2017 (in thousand Baht)	Rate (%)	2016 (in thousand Baht)
Profit before income tax expense		2,886,884		2,626,921
Income tax using the Thai corporation tax rate	20	577,377	20	525,384
Income not subject to tax		(521,792)		(516,486)
Expenses not deductible for tax purposes		1,744		4,875
Tax losses for which no deferred income tax asset was recognised		7,433		7,214
Recognition of previously unrecognised tax losses		-		(11,533)
Under provided in prior years		17		-
<b>Total</b>	<b>2.2</b>	<b>64,779</b>	<b>0.4</b>	<b>9,454</b>

	Separate financial statements			
	Rate (%)	2017 (in thousand Baht)	Rate (%)	2016 (in thousand Baht)
Profit before income tax expense		1,020,261		976,717
Income tax using the Thai corporation tax rate	20	204,052	20	195,343
Income not subject to tax		(185,781)		(179,784)
Expenses not deductible for tax purposes		1,334		307
Recognition of previously unrecognised tax losses		-		(10,345)
Under provided in prior years		110		-
<b>Total</b>	<b>1.9</b>	<b>19,715</b>	<b>0.6</b>	<b>5,521</b>

*Income tax reduction*

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

**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**28 Promotional privileges**

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

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

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

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2017		Total (in thousand Baht)	2016		Total
	Promoted busi- nesses	Non- promoted businesses		Promoted busi- nesses	Non- promoted businesses	
Local sales	4,273,028	2,086,553	6,359,581	4,361,506	1,173,734	5,535,240
Eliminations	-	(351,228)	(351,228)	-	(87,144)	(87,144)
<b>Total revenue</b>	<b>4,273,028</b>	<b>1,735,325</b>	<b>6,008,353</b>	<b>4,361,506</b>	<b>1,086,590</b>	<b>5,448,096</b>

**29 Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2017 and 2016 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(thousand shares / thousand Baht)			
Profit for the year attributable to ordinary shareholders of the Company	2,524,325	2,314,209	1,000,546	971,196
Number of ordinary shares outstanding	923,990	923,990	923,990	923,990
<b>Basic earnings per share (in Baht)</b>	<b>2.73</b>	<b>2.50</b>	<b>1.08</b>	<b>1.05</b>

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

### **Notes to the financial statements**

#### **For the year ended 31 December 2017**

### **30 Dividends**

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

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

At the Board of Director's Meeting of the Company held on 5 August 2016, the Board approved the appropriation of interim dividends of Baht 0.40 per share amounting to Baht 369.60 million. The dividend was paid to the shareholders in September 2016.

At the Annual General Meeting of the shareholders of the Company held on 22 April 2016, the shareholders approved the appropriation of dividend for the year 2015 and the Company's unappropriated retained earnings of Baht 1.25 per share, amounting to Baht 1,154.99 million. The Company had paid interim dividend at the rate of Baht 0.44 per share, amounting to Baht 406.56 million. The remaining dividend will be paid at the rate of Baht 0.81 per share, amounting to Baht 748.43 million. The dividend was paid to shareholders during May 2016.

### **31 Financial instruments**

#### ***Financial risk management policies***

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### ***Capital management***

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**SPCG Public Company Limited and its Subsidiaries**  
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***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

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

<b>Consolidated financial statements</b>					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2017</b>					
<b>Non-current</b>					
Other debt securities held to maturity	3.75	340,000	-	-	340,000
<b>Total</b>		<b>340,000</b>	<b>-</b>	<b>-</b>	<b>340,000</b>
<b>2016</b>					
<b>Non-current</b>					
Other debt securities held to maturity	3.75	-	340,000	-	340,000
<b>Total</b>		<b>-</b>	<b>340,000</b>	<b>-</b>	<b>340,000</b>
<b>Separate financial statement</b>					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2017</b>					
<b>Current</b>					
Loans to related parties	3.5	269,700	-	-	269,700
	4	5,000	-	-	5,000
<b>Non-current</b>					
Loans to related parties	THBFIX3M				
	+1.55	1,820,812	6,455,442	440,877	8,717,131
	3.50	17,850	125,375	-	143,225
	5.65	276,250	1,868,750	-	2,145,000
Other debt securities held to maturity	3.75	340,000	-	-	340,000
<b>Total</b>		<b>2,729,612</b>	<b>8,449,567</b>	<b>440,877</b>	<b>11,620,056</b>



**SPCG Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

		Separate financial statement			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2016</b>					
<b>Current</b>					
Loans to related parties	4	7,000	-	-	7,000
<b>Non-current</b>					
Loans to related parties	THBFIX3M				
	+1.65	1,813,370	7,036,051	1,681,080	10,530,501
	3.50	17,850	111,563	31,662	161,075
	5.65	276,250	1,677,812	467,188	2,421,250
Other debt securities held to maturity	3.75	-	340,000	-	340,000
<b>Total</b>		<b>2,114,470</b>	<b>9,165,426</b>	<b>2,179,930</b>	<b>13,459,826</b>

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

		Consolidated financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2017					
Current					
Bank overdrafts	MOR	1,938	-	-	1,938
Debentures	MLR - 1	9,000	-	-	9,000
Non-current					
Debentures	2.66 - 5.55	2,940,485	7,011,500	649,514	10,601,499
Total		2,951,423	7,011,500	649,514	10,612,437
2016					
Non-current					
Debentures	2.47 - 5.55	2,702,277	8,703,407	1,898,085	13,303,769
Total		2,702,277	8,703,407	1,898,085	13,303,769

**SPCG Public Company Limited and its Subsidiaries**  
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			Separate financial statement		
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2017</b>					
<b>Non-current</b>					
Debentures	2.66 - 5.55	2,940,485	7,011,500	649,514	10,601,499
<b>Total</b>		<b>2,940,485</b>	<b>7,011,500</b>	<b>649,514</b>	<b>10,601,499</b>
<b>2016</b>					
<b>Non-current</b>					
Debentures	2.47 - 5.55	2,702,277	8,703,407	1,898,085	13,303,769
<b>Total</b>		<b>2,702,277</b>	<b>8,703,407</b>	<b>1,898,085</b>	<b>13,303,769</b>

***Interest rate swap contracts***

The Company had interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of debentures repayments by changing from floating interest rate which received from long-term loans to related parties to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, the Company agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2017, the notional principal from the contract was amounting to Baht 8,717 million (2016: Baht 10,531 million), the fixed interest rate was 3.31% and the floating interest rate was THBFIX3M plus 1.51%.

The subsidiaries entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of long-term borrowings by changing from floating interest rate to fixed interest rate under the interest rate swap contract. Under the interest rate swap contracts, subsidiaries agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts. As at 31 December 2017, the notional principal from the contract was amounting to Baht 8,509 million (2016: Baht 11,184 million), the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00% (2016: the fixed interest rates ranged from 4.37% to 5.47% and the floating interest rates was THBFIX3M plus 1.80% to 2.00%).

***Foreign currency risk***

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>United States Dollars</i>		(in million Baht)		
Other investments	39,393	-	39,393	-
Trade and other accounts payable	-	(267,664)	-	-
<b>Gross balance sheet exposure</b>	<b>39,393</b>	<b>(267,664)</b>	<b>39,393</b>	<b>-</b>
<b>Currency forwards</b>	<b>-</b>	<b>461,075</b>	<b>-</b>	<b>-</b>

At 31 December 2017, the Company had no selling forward contract denominated in United States Dollars (2016: US dollar 12.81 million or equivalent to Baht 461.07 million).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Euro</i>		(in million Baht)		
Trade and other accounts payable	(79,805)	-	-	-
<b>Gross balance sheet exposure</b>	<b>(79,805)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Currency forwards</b>	<b>15,668</b>	<b>-</b>	<b>-</b>	<b>-</b>

At 31 December 2017, the Company had selling forward contracts amount Euro 0.40 million or equivalent to Baht 15.67 million (2016: None).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Japanese Yen</i>		(in million Baht)		
Trade and other accounts payable	(3,085)	(369,581)	-	-
<b>Gross balance sheet exposure</b>	<b>(3,085)</b>	<b>(369,581)</b>	<b>-</b>	<b>-</b>
<b>Currency forwards</b>	<b>3,085</b>	<b>369,581</b>	<b>-</b>	<b>-</b>

At 31 December 2017, the Company had selling forward contracts amount Japanese Yen 10.51 million or equivalent to Baht 3.09 million (2016: Japanese Yen 1,187.08 million or equivalent to Baht 369.58 million).

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has concentrations of credit risk since most of its revenues are contracted under long-term agreements with a small number of parties. However counterparties are generally government authorities and large public or private corporations and the risk perceived is low.

**Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

**SPCG Public Company Limited and its Subsidiaries**  
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***Carrying amounts and fair values***

As at 31 December 2017 and 2016, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following items;

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
<b>31 December 2017</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available for sale (Short-term fixed income fund)	1,223.37	-	1,223.37	-	1,223.37
Debt securities available for sale (Private fund)	258.84	-	258.84	-	258.84
Equity securities available for sale (Equity fund)	39.39	-	39.39	-	39.39
<b><i>Financial assets and Financial liabilities not measured at fair value</i></b>					
Debt securities held to maturity	340.00	-	342.13	-	342.13
Debentures	(10,601.50)	-	(11,550.34)	-	(11,550.34)
Interest rate swap contract	-	-	(300.31)	-	(300.31)
Forward exchange contract	0.08	-	(0.08)	-	(0.08)
<b>31 December 2016</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available for sale (Short-term fixed income fund)	2,904.75	-	2,904.75	-	2,904.75
<b><i>Financial assets and Financial liabilities not measured at fair value</i></b>					
Debt securities held to maturity	340.00	-	350.88	-	350.88
Debentures	(13,303.77)	-	(13,636.14)	-	(13,636.14)
Interest rate swap contract	-	-	(424.43)	-	(424.43)
Forward exchange contract	(38.89)	-	(42.29)	-	(42.29)
<b>Separate financial statements</b>					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
<b>31 December 2017</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available for sale (Short-term fixed income fund)	1,052.88	-	1,052.88	-	1,052.88
Debt securities available for sale (Private fund)	258.84	-	258.84	-	258.84
Equity securities available for sale (Equity fund)	39.39	-	39.39	-	39.39

**SPCG Public Company Limited and its Subsidiaries**  
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	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total

(in million Baht)

**Financial assets/Financial**

**liabilities not measured at fair value**

Debt securities held to maturity	340.00	-	342.13	-	342.13
Debentures	(10,601.50)	-	(11,550.34)	-	(11,550.34)
Interest rate swap contract	-	-	47.75	-	47.75

**31 December 2016**

**Financial assets measured at fair value**

Equity securities available for sale (Short-term fixed income fund)	2,643.59	-	2,643.59	-	2,643.59
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**Financial assets/Financial**

**liabilities not measured at fair value**

Debt securities held to maturity	340.00	-	350.88	-	350.88
Debentures	(13,303.77)	-	(13,636.14)	-	(13,636.14)
Interest rate swap contract	-	-	(61.27)	-	(61.27)

**Measurement of fair values**

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

**32 Commitments with non-related parties**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
<b>Capital commitment</b>				
Property, plant and equipment	-	20,330	-	-
<b>Total</b>	<b>-</b>	<b>20,330</b>	<b>-</b>	<b>-</b>
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within one year	2,134	1,069	-	-
After one year but within five years	2,170	1,768	-	-
<b>Total</b>	<b>4,304</b>	<b>2,837</b>	<b>-</b>	<b>-</b>
<b>Future minimum payments under service contracts</b>				
Within one year	66,158	65,096	784	1,408
After one year but within five years	102,456	19,308	285	52
<b>Total</b>	<b>168,614</b>	<b>84,404</b>	<b>1,069</b>	<b>1,460</b>

**SPCG Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Other commitments</i></b>				
Purchase orders for goods	110,604	331,626	-	-
Bank guarantees	132,616	211,200	-	-
<b>Total</b>	<b>243,220</b>	<b>542,826</b>	<b>-</b>	<b>-</b>

### **33 Events after the reporting period**

On 10 January 2018, the Company issued and offered the remaining debentures as previously approved by the Extraordinary Shareholders Meeting held on 28 October 2015. The Company issuance and offering of debentures in the amount not exceed Baht 500 million to increase financial liquidity. The debentures have maturity period 3 years with the interest rate of 2.2% per annum.

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

At the Board of Directors' meeting held on 23 February 2018, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2017 dividend payment at the rate of Baht 0.65 per share, totaling Baht 633.09 million, of which Baht 0.50 per share was paid as an interim dividend on 11 August 2017 as disclosed in note 30. Thus, the remaining dividend will be at the rate of Baht 0.15 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 20 April 2018.

## 11 Corporate Social Responsibilities: CSR



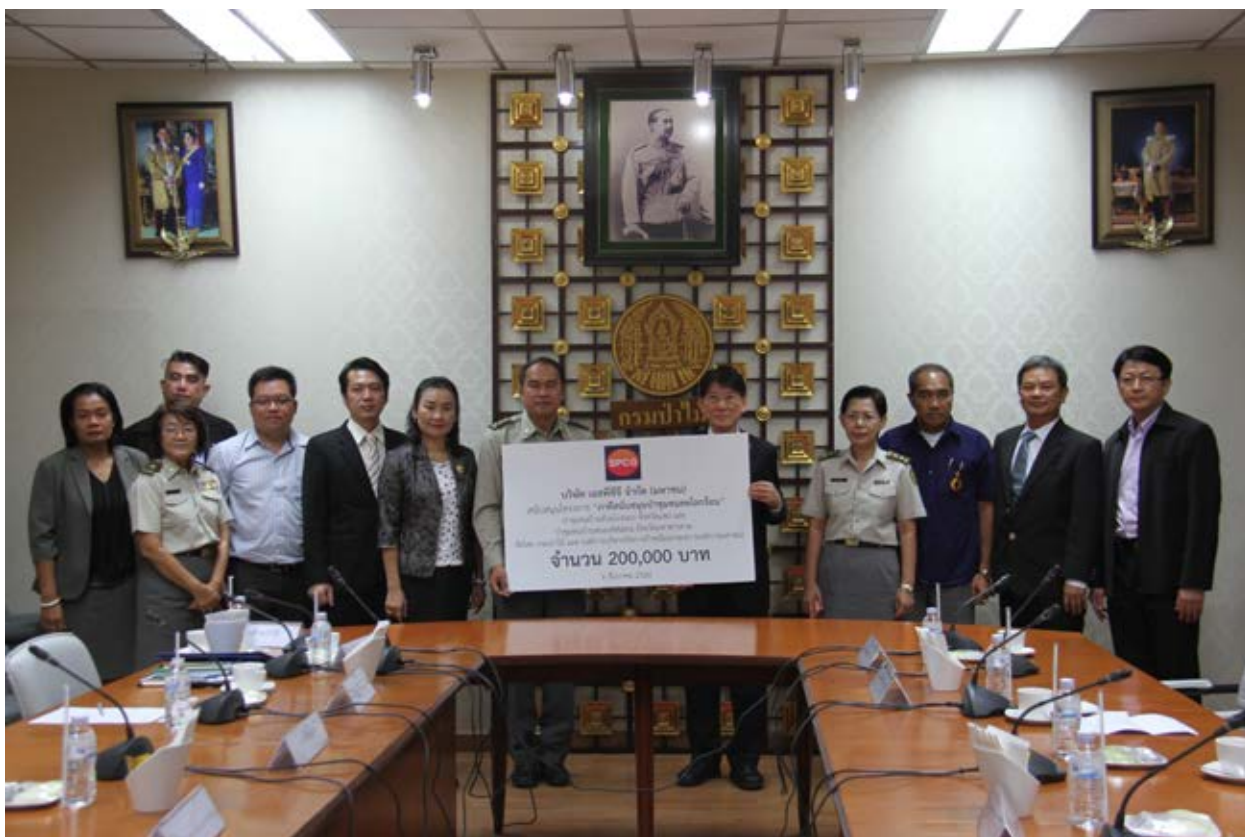
### 11.1 Overview Policy

SPCG Public Company Limited “SPCG” recognizes the importance of Climate change. This is a global problem. All countries must cooperate to reduce greenhouse gas emissions by less than 2% according to the United Nations Framework Convention on Climate Change: UNFCCC or the conventions of more than 150 countries around the world.

SPCG strives to develop electricity generation from solar power energy. Clean energy is non-polluting, environmental friendly coupled with the environmental sustainability. Current solar farms have been developed

and operated commercial distribution of electricity to the Provincial Electricity Authority (“PEA”) has completed 36 projects in total more than 260 Megawatt of capacity to reduce carbon dioxide emissions by more than 200,000 tons per year. SPCG has realized about the important of understanding in Solar Farm Project’s Principles, 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 let pupil, student, undergraduate as well as general interested people to pay a closely study visit to Solar Farm.





SPCG is committed on sustainable energy and environmental conservation throughout the year 2017 by donating 200,000 baht for the Community Support Program for Reducing Global Warming, Ban Huai-Rong-Nok Village, Phrae Province, and Ban-Nong-Tid-Son Community Forest, Maha Sarakham Province that organized by the Royal Forest Department and the Greenhouse Gas Management Organization (Public Organization). Which is a continuation project from Community forest at Chiang Rai Province in year 2016. For such support, it can help and give knowledge on the renewable energy and greenhouse gas reduction for communities such as making a 9 meters high beam tower, forming a barricade, and supplying fire protection equipment. Also providing the knowledge about Community forest in each community, organizing the Forest Plantation training project name “Mak-Ku-Tad-Noi” and building the water dam. For the main objective is to help villagers create sustainable forest communities to be a storage of carbon dioxide. And strengthen the well-being of the community. Which is important way to push Thailand into a green country and help reduce global warming. To achieve the objectives of social activities follow the Company policy. Moreover, we also push and support people in our country to turn to use renewable energy, such as providing knowledge on solar roofing systems (solar roofs) for their own electricity generation and reducing carbon dioxide emissions. The response was very good.

SPCG has applied to join the Green Industry Project since 2013. The 36 solar farm projects of Solar Power Co., Ltd. have received the third Green System Certificate of all projects. 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 informed all over the organization.

#### Level 2

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

#### Level3

Green System: Manage systematic nvironment, 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.



In the past 2017, all 36 solar projects of Solar Power Company Limited, the subsidiary of SPCG. There are 3 projects that can be developed to receive the 4<sup>th</sup> Green System Certificate (Green Culture) consist of Solar Power Company Limited (Korat 1), Solar Power Limited (Nakhon Phanom 2) and Solar Power Company Limited (Khon Kaen 8). It shows that the company's commitment to continuous improvement to develop of enterprises into the green industry. In the future, SPCG will continue to develop all of its Solar Farm projects to Level 4 (Green Culture) and to the 5<sup>th</sup> level (Green Network) respectively.

SPCG firmly operates our solar business under the good environmental policy that including the responsibility for society and environment continuously. As the result, SPCG received the awards from many organizations as follow;



• *ECO INDUSTRIAL TOWN REWARD is a pilot project to be evaluated in year 2016 and announced the reward in year 2017. It aims to develop the eco-industrial cities in 7 provinces. These follow the directions that have been studied in the master plan on the eco-industrial city and encourage the participation of central, regional and local government agencies, factory and the Stakeholder in all sectors. The project has participated on Environmental, Safety, Resources and Energy Management total 350 participants and the total of 70 factories have been sampled. Which, Solar Power Company Limited (Khon Kaen 3) is one of the winners.*

• *SPCG received the plaque and certificate at the "Hundreds of Hearts and Wonders of the World" campaign by Dr.Karnimacha Chai, Permanent Secretary, Ministry of Natural Resources and Environment On the occasion, the SPCG is a good example of how to manage and reduce greenhouse gas emissions.*







SPCG also recognizes quality standards and operational safety in ISO 9001: 2015 and ISO 14001, including OHSAS 18001: 2007. This is a guideline for all projects to be implemented in the same direction. In the past 2017, the SPCG has passed the ISO/IEC 2700: 2013 certifications. The purpose is to certify safety standards about the Information Security Management System (ISMS), which covers information systems under the core network infrastructure and computer center.

SPCG is listed on the Stock Exchange of Thailand. Under the category of energy and utilities that is the key infrastructure of the country. It has collected the important information through technology, computer Network, computer system and electronic devices. To support the operation of the business. The manager has realized the importance of governance and the control of information technology systems to be available, safety and reliable. To provide the information system of the SPCG be under the supervision of the Department of Alternative Energy Development and Efficiency Ministry of Energy and the Stock Exchange of Thailand.



In addition, SPCG has developed a 5S project for 36 solar projects. The 5S aims to:

- To raise the level of activity 5S using the principle of 3. (Sort, Set in order, Shine) until the consciousness and standardize it as 4, 5(Standardize, Sustain)
- For do the Big Cleaning Day. It can encourage employees to participate in effective workplace development. And effectiveness.
- To apply 5S activities to Green Industry Level 4: Green Culture or green culture by letting the employee present the work or suggestions to increase productivity from the equipment available in the Solar Farm to maximize the benefits.

5S activities can be considered as a basis for quality management. To help create a good environment in work area by creating a pleasant atmosphere and make the cleanliness in the office hygienically for helping staff to use their full potential. Also, create a positive attitude of employees to the agency. The 5S activities are another way to give people the opportunity to participate in quality development, fast and clear results. In addition, 5S activities will be the basis for new management approaches. To use in the future.

## 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) 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.

### 11.2.1 SPCG Public Company Limited and Subsidiaries

Adhere to friendly environmental business operation with intention development, improved production process and continuous environmental management as well as social responsibilities both internal & external organization. The Company has determined to set the policy and declared to all staffs & people who worked 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. Shareholders and Investors

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

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

#### 2. Customers

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

The Company is aware of customer's satisfaction as well as operational safely standard, then ISO 9001:2000 and ISO 14001 have been applied with policy as "We'll produce quality products with same standard and continuous development for highest satisfaction of customer". By fairness of business, we set qualitative policy as "Continuing To Give Best Value, Best Design, Best Output, Best Service To All Of Customer"

### 3. Traders and/or Creditors

The Company has the Policy to create good relationship with traders and/or creditors, run business with basis of fairly encouragement, undifferentiated between traders and/or creators, attend to company's advantages, avoiding any circumstances that may cause conflict of interest and complying 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 search for competitor secret information by dishonest and unsuitable. Adhere that the competition should be flowed fairly, distort and deceptive. Occasionally, the Company has cooperated with competitors with transparency and not conceal with illegal agreement.

### 5. Staffs

The Company gives precedence to staffs and takes into consideration of staffs' safety and work place sanitation which are conducive to push forward the business target. Respect to human right, the company has policy to look after our staffs to have good lives' quality with fair employment, safety, suitable welfare and progression. 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 adhere with related laws, rules and regulations concerned in accordance with business traditional path, strictly. Go 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, exchange & link technology with foreign entrepreneur, join lecture or give opinion to create knowledge and understanding for the benefit of Industry Growth.

### 7. Communities and Society

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

## 11.2.2 Information Disclosure and Transparency

The Company and Subsidiaries emphasized on disclosure of important information regarding financial or non-financials correctively, completely and transparency both in Thai and English, such as Annual Report Form 56-1, 56-2, 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)

By strictly comply with any and all laws, rules and regulations stipulated by the Securities and Exchange Commission, the Stocks Exchange of Thailand and others authorities, for instance;

1. Financial information disclosure is correctly 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. Specify that Directors and Executives needs to disclose their interest information and people related in case of 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.

#### 11.2.3 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 set that executives, staffs, advisories who know such information need to countersign in non-disclosure agreement<sup>5</sup> 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 performing and then report to the Audit Committee and Board of Directors' Meeting, quarterly.



#### 11.2.4 Communication with Staffs and Employee

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 for all time, there also are other channel 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 respect to human rights in condition that not taken or related to Company's name, trademark and logo.

From the Clean energy policy. The culture is cultivated to create quality personnel who pay attention to and respect the environment both inside and outside the organization as well as the community around the Solar Farm project and its stakeholder to create consciousness, build the ability to learn and Self-development. The Board of Directors the Company has set the policy to focus on good corporate governance, have moral and business ethics. The Board of Directors, executives and employees adhere to this policy. Under the vision, mission and corporate culture. Taking into account the compliance with the law. Corporate Social Responsibility all stakeholders and the shareholders of SPCG have published such good corporate governance on the company's website ([www.spcg.co.th](http://www.spcg.co.th)).





### Vision

SPCG is the Leader in Solar Power Development with the highest efficiency adhering in principle of effectiveness, designing, the return on investment and best services both Solar Farm 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 as well as Southeast Asia and is one of the market leaders in Steel Roof and Steel Structures with One-Stop Services under the Standard Policy: "Best Value: Best Design: Best Output: Best Service To All of Customers"

In the year 2016 SPCG realized the importance of building good relationships in the organization. The annual seminar was held on November 25-26, 2016 at Panjadara Hotel in Muang District, Nakhon Ratchasima Province. The main activities were the visit to the Solar Farm Learning Center (Korat 1). To empower all employees to understand the of solar power generation system and cultivate the employees in terms of clean energy. In addition, there also has a team building event to help employees of SPCG and its affiliates to get more acquainted and be the unification. Moreover, there also has a 2017 annual event organized by the staff. Show talent in various shows to make fun and love to harmonize.

### 11.3 Business Operation which may affected to Social Responsibilities

The Company has none of any legal dispute or accusation in any acting that affected to environment that may lead to legal controversy. The Company aware that our Solar Farms which located in 10 provinces need to rely on and supported by communities surrounding Solar Farms. Therefore, we have cooperated with the surrounding communities to develop water-shelter, road, floodway, as well as created jobs for communities. Moreover, there were cooperation in organizing various important festival's activities which made the Company's 36 Solar Farm Projects achieved good cooperation from the Communities.



• United States Agency for International (USAID)



• Nakhon Ratchasima Polytechnic College

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

SPCG has the mission to operate business that benefits to society and environment genuinely. Therefore, SPCG PLC has the continuous activities that improve the knowledge and develop quality of life to the community and society as in 2017.

#### 11.4.1 Solar Farm Education Center Visit

SPCG provided the opportunity to Government Organizations, Educational Institutes as well as Private Sectors to visits to Solar Farm Education Center for supported knowledge about Solar power system that is clean energy, no effect to environment, no fuel costs and can help reduce emissions of carbon dioxide by 200,000 tons per year by the 2017 through the agency visited the center to learn all 11 agencies including solar farms in total 708 people.



• Ban Samrit School, Phimai District, Nakhon Ratchasima



• Mekong Economic Development Cooperation Institute

#### 11.4.2 Activities for Society

SPCG realizes the important of operating business that sustainably contribute to society under the policy to promote the social responsibility activities that will pay back to the community by providing the scholarship programs, supporting academics activities and other social responsibility activity in year 2017.



• Dr. Wandee Khunchornyakong Juljarern, CEO of SPCG Public Company Limited, with Mr. Somsak Khunchornyakong, Executive Vice President Donated 1,000,000 Baht to General Prayut Chan-ocha, Prime Minister and Head of National Peace Corps (NCC), to bring the Cabinet (Cabinet) to help flood victims in the North and the East over In special “Public Relation Under the umbrella of honor” organized by the Thai government.



• SPCG sponsors scholarships for students at Prakanong Pittaya School, Prakanong District, Bangkok for Academic Year 2017 on September 13, 2017. with the local health fund on April 29, 2017.





• SPCG provides co-sponsored statements. “The Year of the Rabbit for Education Year 2017” to Ban Bung Tar Kai, Pak Wan, Wang Saphung, Loei Province on August 3, 2017.



• SPCG sponsors budget and drinks for the competition. “Thapra WoodBall Open Cup Khon Kaen Open Fourth Championship” to Wood ball Association of ThaPra with the local health fund on April 29, 2017.



- SPCG donates teaching and outdoor playground equipment to Wang Hin Lat Sub-district Administrative Organization, Chum Phae District, Khon Kaen Province on April 7, 2017.



- SPCG Assigns SPC to Sponsor PEA.NE.3 SWIMMING CHAMPIONSHIP 2017 Swimsuit Club Provincial Electricity Authority, Region 3, Nakhon Ratchasima (CHREC, 3), won the Cup 3rd District Director on March 24, 2017.





• SPCG gives t-shirt to the women's volleyball team of Ulhit Paiboon School Chai Nat for using in practice and competition. Encourage youth to play sports to build reputation for the province on March 7, 2017



• SPCG donated money to Ban-Sa-Kud school, Buriram province to concrete road and playground for students, parents, and teachers with safe travel on February 12, 2017.



- SPCG donated money to support the National Children's Day, 2017, Ban Khor Sub-district, Mueang District, Khon Kaen, on January 14, 2017.



- SPCG organized activities to promote green industry with the community (Green Industry) At Ban Thung Pla Kat School, Sakon Nakhon province on January 19, 2017



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