

# รายงานประจำปี 2557 ANNUAL REPORT 2014

บริษัท กันกุลเอ็นจิเนียริ่ง จำกัด (มหาชน) GUNKUL ENGINEERING PUBLIC COMPANY LIMITED



Smart Energy in Action



พลังงานสร้างสรรค์ คิดล้ำ ทำจริง



Smart Energy in Action

## ***Vision & Mission***

*“To become the leading producer of electricity from renewable energy, including the manufacturer and provider of equipment for power systems that meet the customers’ needs and satisfaction and concurrently maximize stakeholders’ return”*

1. Renewable Energy : Do business on renewable energy power plants in efficiency standards with focusing on social and environmental.
2. Sales : Not only offer existing product, but also procure new products from around the world to meet customer needs and gain customer satisfaction; concurrently emphasize on brand building to increase commercial value. Provide full-option services with regard to renewable energy systems, offering a wider flange of product lines and equipment set-up services at project sites
3. Technology : Develop manufacturing techniques and adopt new production technology to improve productivity and reduce production costs Increase capability and adopt Information technology to respond promptly to fast moving business environment
4. Return : Maximize shareholders' and stakeholders' value and profitability
5. Personal : Increase employees' capability to enhance the Company's competitiveness on a global scale and retain talent employees
6. Management Framework : Create a strong management framework based on principles of good corporate governance.

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# 1. Message from Chairman



## To: Shareholders of Gunkul Engineering Public Company Limited

The past year marked better economic expansion due to steady direction in political situation, yearend economy stimulating measures, governmental policy in stimulating people's spending and efficient economical policies, Together with the economic expansion in Asia, world's better economic trend, Quantitative Easing of Federal Reserve System as well as various industrial development which demands tremendous energy power, the government well promotes companies in supplying electricity from renewable energy power plants in order to support the continuous economic growth.

In 2015, both government sectors and private entities will be well prepared for the launch of the ASEAN Economic Community (AEC). In order to effectively join the business operations in AEC, we have studied the investment policy as well as human resources development for a sustainable competition. We also act environmental-friendly by supplying electricity from renewable energy power plants as well as cooperate in both domestic and international electrical development in order to be a leader as per our slogan "Smart Energy in Action"



Best Regards,

(Mr. Gunkul Dhumrongpiyawut)

Chairman of the Board

21<sup>st</sup> February 2015

We would like to express our gratitude to our shareholders, investors, financial institutions, business partners, customers and all related parties for the confidence, trust and support and special thanks to our management team and all staff for contributing faithfully, prudently and dedicatedly to the success of the Company. We commit to operate business with good corporate governance and emphasize the importance of all related parties including social and environment. This commitment is relevant to the Company's vision in being a leader in the overall of renewable energy power plants, for the highest satisfaction of all customers and stakeholders.

## 2. Report of the Audit Committee

Dear Shareholders of Gunkul Engineering Public Company Limited,

The Audit Committee of Gunkul Engineering Public Company Limited consists of three independent directors which are Mr. Sathaporn Kotheeranurak as Chairman of the Audit Committee, Pol. Maj. Gen. Visit Sukarasep and Mr. Sombat Santijaree as Audit Committee, on July 3 2014 Mr. Sombat Santijaree has resigned from all positions as directors of the Company, the Board of Directors' Meeting at no.5/2014 on August 9, 2014 has appointed Dr. Djitt Laowattana to become a member of the Audit Committee instead of Mr. Sombat Santijaree, who already resigned. All members of the Audit Committee have experience in law, accounting and finance, management and also knowledge of energy business that required to the qualification as the stipulation of the Scurition and Exchange Commission and the Stock Exchange of Thailand.



The Audit Committee acts as assigned from the Board of Directors in accordance with duties and responsibilities as defined in "Audit Committee Charter" which complies with guidelines and best practices for Audit Committee of the Stock Exchange of Thailand, Re: Qualifications and Scope of Work of the Audit Committee, 2008.

In 2014, the Audit Committee arranged six meetings and arranged a meeting between the Audit committee and the Auditors without management in attendance. The meetings were attended by all directors of Audit Committee, the management as well as the company's Internal Auditor Department and External Auditor in order to share information, comments and give suggestions which were benefit to administration proposes. The results of each meeting were presented to the Board of Directors of the Company and the company's subsidiaries. During past year, the Audit Committee had carried out important activities, which could be summarized as follows.

1. In reviewing the financial statements, the Audit Committee has asked for the accuracy and completeness of the quarterly and annual separated financial statements and consolidated financial statements. With the explanation from the management and auditor, the quarterly and annual separated financial statements and consolidated financial statements are prepared in accordance with the legal requirements and generally accepted accounting principles before presenting to the Board of Directors.
2. In reviewing the internal control system, the Audit Committee in cooperation with the auditors and the internal auditors has asked for the internal control system. The Audit Committee is of the opinion that the company has adequate and suitable internal controls in the acceptable criteria.

3. In reviewing the internal auditing plans, the Audit Committee has asked and considered the internal auditing plans to ensure that the internal auditing plans has been adjusted and been consistent with current situation for more effective work.
4. In reviewing the risk management, the Audit Committee has asked risk management plan in order to ensure that the risk has been managed properly in the acceptable criteria. The company has focused and developed Risk Management System by appointing Risk Management Committee in order to set risk management regulations and policies. Because of that, the company has effectively managed the risk in accordance with the company's target. As the result of reviewing, The Audit Committee is of the opinion that the company has adequate and suitable the risk management.
5. In reviewing the related party transactions, the Audit Committee has considered and asked for the transactions that may have conflicts of related party transactions. As the result of reviewing, the majority of the transactions between the company and subsidiaries were normal commercial transaction in accordance with good corporate governance.
6. The Securities and Exchange Commission Law and Regulations, the Audit Committee has preformed the full scope of authority set forth in the Charter of the Audit Committee in compliance with the Securities and Exchange Commission Law and Regulations.
7. In consideration of determining, selecting, nominating and recommending remuneration of annual external auditor for year 2015, the Audit Committee had nominated SP Audit Co., Ltd. as External Auditor of the company and the company's subsidiaries. The remuneration of annual external auditor is in the amount of THB 940,000 in the portion of the company. The Audit Committee already presented this proposal to the Board of Directors and will be proposed to the shareholders in the Annual General Meeting for consideration later.

In conclusion, the Audit Committee has opinion that the consolidated and separated financial statements of the company and its subsidiaries have presented fairly, sufficiently, completely in accordance with general financial reporting standard. The internal control has enough efficiency and effectiveness to control any frauds by separating authorization. The company and its subsidiaries have operated businesses in accordance with the Securities and Exchange Act, Stock Exchange of Thailand Act or any related laws.



(Mr. Sathaporn Kotheeranurak)  
Chairman of the Audit Committee  
21<sup>st</sup> February 2015

### 3. Report of Risk Management Committee

Risk Management in business operation is to be main activity and essential for organization. The Company is committed to implementing risk management at the core of the business operation. The Company and its subsidiaries are tasked with assessing risks that might have impacted the business. It appointed Risk Management Committee comprising 4 members who are either independent directors or executives, namely Air Vice Marshal Dr. Pian Totarong as a Chairman, Mr. Sathaporn Kotheeranurak, Miss Sopacha Dhumrongpiyawut and Mr. Thitipong Techaratanayuenyong are Members of Risk Management Committee. The Committee's duties are to review and approve risk management plan, monitor risk assessment and formulate risk mitigation plan.

The Committee met 5 times in 2014 to review important issues pertaining to risk management. Key duties are summarized as follows:

#### 1. Risk Management Plan for 2014

The Committee appointed the secretary of the committee to coordinate meetings with all departments of the Management. The Management presented risk management plan for 2014 and also the new potential business to the Committee for review and approval. Risk management plan encompasses all aspects of business operations, including operational risk, financial risk, strategic risk and information technology risk.

#### 2. Risk Assessment and Mitigation Plan

The Committee reviewed factors and risk assessment results in accordance with the enterprise-wide risk management plan, including impact to business goal of the Company and its subsidiaries caused by an uncontrollable external factor such as political uncertainty. The Committee classified risks according to the magnitude of the impact and assigned responsible persons to formulate both preventive action and mitigation plan so that the risks were within the tolerance level and strategic goals were achieved.





### 3. Risk Monitoring and Management

The Committee closely oversaw risk management operation. Quarterly meetings were held with relevant departments to review risk assessment result and any risks that might have increased and changed. The Committee would make suggestions as appropriate so that risk management is efficient and effective.

The Committee has reviewed key activities above and is of opinion that the Company had developed effective risk management plan and its operation had been in line with corporate governance principles, including sufficient and proper internal audit, good governance and compliance with applicable laws, rules and regulations.



(Air Vice Marshal Dr. Pian Totarong)

Chairman of the Risk Management Committee

21<sup>st</sup> February 2015

## 4. Report of Nomination and Remuneration Committee

In 2014, the Company's Nomination and Remuneration Committee is consisted of 4 members, namely Police Major General Visit Sukarasep as a Chairman, Mr. Decha Chooligorn, Mr. Charan Lerththeerapoj and Mrs. Somluk Kanuenghet who are all members of the Committee

Scope of Works of the Committee are to nominate qualified persons to be appointed as a board member, replacing a member whose term expires and who resigns, through a fair and transparent nomination process performing as the Charter of the Committee, Public Law and Securities and Exchange Act. In nominating a person, the Committee considers skills, experiences, leadership, moral, ethics, moral, good attitude and dedication to the Company. In addition, the Committee reviewed and recommended the system of remuneration and benefits for the Company's Board and Committees by taking into account duties, responsibilities and the Board's performance and also to review the overall of compensation structure supporting for retaining qualified personnel which as a tool to create incentives for efficiency working in relation to companies similar in industry sector and size. This is to ensure that remuneration is appropriate and incentivize the Board members to perform the duties with a view to achieving not only targets and direction set forth by the Board but also long-term value for the Company and shareholders, thereby building shareholders' confidence in the Company.



The Committee convened 3 times in 2014 and details of criteria pertaining nomination and remuneration of the Board's members and executives including portfolio are disclosed in this annual report for transparency.



(Police Major General Visit Sukarasep)

Chairman of the Nomination and Remuneration Committee

21<sup>st</sup> February 2015

## 5. Report of Good Corporate Governance Committee

In 2014, the Company's Good Corporate Governance Committee was comprised of 3 independent directors, namely Dr. Djitt Laowattana as a Chairman, Mr. Somchai Trairattanapirom and Mr. Pongthep Thithapan who are all member of the Good Corporate Governance.

The principal duties and responsibilities of the Committee include provision of corporate governance and corporate social responsibility policies with a view of equitable treatment to all stakeholders in order to promote sustainability of the Company and the society.

The Committee met 3 times in 2014 where it reviewed and recommended policies pertaining to social responsibility, environment and community development. It oversaw and approved operating framework and implementation of the projects for social development. In order to ensure that the Company is in full compliance with rules and regulations prescribed by the Stock Exchange of Thailand (SET), it reviewed and approved operation of the management team by adhering to SET's listing rules and SET's principles of good corporate government for listed companies. The principles have been revised to be in line with criteria set forth in ASEAN CG Scorecard. Scheduled to launch in 2014, the updated guidelines cover 5 categories of corporate governance as follows: rights of shareholders, equitable treatment of shareholders, stakeholders, disclosure and transparency, and responsibilities of the Board.



The Company is currently studying the details of the procedures for participating the practices of the private sector in Thailand of the anti-corruption (Collective Action Coalition).

(Dr. Djitt Laowattana)

Chairman of the Good Corporate Governance Committee

21<sup>st</sup> February 2015

## 6. Board of Directors



1. **Mr. Gunkul Dhumrongpiyawut**

Chairman of the Board

2. **Mr. Sathaporn Kotheeranurak**

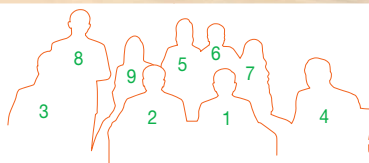
Independent Director / Chairman of the Audit Committee / Member of the Risk Management Committee

3. **Pol. Maj. Gen. Visit Sukarasep**

Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee

4. **Dr. Djitt Laowattana**

Independent Director / Chairman of the Good Corporate Governance Committee / Member of the Audit Committee



5. **Miss Sopacha Dhumrongpiyawut**

Director / Chief Executive Officer / Member of the Risk Management Committee

6. **Mr. Somboon Aueatchasai**

Director / Executive Committee / Managing Director

7. **Miss Naruechon Dhumrongpiyawut**

Director / Executive Committee

8. **Mr. Chaloepon Sricharoen**

Director / Executive Committee

9. **Mrs. Areewan Roonpraphan**

Director / Executive Committee

## 7. Audit Committee

1. Mr. Sathaporn Kotheeranurak

Chairman of the Audit Committee

2. Pol. Maj. Gen. Visit Sukarasep

Member of the Audit Committee

3. Dr. Djitt Laowattana

Member of the Audit Committee

4. Mr. Worathep Luangsirapornchai

Secretary of the Audit Committee



## 8. Risk Management Committee

1. AVM.Dr. Pian Totarong

Chairman of the Risk Management Committee

2. Mr. Sathaporn Kotheeranurak

Member of the Risk Management Committee



3. Miss Sopacha Dhumrongpiyawut

Member of the Risk Management Committee

4. Mr. Thitipong Techaratanayuenyong

Member of the Risk Management Committee & Secretary

## 9. Nomination and Remuneration Committee

### 1. Pol. Maj. Gen. Visit Sukarasep

Chairman of the Nomination and  
Remuneration Committee

### 2. Mr. Decha Chooligorn

Member of the Nomination and  
Remuneration Committee

### 3. Mr. Charan Lerththeerapoj

Member of the Nomination and  
Remuneration Committee

### 4. Mrs. Somluk Kanuenghet

Member of the Nomination and  
Remuneration Committee & Secretary



## 10. Good Corporate Governance Committee

1. Dr. Djitt Laowattana

Chairman of the Corporate Governance Committee

2. Mr. Phongthep Thitapan

Member of the Corporate Governance Committee

3. Mr Somchai Trairatanapirom

Member of the Corporate  
Governance Committee





## 11. Executive Committee

1. Miss Sopacha Dhumrongpiyawut

Chief Executive Officer

2. Mr. Somboon Aueatchasai

Executive Director

3. Miss Naruechon Dhumrongpiyawut

Executive Director

4. Mr. Chaloepon Sricharoen

Executive Director

5. Mrs. Areewan Roonraphan

Executive Director



## 12. Managements Team

1. Miss Sopacha Dhumrongpiyawut

Chief Executive Officer

2. Mr. Somboon Aueatchasai

Managing Director

3. Mr. Phongsakorn Damnoen

Assistant Managing Director,  
Business Development & Strategic planning

4. Mrs. Areewan Roonpraphan

Senior Vice President, Factory

5. Mrs. Somluk Kanuenghet

Senior Vice President, Executive Officer



6. Mr. Worathep Luangsirapornchai

Senior Vice President, Internal Audit

7. Mr. Thamrong Chankraithong

Senior Vice President, Sales & Marketing

8. Mr. Thitipong Techaratanayuenyong

Senior Vice President, Business Support /  
Chief Financial Officer



9. Miss Naruechon Dhumrongpiyawut

Senior Vice President, Strategic Planning & Investment

10. Mr. Phudis Triwilaskul

Vice President, Logistics

11. Miss Suttirat Tangnorakul

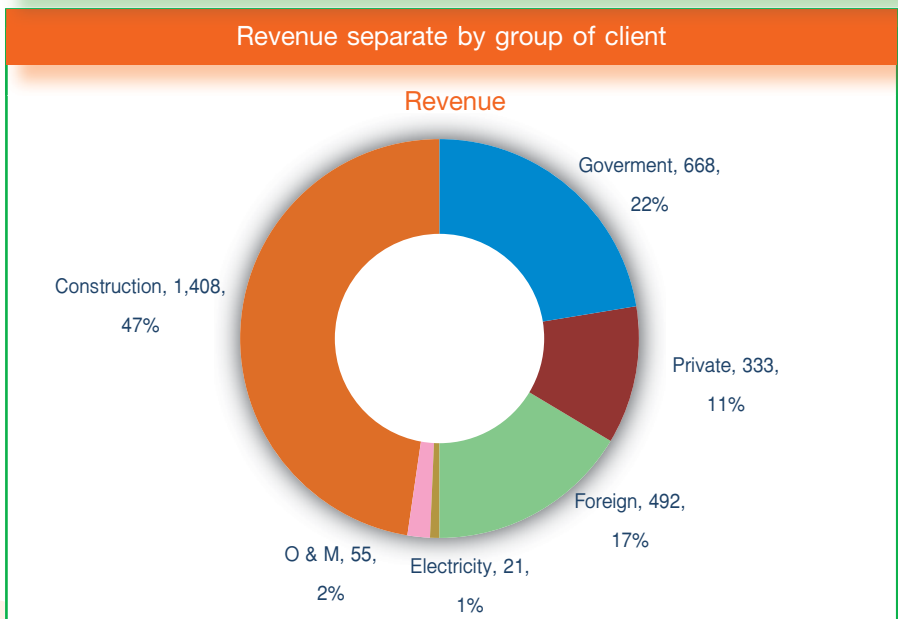
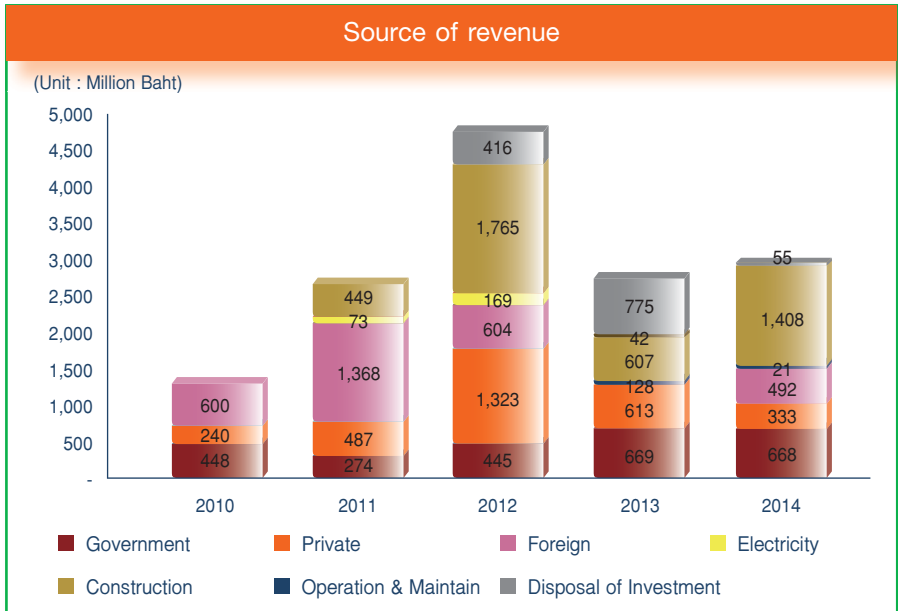
Accounting Manager

## 13. Financial Highlights

|                                      | Unit : Baht      |                  |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                      | 31 Dec<br>2014*  | 31 Dec<br>2013*  | 31 Dec<br>2012*  | 31 Dec<br>2011*  | 31 Dec<br>2010*  |
| Total Assets                         | 7,259,201,673.77 | 4,579,609,369.54 | 7,197,341,291.45 | 5,539,779,609.30 | 1,789,712,321.23 |
| Total Liabilities                    | 3,899,502,376.57 | 1,458,877,791.45 | 4,983,900,640.31 | 4,356,175,992.80 | 657,506,962.85   |
| Shareholders Equity                  | 3,359,699,297.20 | 3,120,731,578.09 | 2,213,440,651.14 | 1,183,603,616.50 | 1,132,205,358.38 |
| Paid up Share Capital                | 879,990,265.00   | 659,999,929.00   | 439,999,984.00   | 400,000,000.00   | 400,000,000.00   |
| Revenue                              | 3,061,552,738.36 | 2,855,718,799.84 | 4,763,886,359.16 | 2,668,698,269.54 | 1,298,071,881.11 |
| Net Profit / Loss                    | 545,270,215.32   | 883,054,885.14   | 778,289,335.00   | 89,524,765.12    | 123,175,999.14   |
| Net Profit / Assets (%)              | 7.51             | 19.28            | 10.81            | 1.62             | 6.88             |
| Net Profit / Shareholders Equity (%) | 16.23            | 28.30            | 35.16            | 7.56             | 10.88            |
| Net Profit Margin (%)                | 17.81            | 30.92            | 16.34            | 3.35             | 9.49             |

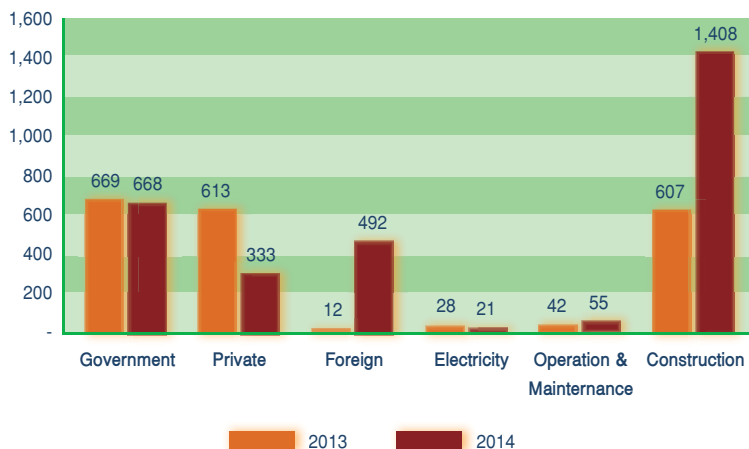
Remarks \* Consolidated Financial Statements

## The main revenue generated from sales volume with Government entities and private sectors



## Comparing revenue between 2013 & 2014

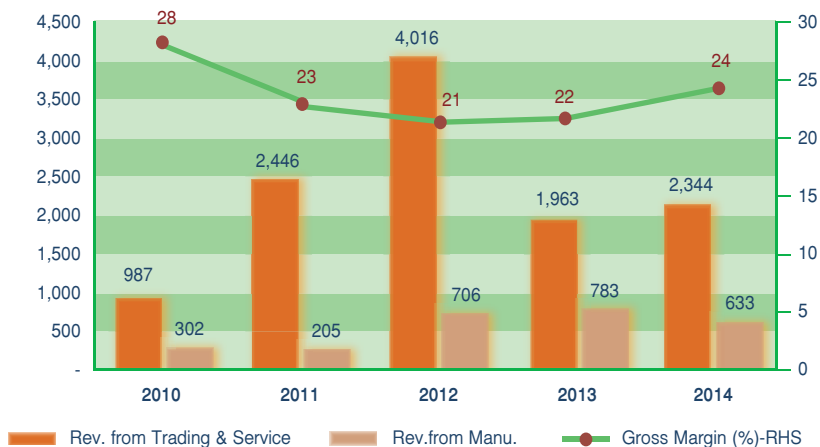
(Unit : Million Baht)



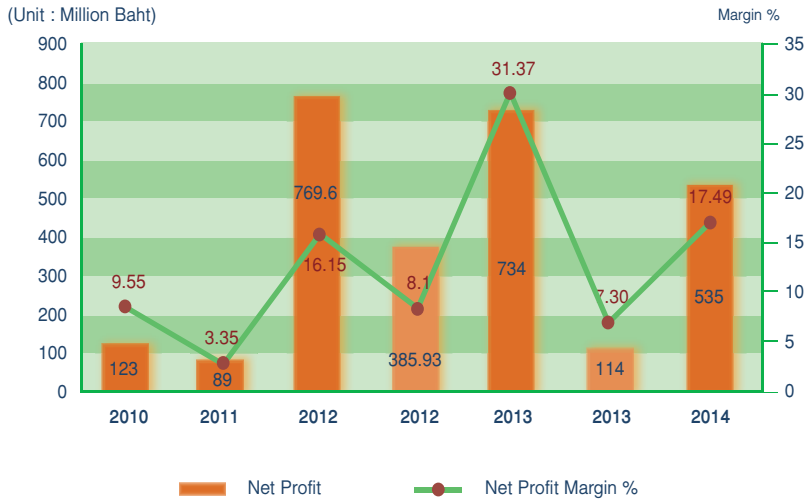
## Comparing Revenue: Gross profit ratio

(Unit : Million Baht)

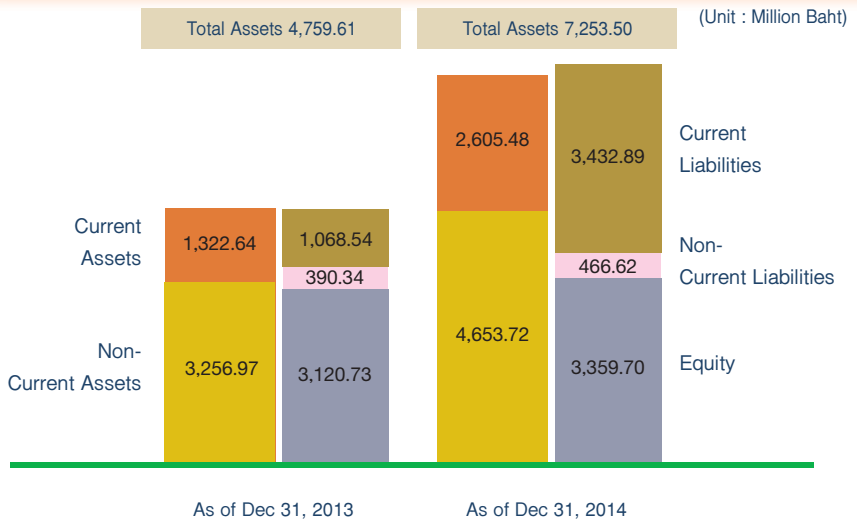
%



## Comparing net income : net income ratio



## Statements of Financial Position



## 14. Corporate Social Responsibility

The Company has the intention to report the update and performance both directly and indirectly to all stakeholders through our sustainability report which was presented annually for four consecutive years.

This sustainability report is published to present the major performance of Gunkul and its subsidiaries in 2014 with concentration on all stakeholders' expectations, method and operational channels, strategic procedures, as well as corporate social responsibility.

The Company pays great attention in both CSR and to become Thailand's number one manufacturer and provider of equipment for electrical systems and renewable energy systems that meet and satisfy customers' need and concurrently maximize stakeholders' return. Nevertheless, the Company strongly confides that business success does not derive from management and human resources development alone, but with the proper balance in 3 aspects of CSR which are economic, social and environment under the good corporate governance with information disclosing to its stakeholders as follows:

1. The Company has a policy in maintaining sound corporate governance and strictly abide by commercial and ethical standards, complying with laws and regulations of the Stock Exchange of Thailand (SET) for corporate social responsibility.
  - 1.1 The Company will strictly comply to the laws, standards and regulations of preserving environment related to business operation.
  - 1.2 The Company will support environmental protection, prevent any impacts caused from the business operation.
  - 1.3 The Company will develop and improve the operation functions in order to reduce the impact as well as promote the environment continuously.
2. The Company will encourage the environmentally-friendly development of community as "good neighbor" for a last long quality of life and strong community.
3. The Company will promote community participation to enhance knowledge, understanding, performance follow up as well as deal with impacts which may cause from the business operation.
4. The Company will support in information and experience exchange among individuals and various sectors to develop continuous proper environment.



## Procedures and Reciprocation of stakeholders



The Company defines the stakeholders as a person, group or organization that can affect or be affected by the Company's business operations and gain benefit as well. They take responsibility in participation for business operations and other activities both directly and indirectly.

In order for the effectiveness of sustainability management, the Company evaluated it self in both opportunity and risks for all group of stakeholders by covering the subject of economic, social, environment that match to the goals of the company's business.

Therefore the Company hereby states the main 6 missions which are the scopes of social and environmental projects and activities in each of the areas outlined above as follows:

1. Solar Energy Power : Building a standardized and effective solar energy power Plant Project Construction plant with great concern to the society and environment.
2. Distribution : Providing electrical components and distribution channels with efficient service to customers.
3. Technology : Develop and apply new technologies in production process for effective performance and cost saving.
4. Remuneration : Generate the highest returns to shareholders and all parties concerned.
5. Human resources : Develop and increase employees' capabilities for international competition.
6. Management : Organize management structure to be incorporated with good corporate governance.

Various coordinations among each group of stakeholders will enable the Company to understand the stakeholders' expectations. Management procedures, communication channels as well as process revision should be performed continuously to fulfill the Company's mission and endure the organizational growth. Stakeholders can be categorized as follows:

| Stakeholders         | Expectation  | Process/<br>Communication Channel   | Challenges/Procedures   |
|----------------------|--|---|---|
| 1. Employees         | <ul style="list-style-type: none"> <li>➤ Fairly wages and benefit apart from the law</li> <li>➤ Equal opportunity in capability development</li> <li>➤ Promote advancement and stability</li> <li>➤ Provide good working environment</li> </ul>  | <ul style="list-style-type: none"> <li>➤ HR Committee Meeting</li> <li>➤ Gunkul Training Plan</li> <li>➤ Employee survey</li> <li>➤ Comments and Suggestions Channel</li> <li>➤ Suggestion Committee</li> <li>➤ Intranet, Announcement</li> </ul> | <ul style="list-style-type: none"> <li>➤ Fair treatment by using fair and measurable performance appraisal</li> <li>➤ Develop proper benefit arrangement</li> <li>➤ Concern over human rights, hygienic and safety in workplace</li> <li>➤ Develop and maintain valuable employees as well as promote employee ethics</li> </ul>  |
| 2. Business Partners | <ul style="list-style-type: none"> <li>➤ Reasonable price with middle price quotation</li> <li>➤ Fair treatment in purchasing, requisition and bidding</li> <li>➤ Pass on knowledge and exchange of information, technology and experience</li> <li>➤ Cooperate in resources management</li> <li>➤ Respect in rights and intellectual property of all concerned</li> </ul> | <ul style="list-style-type: none"> <li>➤ Organize meetings for mutual plan and objective</li> <li>➤ Arrange for expertise to enlighten the team</li> <li>➤ Visit the business partners to learn about their comments and suggestions</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Fair treatment to all business partners</li> <li>➤ Adhere to agreements in contract as well as business ethics</li> <li>➤ Inform them about the process of payment, purchase, requisition, selection and appraisal. Prepare performance report to all parties concerned</li> <li>➤ Organize strict control for confidential information</li> </ul> |

| Stakeholders            | Expectation   | Process/<br>Communication Channel  | Challenges/Procedures  |
|-------------------------|---|--|--|
| 3. Customers            | <ul style="list-style-type: none"> <li>➢ Quality/standardized products and service with fair and competitive price</li> <li>➢ Product and service delivery in timeframe</li> <li>➢ Offer before sales service such as product usage manual, after sales service and other assistance</li> </ul> | <ul style="list-style-type: none"> <li>➢ Customer satisfaction survey</li> <li>➢ Customer visit</li> <li>➢ Create company website <a href="http://www.gunkul.com">www.gunkul.com</a></li> <li>➢ Comments and Complaints Center</li> <li>➢ Print necessary information on product label or organize a seminar upon request</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Offer quality product and service with proper and competitive price</li> <li>➢ Create guarantee process in all supply chain</li> <li>➢ Inspect and control the production process as certified</li> <li>➢ Continuously research and develop quality product with competitive price</li> <li>➢ Well-communicate and strictly comply to agreements set with customers such as product delivery, service and etc.</li> </ul> |
| 4. Competitor           | <ul style="list-style-type: none"> <li>➢ Operate business fairly and ethically</li> <li>➢ Compete fairly according to the laws</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Open for public and press information</li> <li>➢ Join in Central Business Agency</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Treat them fairly and lawfully</li> </ul>   |
| 5. Creditor             | <ul style="list-style-type: none"> <li>➢ Punctual payment with agreed interest rate</li> <li>➢ Arrange proper Risk Management</li> </ul>  | <ul style="list-style-type: none"> <li>➢ Set mutual agreement</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Set strict debt control with great concern to the Company's reputation</li> </ul>   |
| 6. Social/<br>Community | <ul style="list-style-type: none"> <li>➢ Preserve the impact on environmental and safety of community</li> <li>➢ Coordinate in economic, social and environmental development of community</li> <li>➢ Support community's activities</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Organize public hearing before the business operation to enhance the community with necessary knowledge and impact together with arrange a community survey</li> <li>➢ Listen to comments, suggestions and complaints</li> <li>➢ Support the community's activities</li> <li>➢ Cooperate with the government sector in complying with all rules, regulations and public benefit activities</li> </ul> | <ul style="list-style-type: none"> <li>➢ Operate business ethically</li> <li>➢ Coordinate with the community in education, cultural and local festivals conservation and restoration projects</li> <li>➢ Follow up and preserve safety and quality of environment</li> <li>➢ Support employees to share their knowledge and capabilities to the community such as electrical volunteer</li> </ul>  |

| Stakeholders                  | Expectation  | Process/<br>Communication Channel   | Challenges/Procedures   |
|-------------------------------|--|---|---|
| 7. Shareholders and investors | <ul style="list-style-type: none"> <li>➢ Remuneration (dividend and capital gain) and company growth</li> <li>➢ Success business operation</li> <li>➢ Follow the good corporate governance</li> <li>➢ Disclose correct and timely information</li> </ul> | <ul style="list-style-type: none"> <li>➢ Submit quarterly and annual report</li> <li>➢ Arrange Annual General Meeting</li> <li>➢ Arrange Management Meeting</li> <li>➢ Mutual communicating through various channels</li> <li>➢ Appoint Company Secretary and Investor Relations to be the contact center for shareholders and investors</li> </ul> | <ul style="list-style-type: none"> <li>➢ Gain investment returns from clear operation and continuous business growth</li> <li>➢ Treat shareholders according to the Company's policies as well as SEC and SET rules and regulations</li> </ul>  |
| 8. Press                      | <ul style="list-style-type: none"> <li>➢ Receive correct, fair, beneficial and timely information</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Arrange communication activities, PR good image by presenting beneficial information through various channels such as press conference, special interview, company visit and press releases</li> <li>➢ Support press activities which are beneficial to social</li> </ul>                                  | <ul style="list-style-type: none"> <li>➢ Set high priority to news and up date report by focusing on the correct and useful and timely information</li> <li>➢ Arrange continuous activities to promote relationship with press.</li> </ul>  |
| 9. Government sectors         | <ul style="list-style-type: none"> <li>➢ Follow the related rules and regulations</li> <li>➢ Against the corruption</li> <li>➢ Be responsible for social and environment</li> </ul>  | <ul style="list-style-type: none"> <li>➢ Meeting</li> <li>➢ Annual Report</li> <li>➢ Company visit</li> <li>➢ Submit correct and timely information to related parties</li> </ul>   | <ul style="list-style-type: none"> <li>➢ Conduct business as per the good corporate governance, related laws, rules and regulations</li> <li>➢ Cooperate in all aspects to the government sectors</li> <li>➢ Control the environmental condition as prescribed by the laws</li> </ul> |

## Human Resources Development



The Company recognizes that employees are the beginning of business drive to achieve the Company's sustainability. Therefore, the Company established fair management guidelines with respect to human rights by promoting the development and well working environment throughout the working hours. The Company expects all employees to be decent and competent with good qualifications, skills and potentiality.

## Human Rights

The Company abides to respecting the international human rights as indicated in the provisions of the constitution, related laws as well as the Company's ethical handbook which ensures the basic rights of all individuals for fair treatment.

In the past years, the Company has included human rights practices in the Company's ethics and good corporate governance. The principles towards employees, business partners, suppliers, partners and stakeholders are as follows:

1. Respect to the basic human rights practices as indicated in the provisions of the constitution as well as the safety in life and property of the stakeholders
2. Promote a non-discriminative and equal career opportunity for all employees. Provide proper wages and benefits which are competitive to the business competitors. Conduct performance appraisal by using KPIs and offer equal career training



3. Respect in individual's comment, religion, culture and personal status
4. Ensure a fair and non-discriminative treatment as stated by the laws such as recruitment, prohibition of child labor and labor force, prohibition of sexual harassment both verbally or physically. Such violation will be imposed with the penalties set by the Company
5. Establish direct communication such as comment and complaint channel with the stakeholders. Conduct fair and efficient process in dealing with such matters which can be audited when required.
  - Telephone number (02) 242-5834. This number should be stated in the Delivery Slip, Bill of Lading and Tax invoice.
  - Company website [www.gunkul.com](http://www.gunkul.com)
  - Corporate Governance Committee
  - Investor Relations : [ir@gunkul.com](mailto:ir@gunkul.com)
  - Intranet, Management meet employee activity, Morning Talk and comment box
  - Annual General Meeting
  - Shareholders' Visit
6. Manage business professionally with good virtue and ethics
7. Promote the invention for quality development of production without impact to environment, health and sanitation of the community and public.

The Board of Directors and management specify these practices as a basic procedure for the Company to operate business. The office of Chief Executive Officer is responsible for all employees to adhere to these regulations so as to build credit and confidence to shareholders, employees, partners, business partners, customers, the community and social which, finally, bring good image and reputation to the Company.

## Human Resources Relations



GUNKUL recognizes the importance of personnel development with the belief that personnel are a vital driving force behind its business growth and success. Organizational development according to the business plan also assists our personnel in creativity and self-development along the path which ensures the Company with competent personnel.

The Company set a policy on personnel development to cover all level of personnel in both managerial and technical aspects. The Company has also established practical guidelines pertaining to its code of conduct and business ethics to take good care of and promote the well-being of employees. In supporting such relationship between the Company and its employees, sample of activities for "Gunkul Family" are Songkran Festival for employees to express their respect to the management by pouring scented water onto their hands while the management in turn wish the employees good luck and prosperity, Chinese New Year : employees will give oranges to represent well wishes to the management who are considered as the elderly of all employees.





Apart from the renovated environment and activities to promote relationships between management and employees as well as for employees' happiness and quality of life, the Company also considers in developing the remuneration and welfare by increasing their portion in the Provident Fund from 4% to 5% in 2014. More financial benefits are also included for employees' peace of mind and working drive. All employees are also encouraged to understand and take into action the virtue which will lead to the modification of organizational behavior so as to adjust with the business expansion and promote good image of the Company.

## Human Resources Development



The Company's personnel development structure relates and conforms to competency and KPIs. These measures are the basic information in creating personnel development courses to be relevant with the Company's vision, mission and strategic plans.



In 2014, the Company focused on all levels of personnel development with measurable targets as major parts of its policy. Personnel development emphasizes leveraging knowledge and skills so that employees can perform to their full capacity satisfactorily. Length of training courses can be categorized as follows:

| Employee Level                             | Average training hours /employee | Curriculum   |
|--|----------------------------------|--|
| 1. Operation Staff                         | 15                               | Inspiration, GUNKUL Leaders, Basic Fire Drill, Effective Delivery, Fork Lift Management, etc   |
| 2. Staff/Assistant Supervisor              | 23                               | Inspiration, GUNKUL Leaders, Basic Fire Drill, Geographic Information System, Commissioning and monitoring system for the 20kW STL Inverter Training, Preparation for new taxation 2014, English language, etc |
| 3. Supervisor                              | 39                               | Inspiration, GUNKUL Leaders, Basic Fire Drill, Safety Officer Supervisor, Safety Committee, Geographic Information System, Commissioning and monitoring system for the 20kW STL Inverter Training, etc         |
| 4. Assistant Manager/<br>Department Manger | 34                               | Inspiration, GUNKUL Leaders, Basic Fire Drill, Safety Officer Supervisor, 2015 - 2035 Solar Cell Development Plan, Strategic Financial Management, Listing Preparation and Procedures, etc                     |
| 5. Management                              | 36                               | Inspiration, GUNKUL Leaders, Basic Fire Drill, Management Paradigm, Share Capital Increase Process, Warrant, Intellectual Property and International Trade, etc.   |

In addition, the Company also provides a course on "Investment plan for tax benefit and savings for retirement" to prepare retiring employees in planning their best financial and future life.



## Personnel

As of 31 December 2014, GUNKUL consisted of 552 employees whereas they stationed in the following companies:

|   |                                       |        |
|---|---------------------------------------|--------|
| ➤ | Gunkul Engineering (Public) Co., Ltd. | GUNKUL |
| ➤ | K.N.P. Supply Co., Ltd.               | KNP    |
| ➤ | Gunkul Chubu Powergen Co., Ltd.       | GCPG   |
| ➤ | Gunkul LED Lighting Co., Ltd.         | GLED   |
| ➤ | Gunkul Power Development Co., Ltd.    | GPD    |
| ➤ | Gunkul Solar Power 2 Co., Ltd.        | GSP2   |
| ➤ | Gunkul Solar Roof 1 Co., Ltd.         | GSR1   |
| ➤ | G.K. Assembly Co., Ltd.               | GKA    |
| ➤ | G.K. Power Products Co., Ltd.         | GKP    |

| Employee Category                  | No. of employees |      |      |
|------------------------------------|------------------|------|------|
|                                    | 2012             | 2013 | 2014 |
| <b>Total employees</b>             | 457              | 483  | 552  |
| - Full time employees              | 352              | 375  | 415  |
| - Daily employees                  | 105              | 108  | 137  |
| <b>Total employees by category</b> |                  |      |      |
| - Permanent employees              | 433              | 455  | 482  |
| - Part time employees              | 24               | 28   | 70   |
| <b>Total employees by gender</b>   |                  |      |      |
| - Male                             | 262              | 282  | 331  |
| - Female                           | 195              | 201  | 221  |
| <b>Total employees by rank</b>     |                  |      |      |
| - Management                       | 13               | 13   | 17   |
| - Department Manager               | 28               | 29   | 34   |
| - Section Chief/Specialists        | 67               | 70   | 74   |
| - Primary-Intermediate employees   | 143              | 161  | 195  |
| - Operational employees            | 206              | 210  | 232  |

## Standard of Occupational Health, Safety and Environment



The Company promotes international standard of performance in the group by applying ISO 14001 for G-Power Source Co., Ltd. and Gunkul Chubu Powergen Co., Ltd. whereas the Company expects to be certified in 2015.

Moreover, the Company has established practical guidelines to take good care of and promote the well-being of employees by offering useful information and suggestions through various channels such as notification board, email and Morning Talk. Annual physical checkup and sport activities (futsal and volleyball) are also arranged to promote excellent health and mind.

## Sanitation Policy at Workplace



The Company organized sanitation activities through “5S Structure” (sort, set in order, shine, standardize and sustain), Environment Committee, Safety Committee, Morning Talk - Job Safety Analyst (JSA) and job performance analysis by Plan-Do-Check-Act (PDCA). The objective is to provide a safe and hygienic working atmosphere for management and employees. There is also an activity on 5S Structure participated by all companies in Gunkul Group with the rotation of the Audit Committee to ensure variety aspects of the organization.

The Company believes that occupational health and safety is one of the key aspects which promotes effective and efficiency working environment. These practices are developed in accordance with the environmental laws and international standard. Moreover, the Company organizes Occupational Health and Safety Exhibition Week on a regular basis.

## Report on Safety Days during 2012-2014

| Company | 2012                                      |                                      | 2013                                      |                                      | 2014                                      |                                      |
|---------|---|--------------------------------------|---|--------------------------------------|---|--------------------------------------|
|         | No. of accident which caused leave taking | No. of continuous accident-free days | No. of accident which caused leave taking | No. of continuous accident-free days | No. of accident which caused leave taking | No. of continuous accident-free days |
| GKA     | 0   | 183                                  | 7   | 121                                  | 3   | 98                                   |
| GKP     | 1   | 854                                  | 1   | 93                                   | 0   | 414                                  |

## Social and Community Development

In 2014, the Company has continuously organized useful activities that benefit the society which is considered one of the Company's stakeholders. Activities undertaken during the past years are indicated below.

Social and environment policies of the Company promote community participation focusing on education, sports and co-existence with the community in a good neighbor way. In addition, the Company developed projects related to well-being, sustainability and strength of the community, cultural conservation and restoration and local festivals so that balance in nature and life is achieved.

### Scholarship for Schools in the Community and Employees' Children



The Company offered 50 scholarships to students from kindergarten to grade 6 level in Wat Sawatvareesimaram School and 20 scholarships under the name of "Diamond Gunkul" to students from grade 7 to 12 in Wat Noinoppakun School. The scholarship is awarded to students with good academic record and merits who need financial support. The Company also regularly grants scholarships to its employees' children with the aim to upgrade youth's educational standard and quality of life.



## Financial Support for School and Community Buildings



The Company recognized the needs for improving schools to enhance learning and living experiences by offering computers and printers to nursery class at Wat Sawatvareesimaram School. The Company also offered dental brushes and organized Sports Day for the student of Wat Sawatvareesimaram School.



The Company joined in the governmental program "Thailand Moves Forward" in wastewater treatment pond by pouring EM microorganism into Klong Premprachakorn with the cooperation from Wat Noinoppakun, Military Circle 11 and the community. This activity assists all parties in mutual cooperation with unity and social consciousness.





This is an activity involving dumping a bucket of ice water on someone's head to encourage financial donation. The Chairman of the Company donated a sum to Wachirapayaban Foundation and Children's Hospital Foundation.

The Company offered 10 street lamps (2 x 36 watt) to Mae Tao School in Tak Province.



## Buddhism and Cultural Heritage Preservation



1. The Company promoted and restored local cultural heritage and contributed to Buddhist activities with the local community, including donation for the manufacturing of 100 pieces of Phra Puttusitdevarajinit and 5,000



pieces of Phra Loy in celebrating 100<sup>th</sup> anniversary of Dusit District, jointly with Head of Dusit District Office, Mr. Visut Thamviriyawong, school directors and buddhist in the community.

2. The Company joined in the annual celebration of Luangpor Putsamsen, an image Buddha which was found floating in the river in 1963. More than 30 people failed to pull the image Buddha out of the river until a worship ceremony was held. The image Buddha was deteriorating so the community donated money to repair and named the image Buddha after Samsen Police Station as the image Buddha is situated opposite that police station.

### Gifts for the Community on Children's Day



Wat Sawatvareesimaram School, Wat Sawatvareesimaram Community, Wat Kae Community, Nakornchaisri Community, Samsen Police Station and Military Circle 11 are the neighbors of the Company, therefore, the Company offered gifts on Children's Day for the children's happiness and joyfulness since its founding.

### Social Responsibility Awareness



In 2014, the Company continues to promote employees' participation in Employee's Social Responsibility Awareness program on a voluntarily basis. Since 2007, they have annually offered morning alms after Buddhist Lent and did a cleaning at Wat Sawatvareesimaram on the final day of Buddhist Lent for the hygienic of the community.

## Schools and Community Visit to the Company's Plants



The Company pays great attention to education and knowledge development to students, teachers, schools and the community. A visit to the Alternative Energy Power Plant provides them with useful information which can be applied to their daily life. In 2014, the following visitors were :

1. Students from Electrical Department, Chondaen Industrial and Community Education College to Baan Kluay Solar Farm, Petchaboon Province
2. Graduate students from Electrical Engineering Department, Rajamangala University of Technology Thanyaburi to Srijula Solar Farm, Nakornnayok Province
3. Doctoral students from Economics Department, Srinakharinwirot University to Srijula Solar Farm, Nakornnayok Province
4. Primary students from Mabfab School to Noenpor Solar Farm, Pichit Province

## Donation from Solar Cell Power Plant to the Community



1. Vichienburi Plant, Petchaboon Province donated a sum to promote sports day and drug abuse activities arranged by Samyaek Subdistrict Administration Organization, Petchaboon Province and also donated in buying medicine cupboard for a temple. These activities were hosted by Petchaboon Provincial Industrial Department.



2. Srijula Plant, Nakornnayok Province donated a sum to 2014 Nakornnayok Red Cross Charity.
3. Noenpor Plant, Pichit Province donated a sum to promote 2014 Sports Day of Noenpor Rungnokchanutit School

## Participation of Stakeholders and Income Enhancement of the Community



Gunkul has a strong determination to adopt measures to prevent and control the environmental impacts throughout our business operations starting from the period prior to the Project construction, during the construction and the alternative electric energy generating. These practices were conducted in full compliance with all applicable laws, regulations and international control system in order to prevent, control and correct the environmental impact as well as to revive and conserve natural resources and environments. The following activities created knowledge and understanding of the community.

### Prior to the construction of Solar Energy Power Plant Project

1. Researching on basic details of the technical aspect, economic, social, cultural and way of life of the community.
2. Arranging for the community to participate and understand the project. Performing recruitment from the people in the community.
3. Organizing activities for better understanding of the project and arranging the meetings for the community's various comments under the scope of the laws and governmental policy.
  - The Company arranged the meeting for presenting the details of project to the community and providing the survey for getting the community's opinion and better understanding.

### During the Construction of Solar Energy Power Plant Project

1. Offering job employments, income and knowledge to the community by recruiting employees from the community to enhance participation in every step of the operations. Regularly educating the community on the operations and policy of the Company.
2. Providing channels for recommendations or complaints (if any), with an authorized person or group who is fully responsible for such matters.

### During the Alternative Electric Energy Generating

1. Conducting follow-ups on the operations in accordance with the measures on social and environmental impacts as specified under Environmental Impact Analysis (EIA) Report.
2. Listening to recommendations in order to develop and improve according to the needs of the community.
3. Promoting income in the community such as hiring employees from the community.

The Solar Energy Power Plant has appointed the Environment Committee with its duties as follows:

1. Participating in mapping out the policies and operations in administration, services and environmental management process both inside and outside of the organization.
2. Including the environmental operations in the employee performance evaluation and the Company's regulation as well as educating the employees about the environmental impacts in their responsible area.
3. Communicating to all levels of employees the advantages and determinations in managing the environmental system.
4. Making follow-ups and reviewing the effectiveness of environmental management system.

## Development of Social and Community

The Company has implemented plans to minimize possible environmental impacts resulting from the current Solar Energy Power Plant Projects by studying and surveying both direct and indirect impacts with the following measures :

| Natural Resources  | Measures in preventing and reducing the impacts  |
|--|--|
| 1. Air quality   | No impact  |
| 2. Noise   | No impact  |
| 3. Water quality   | 1) Prepare enough and sanitary lavatories for employees<br>2) Arrange for retention pond to gather the excess rain<br>3) Reuse the water in the retention pond   |
| 4. Garbage management from workplace and employees' activities | Collect and categorize general garbage in the workplace. Sell the recycle garbage.<br>For dangerous garbage, collect and submit to the authorized service provider for further treatment.  |
| 5. Water drainage  | 1) Install the sedimentation tank before draining the water out of the project<br>2) Clean water gutter around the project at least twice a year especially before the rainy season starts<br>3) Manage for the rain to drain into the water gutter as fast as possible and store the rain for internal usage or to delay the drainage.<br>4) Check the drainage system water gutter and sedimentation tank. |
| 6. Waste management  | Educate how to collect and gather the broken solar cell.   |

## Natural Resources Management and Global Warming Mitigation

At present, there are tremendous usages of natural resources and the most important usage is electricity from combustion of fossil such as gas, natural gas, coal, etc. This combustion causes greenhouse gas and air pollution which finally leads to the important impact; global warming.

The Company hereby constructs the electric energy production plants from other resources such as solar and wind energy so as to preserve the electric energy, use the natural resources reasonably as well as reduce the carbon dioxide.

All our plants combined of natural resources such as solar cell and wind energy which create no impact to the environment and also reduce the greenhouse gas as well. This also includes the ongoing Biogas Biomass project.

## Greenhouse Gas Mitigation Action

| No.   | Project                        | Type of energy        | Operating year | Capacity Sold (MW) | Net Capacity (MWh/Y) | Quantity of greenhouse gas reduction (tCO2/y) |
|-------|--------------------------------|-----------------------|----------------|--------------------|----------------------|---|
| 1.    | Ban Kluay 1                    | Solar Cell            | 2011           | 3.3                | 6,022.5              | 3,011.25                                      |
| 2.    | Ban Kluay 2                    |                       | 2011           | 5.3                | 9,672.5              | 4,836.25                                      |
| 3.    | Wichienburi                    |                       | 2013           | 9.8                | 17,885               | 8,942.5                                       |
| 4.    | Sirjula                        |                       | 2013           | 9.8                | 17,885               | 8,942.5                                       |
| 5.    | Noenpor                        |                       | 2013           | 5.6                | 10,220               | 5,110   |
| 6.    | Bueng Sampan 2                 |                       | 2013           | 3.6                | 6,570                | 3,285   |
| 7.    | Takeed                         |                       | 2013           | 7.6                | 13,870               | 6,935   |
| 8.    | Tasung                         |                       | 2013           | 7.6                | 13,870               | 6,935   |
| 9.    | Dongkon                        |                       | 2013           | 7.6                | 13,870               | 6,935   |
| 10.   | Bueng Sampan 1                 |                       | 2013           | 7.6                | 13,870               | 6,935   |
| 11.   | Borploy                        |                       | 2013           | 1.2                | 2,190                | 1,095   |
| 12.   | WHA Gunkul Green Solar Roof 1  | Solar Cell on rooftop | 2011           | 0.64               | 792                  | 396   |
| 13.   | WHA Gunkul Green Solar Roof 3  |                       | 2011           | 0.83               | 1,038                | 519   |
| 14.   | WHA Gunkul Green Solar Roof 6  |                       | 2011           | 0.83               | 1,037                | 518.5   |
| 15.   | WHA Gunkul Green Solar Roof 17 |                       | 2011           | 0.998              | 1,261                | 630.5   |
| 16.   | Pichai                         |                       | 2013           | 0.022              | 30.25                | 15.1  |
| 17.   | GK Assembly                    |                       | 2013           | 0.25               | 337.6                | 168.8   |
| 18.   | T Park                         |                       | 2013           | 0.539              | 676                  | 338   |
| 19.   | Wayu                           | Wind energy           | 2015*          | 50                 | 120,000              | 60,000  |
| 20.   | Subplu 1                       |                       | 2015*          | 8                  | 19,200               | 9,600   |
| 21.   | Subplu 1                       |                       | 2015*          | 2                  | 4,800                | 2,400   |
| 22.   | Saramlom                       |                       | 2016*          | 68                 | 144,000              | 72,000  |
| Total |                                |                       |                | 201.109            | 419,096.85           | 209,548.40                                    |

\*Expected year for commercial sale

## Innovation on Business, Social and Technology

- The Company carefully selects standardized and high quality materials which are certified from various sectors for high efficiency as well as to preserve the environment and safety of community.
- All materials purchased will be compared and selected in accordance to its usefulness.
- The Company promotes on environmental impact management by making use of the recycle materials as well as preparing the water gutter and utilizing the recycled water too.

- Material requisition is based on the least environmental impact.
- Materials will be utilized at their maximum capacity.
- Such materials must reduce the environmental impact or have as least impact as possible throughout their operating life.

## Sample of Mark on the Equipment



These marks show that the equipment can be recycled.



This mark shows the Manufacturer's Declaration that it possesses the qualifications as set for healthy, safety and environmental preservation.



This is the registered trademark of Canada on the safety factor.

## Responsibility to Customers

The Company pays great attention to product or material selection and only selects the guaranteed ones.



## Environmental Impact Management arising from the operation process

The Company has high concern over the community so the production process will be handled environmental-friendly with the following steps :

1. Follow the laws, rules and regulations on the environment and prepare measures to protect and solve the impacts.
2. Research on the environment impacts which may cause from the beginning of the project to the end. This study assists in protecting and reducing the impacts successfully.
3. Apply the international standard of environmental management for better operation.
4. Utilize the environmental-friendly resources such as wind energy and solar cell as the main resources.

## Utilization of Consumer Protection Laws

The Company carefully selects standardized and high quality solar modules and inverter which are produced from Standard PV Fabrication Process Machinery with the test from TUV/IEC/UL/JIS Standard Laboratory and safety from IEC, TUV, UL, GE, CEC, ISO. The mini grid inverter is certified ISO 9001 and ISO 14001.



## Award of the Pride and Development Network towards Sustainability

1. Khun Gunkul Dhumrongpiyawut, President of Gunkul Engineering Public Co., Ltd., received Trophy of Honor for Venerable Person in Dusit District from Khun Sanya Chenimit, Permanent Secretary of Bangkok Metropolitan Administration.



2. The Management of Gunkul Group received Trophy of Honor for being a supporter from Associate Professor Dr. Sakarin Pumirat, Chancellor of King Mongkut's University of Technology Thonburi.



3. Khun Gunkul Dhumrongpiyawut, President of Gunkul Engineering Public Co., Ltd., To qualify for an award He received certificate from CNBC Asia in the “CNBC’s 13<sup>th</sup> Asia Business Leaders Awards 2014” in Singapore.



4. Khun Sopacha Dhumrongpiyawut, Chief Executive Officer (CEO) of Gunkul Engineering Public Co., Ltd., received The Asia Pacific Entrepreneurship Award 2014 (APEA) as Outstanding Entrepreneur from Tan Sri Datuk Seri Dr. Fong Chan Onn, President of Enterprise Asia. This award is presented to a unique businessman with great confidence, vision, innovation and leadership.





5. Khun Sopacha Dhumrongpiyawut, Chief Executive Officer (CEO) of Gunkul Engineering Public Co., Ltd., received Trophy of Honor for Quality Persons of the Year 2014 in Quality Persons in Energy and Public Utility from His Excellency Mr. Palakorn Suwanrath (Privy Councillor) organized by Foundation of Science and Technology Council of Thailand.



6. Khun Sopacha Dhumrongpiyawut, Chief Executive Officer (CEO) of Gunkul Engineering Public Co., Ltd., received Trophy of Honor in 2014 Best Investor Relations from SET Awards 2014.



7. Khun Sopacha Dhumrongpiyawut, Chief Executive Officer (CEO) of Gunkul Engineering Public Co., Ltd., received Trophy of Honor as Educational Supporter to Wat Sawatvareesimaram School in Dusit District from Khun Kosin Tetwong, Director of Department of Education.



8. Mrs.Somluk Kanuenghet, Senior Vice President, Executive Officer and party of Gunkul Engineering Public Co., Ltd., received an Honor Certification from Department of Labour Protection and Welfare from arranging a conference on drugs abuse and human trafficking. This conference has an objective to educate all parties concerned to understand and find solutions in fixing these problems.



## 15. General Information and Reference Person

### 15.1 General Information

|                              |   |
|------------------------------|---|
| <b>Company's Name</b>        | : Gunkul Engineering Public Company Limited   |
| <b>Stock Quote</b>           | : GUNKUL  |
| <b>Company Registration</b>  | : 0107552000146   |
| <b>Head Office Address</b>   | : 1038-1046 Nakornchaisri Road, Nakornchaisri, Dusit<br>Bangkok 10300   |
| <b>Telephone Number</b>      | : 0-2242-5800   |
| <b>Fax Number</b>            | : 0-2242-5878   |
| <b>Website</b>               | : <a href="http://www.gunkul.com">www.gunkul.com</a>  |
| <b>Email</b>                 | : <a href="mailto:ir@gunkul.com">ir@gunkul.com</a>  |
| <b>Type of Business</b>      | : Manufacturing and supplying electrical products & renewable energy products, generating electrical power from renewable energy resources. |
| <b>Sector</b>                | : Energy & Utilities  |
| <b>Industry</b>              | : Resources   |
| <b>Type of Issued Shares</b> | : Common shares   |
| <b>Registered Capital</b>    | : THB 879,999,929.00  |
| <b>Paid-up Capital</b>       | : THB 879,990,265.00  |
| <b>Number of Shares</b>      | : 879,990,265 Shares  |
| <b>Par Value</b>             | : THB 1.00  |

## 15.2 Subsidiaries

| Company Name                                   | Type of Business                     | Registered Capital (THB) | Total Amount of Shares (Shares)                      | Par Value (THB) | Amount of Shares holding by GUNKUL (Shares)         | % of Holding |
|--|--------------------------------------|--------------------------|--|-----------------|---|--------------|
| 1. G.K. Assembly Co., Ltd. (GKA)               | Manufacturing<br>Electrical Products | 200,000,000.00           | 2,000,000  | 100.00          | 1,999,998   | 99.99        |
| 2. G.K. Power Products Co., Ltd. (GKP)         | Manufacturing<br>Electrical Products | 100,000,000.00           | 100,000  | 1,000.00        | 99,998  | 99.99        |
| 3. K.N.P. Supply Co., Ltd. (KNP)               | Supplying<br>Electrical Products     | 50,000,000.00            | 500,000  | 100.00          | 499,998   | 99.99        |
| 4. Wind Energy Development Co., Ltd. (WED)     | Generating<br>Electrical Power       | 1,052,100,000.00         | 105,210,000  | 10.00           | 105,209,987   | 99.99        |
| 5. NK Power Sola Co., Ltd. (NKP) <sup>1)</sup> | Generating<br>Electrical Power       | 2,600,000.00             | Common Shares<br>23,060<br>Preferred Shares<br>2,940 | 100             | Common Shares<br>9,799<br>Preferred Shares<br>2,940 | 48.99        |
| 6. Greenovation Power Co., Ltd. (GNP)          | Generating<br>Electrical Power       | 1,138,100,000.00         | 113,810,000  | 10.00           | 113,809,998   | 99.99        |
| 7. Gunkul LED Lighting Co., Ltd. (GLED)        | Manufacturing<br>LED Products        | 100,000,000.00           | 1,000,000  | 100.00          | 749,999   | 74.99        |
| 8. Gunkul Solar Community Co., Ltd. (GSC)      | Generating<br>Electrical Power       | 1,000,000.00             | 10,000   | 100.00          | 9,997   | 99.97        |
| 9. Gunkul & UCI Power Co., Ltd. (GUCI)         | Generating<br>Electrical Power       | 10,000,000.00            | 100,000  | 100.00          | 74,999  | 74.99        |
| 10. Siam Gunkul Solar Energy Co., Ltd. (SGSE)  | Generating<br>Electrical Power       | 1,000,000.00             | 10,000   | 100.00          | 9,997   | 99.97        |
| 11. Gunkul Solar Power 1 Co., Ltd. (GSP-1)     | Generating<br>Electrical Power       | 1,000,000.00             | 10,000   | 100.00          | 9,997   | 99.97        |
| 12. Gunkul Solar Power 2 Co., Ltd. (GSP-2)     | Generating<br>Electrical Power       | 39,000,000.00            | 390,000  | 100.00          | 389,997   | 99.99        |
| 13. Gunkul Solar Roof 1 Co., Ltd. (GSR-1)      | Generating<br>Electrical Power       | 21,000,000.00            | 210,000  | 100.00          | 209,997   | 99.99        |
| 14. Gunkul Solar Roof 2 Co., Ltd. (GSR-2)      | Generating<br>Electrical Power       | 1,000,000.00             | 10,000   | 100.00          | 9,997   | 99.97        |

| Company Name   | Type of Business                           | Registered Capital (THB) | Total Amount of Shares (Shares) | Par Value (THB) | Amount of Shares holding by GUNKUL (Shares) | % of Holding |
|--|--|--------------------------|---------------------------------|-----------------|---|--------------|
| 15. Gunkul Power Development Co., Ltd. (GPD)                         | Engineering<br>Procurement<br>Construction | 15,000,000.00            | 150,000                         | 100             | 149,997                                     | 99.99        |
| 16. Solar Energy Society Co., Ltd. (SES)                             | Generating<br>Electrical Power             | 1,000,000.0              | 10,000                          | 100.00          | 9,997                                       | 99.97        |
| 17. Bright Green Power Co., Ltd. (BGP)                               | Generating<br>Electrical Power             | 1,000,000.00             | 10,000                          | 100.00          | 9,997                                       | 99.97        |
| 18. Gunkul International (Mauritius) (GIM) <sup>2)</sup>             | Oversea<br>Investment                      | USD<br>4,517,960.00      | 4,517,960                       | USD<br>1        | 4,517,960                                   | 100.00       |
| 19. Gunkul Investment (Singapore) Pte. Ltd. (GIS) <sup>2)</sup>      | Oversea<br>Investment                      | SGD<br>200,000.00        | 200,000                         | SGD<br>1        | 200,000                                     | 100.00       |
| 20. Gunkul Myanmar Power (Hlawga) Pte. Ltd. (GMP) <sup>2)</sup>      | Oversea<br>Investment                      | SGD<br>150,000.00        | 150,000                         | SGD<br>1        | 150,000                                     | 100.00       |
| 21. Gunkul Myanmar Central Power 1 Co., Ltd. (GKMCP 1) <sup>3)</sup> | Oversea<br>Investment                      | USD<br>100,000.00        | 100,000                         | USD<br>1        | 51,000                                      | 51.00        |
| 22. Sendai Okura Mega Solar Godo Kaisha (GK Sendai) <sup>4)</sup>    | Oversea<br>Investment                      | JPY<br>50,000.00         | -                               | -               | JPY<br>50,000.00                            | 100.00       |

#### Remarks

- <sup>1)</sup> GUNKUL is one of shareholder of N.K. Power Sola Co., Ltd. by holding 9,799 common shares and 2,940 preferred shares. The right of voting for common share is one share per one vote and preferred share is one share per 20 votes.
- <sup>2)</sup> GUNKUL is shareholder of GIM by holding 100.00 percent of shares and GIM holds in GIS at 100.00 percent of shares and GIS hold in GIM at 100.00 percent of shares.
- <sup>3)</sup> GMP is shareholder of GKMCP 1 by holding 51.00 percent of shares.
- <sup>4)</sup> GIM is shareholder of GK Sendai by holding 100.00 percent of shares.

## 15.3 Associated Companies and Joint Venture

| Company Name  | Type of Business            | Registered Capital (THB) | Total Amount of Shares (Shares) | Par Value (THB) | Amount of Shares holding by GUNKUL (Shares) | % of Holding |
|---|-----------------------------|--------------------------|---------------------------------|-----------------|---|--------------|
| 1. G-Power Source Co., Ltd. (GPS)                       | Generating Electrical Power | 930,000,000              | 9,300,000                       | 100.00          | 3,719,998                                   | 40.00        |
| 2. Gunkul Chubu Powergen Co., Ltd. (GCPG)               | Generating Electrical Power | 992,000,000              | 9,920,000                       | 100.00          | 5,059,195                                   | 51.00        |
| 3. Siam Wind Energy Co., Ltd. (SWE)                     | Generating Electrical Power | 1,000,000.00             | 10,000                          | 100.00          | 4,000                                       | 40.00        |
| 4. WHA Gunkul Green Solar Roof 1 Co., Ltd. (WHA_GSR-1)  | Generating Electrical Power | 11,500,000.00            | 1,150,000                       | 10.00           | 287,615                                     | 25.01        |
| 5. WHA Gunkul Green Solar Roof 2 Co., Ltd. (WHA_GSR-2)  | Generating Electrical Power | 1,000,000.00             | 100,000                         | 10.00           | 25,010                                      | 25.01        |
| 6. WHA Gunkul Green Solar Roof 3 Co., Ltd. (WHA_GSR-3)  | Generating Electrical Power | 14,500,000.00            | 1,450,000                       | 10.00           | 362,645                                     | 25.01        |
| 7. WHA Gunkul Green Solar Roof 4 Co., Ltd. (WHA_GSR-4)  | Generating Electrical Power | 1,000,000.00             | 100,000                         | 10.00           | 25,010                                      | 25.01        |
| 8. WHA Gunkul Green Solar Roof 5 Co., Ltd. (WHA_GSR-5)  | Generating Electrical Power | 1,000,000.00             | 100,000                         | 10.00           | 25,010                                      | 25.01        |
| 9. WHA Gunkul Green Solar Roof 6 Co., Ltd. (WHA_GSR-6)  | Generating Electrical Power | 14,500,000.00            | 1,450,000                       | 10.00           | 362,645                                     | 25.01        |
| 10. WHA Gunkul Green Solar Roof 8 Co., Ltd. (WHA_GSR-8) | Generating Electrical Power | 100,000.00               | 10,000                          | 10.00           | 2,501                                       | 25.01        |
| 11. WHA Gunkul Green Solar Roof 9 Co., Ltd. (WHA_GSR-9) | Generating Electrical Power | 100,000.00               | 10,000                          | 10.00           | 2,501                                       | 25.01        |

| Company Name  | Type of Business            | Registered Capital (THB) | Total Amount of Shares (Shares) | Par Value (THB) | Amount of Shares holding by GUNKUL (Shares) | % of Holding |
|---|-----------------------------|--------------------------|---------------------------------|-----------------|---|--------------|
| 12. WHA Gunkul Green Solar Roof 10 Co., Ltd. (WHA_GSR-10) | Generating Electrical Power | 15,500,000.00            | 1,550,000                       | 10.00           | 387,655                                     | 25.01        |
| 13. WHA Gunkul Green Solar Roof 16 Co., Ltd. (WHA_GSR-16) | Generating Electrical Power | 100,000.00               | 10,000                          | 10.00           | 2,501                                       | 25.01        |
| 14. WHA Gunkul Green Solar Roof 17 Co., Ltd. (WHA_GSR-17) | Generating Electrical Power | 16,000,000.00            | 1,600,000                       | 10.00           | 400,160                                     | 25.01        |

## 15.4 Other References

|                  |   |
|------------------|---|
| <b>Regulator</b> | <p>The Securities and Exchange Commission, Thailand (SEC)<br/>333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak<br/>Bangkok 10900, Thailand</p> <p>Tel. 0-2695-9999, 0-2263-6499</p> <p>Fax. 0-2695-9660</p>                    |
| <b>Regulator</b> | <p>The Stock Exchange of Thailand (SET)<br/>62 The Stock Exchange of Thailand Building,<br/>Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand</p> <p>Tel. 0-2229-2000, 0-2654-5656</p> <p>Fax. 0-2229-2030, 0-2654-5649</p> |



|                        |  |
|------------------------|--|
| <b>Share Registrar</b> | Thailand Securities Depository Company Limited (TSD)<br>62 The Stock Exchange of Thailand Building,<br>Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand<br>Tel. 0-2229-2800<br>Fax. 0-2359-1259 |
| <b>Auditor</b>         | SP Audit Company Limited<br>503/21 12 <sup>th</sup> Floor, K.S.L. Tower, Sriyudhya Road,<br>Phyathai, Ratchathewi, Bangkok 10400<br>Tel. 0-2642-6172-4<br>Fax. 0-2642-6253                           |
| <b>Legal Advisor</b>   | Weerawong, Chinnavat & Peangpanor Ltd.<br>540 Mercury Tower, 22 <sup>nd</sup> Floor, Ploenchit Road,<br>Lumpini, Pathumwan, Bangkok<br>Tel. 0-2264-8000<br>Fax. 0-2657-2222                          |

## 16. Policy and Overall Business Operations

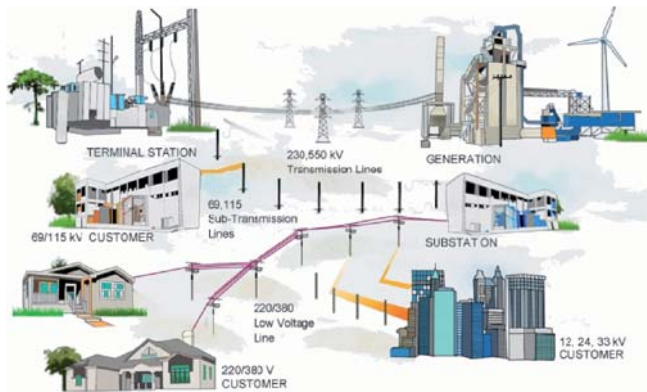
### Perspective of the group business structure

The Thai power system consists of two main components:

1. Electricity Production
2. Transmission and distribution

The transmission of electricity from power plants to consumers must go through the various sub-systems including the high voltage grid, power station system, the distribution system, and underground cables, as shown in the diagram below.

Diagram show electric transmission and distribution system of Thailand



Business of the group of companies and be classified as follows:

1. Business to produce, supply and sell equipment for electrical system in domestic and international.
2. Business to produce, supply and sell energy -saving products
  - 2.1 Lighting Products: LED Light Bulbs
  - 2.2 Solar Panel
3. Business to produce and distribute electricity from renewable energy resources
  - 2.1 Solar Farm
  - 2.2 Wind Farm
  - 2.3 Solar PV Rooftop
4. Business to construct alternative energy power plant
5. Business to operation and maintenance

Details of the business operations of the Company and its subsidiaries as follows:

| Company   | Type of Business  |
|---|---|
| 1. Gunkul Engineering PLC.<br>(GUNKUL)              | <ul style="list-style-type: none"> <li>- Providing and distributing equipment for electrical systems and related systems, including accessories for power generation from renewable energy, for distribution to the group of customers of the company. The products that the company distributes are manufactured both by the Group and produced by other operators, both locally and abroad.</li> <li>- Business to produce and distribute electricity from renewable energy resources</li> <li>- Business to construct alternative energy power plant</li> <li>- Business to operation and maintenance</li> </ul> |
| 2. G.K. Assembly Co., Ltd.<br>(GKA)                 | Production of street lighting equipment and accessories such as handling transmission lines (Preformed), cable spacers, and hardware Including production of Mounting Structure for the solar plant under the different brands of the Group, GUNKUL, GK, ZIMLUG, PIGMAN, TOPWELD and ZIMTAP. To distribute to Gunkul Engineering Public Company Limited and K.N.P. Supply Co., Ltd.   |
| 3. G.K. Power Products Co., Ltd.<br>(GKP)           | Production of equipment and control systems for power transmission and distribution lines under the Group's brands "GUNKUL" and "GK". By focusing on the safety equipment and joining systems such as electrical wiring, fuses and switches to distribute to Gunkul Engineering Public Company Limited and K.N.P. Supply Co., Ltd.  |
| 4. K.N.P. Supply Co., Ltd.<br>(KNP)                 | Distribution of electrical system equipment and other systems related to public sector customers directly. Acting as a contactor and participating in the bidding for the procurement of the various customer segments. The main customers being the PEA and MEA.   |
| 5. Wind Energy Development Co., Ltd. (WED)          | Production and generating of electricity from renewable energy using renewable solar energy amount 60 MW by generating to the EGAT and PEA.   |
| 6. NK Power Solar Co., Ltd.<br>(NKP) <sup>(1)</sup> | Production and generating of electricity from renewable energy in the capacity of 1 MW by generating to the EGAT and PEA.   |
| 7. Greenovation Power Co., Ltd.<br>(GNP)            | Production and generating of electricity from renewable energy using renewable solar energy amount 60 MW by generating to the EGAT and PEA.   |
| 8. Gunkul Solar Community Co., Ltd. (GSC)           | Production and distribution of electricity from Renewable Energy in system of Agriculture Cooperation by generating to the PEA and MEA  |
| 9. Gunkul and UCI Power Co., Ltd. (GUCI)            | Production and distribution of electricity from Renewable Energy in system of government by generating to the PEA and MEA   |
| 10. Siam Gunkul Solar Energy Co., Ltd. (SGSE)       | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA   |
| 11. Gunkul Solar Power 1 Co., Ltd. (GSP-1)          | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA.  |



| Company  | Type of Business   |
|--|--|
| 12. Gunkul Solar Power 2 Co., Ltd. (GSP-2)                           | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA. |
| 13. Gunkul Solar Roof 1 Co., Ltd. (GSR-1)                            | Production and generating of electricity from Solar PV Rooftop by generating to the PEA and MEA.   |
| 14. Gunkul Solar Roof 2 Co., Ltd. (GSR-2)                            | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA. |
| 15. Solar Energy Society Co., Ltd. (SES)                             | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA. |
| 16. Bright Green Power Co., Ltd. (BGP)                               | Production and distribution of electricity from Solar PV Rooftop by generating to the PEA and MEA. |
| 17. Gunkul Power Development Co., Ltd. (GPD)                         | Construction of Power Plant.   |
| 18. Gunkul LED Lighting Co., Ltd. (GLED)                             | Production of Lighting Bulb Type LED   |
| 19. Gunkul International (Mauritius) (GIM) <sup>(2)</sup>            | Oversea Investment   |
| 20. Gunkul Investment (Singapore) Pte. Ltd. (GIS) <sup>(2)</sup>     | Oversea Investment   |
| 21. Gunkul Myanmar Power (Hlawga) Pte. Ltd. (GMP) <sup>(2)</sup>     | Oversea Investment   |
| 22. Gunkul Myanmar Central Power 1 Co., Ltd. (GKMCP1) <sup>(3)</sup> | Oversea Investment   |
| 23. Sendai Okura Mega Solar Godo Kaisha (GK Sendai) <sup>(4)</sup>   | Oversea Investment   |

<sup>(1)</sup> GUNKUL is one of shareholder of N.K. Power Solar Co., Ltd. by holding 9,799 common shares and 2,940 preferred shares. The right of voting for common share is one share per one vote and preferred share is one share per 20 votes.

<sup>(2)</sup> GUNKUL is shareholder of GIM by holding 100 percent of shares and GIM holds in GIS at 100.00 percent of shares and GIS hold in GIM at 100 percent of shares.

<sup>(3)</sup> GMP is shareholder of GKMCP1 by holding 51

<sup>(4)</sup> GIM is shareholder of GK Sendai by holding 100

## 16.1 Business Goals.

In 2015, the Company aims to conduct business defined as follows.

1. Retain key customers, including the Provincial Electricity Authority, Metropolitan Electricity Authority, Electricity Generating Authority of Thailand, Private businesses, both domestically and internationally with the Power Authority of the Union of Myanmar, Lao People's Democratic Republic, Malaysia and Vietnam.
2. Expand customer base, both domestic and internationally to increase market share.
3. Provide new products to meet customer needs.
4. Expansion of renewable energy, including the acquisition of the power purchase agreement, joint ventures with other operators who have contracts to supply electricity or renewable energy consultation.
5. The study and construction of power plants, biomass and biogas of Napier grass in Thailand and its neighbors.
6. Implementation of renewable energy investments in neighboring countries.
7. Add business partners to enhance business security.
8. Enhanced functionality to support the expansion of business by the introduction of advanced technology applications such as networking in the enterprise information system, through video conferencing.
9. Develop staff ability to keep pace with the growth of the company.
10. Increase the Corporate Social Responsibility (CSR) of the company.

## 3 - 5 years Business Plans

### Renewable Energy Industry

As at 19 October 2010, Gunkul Engineering (Public) Co., Ltd. registered its listing in SET with the objective to promote the growth in high voltage transmission line and distribution sub-transmission as well as renewable energy power plant. With great acknowledgement from Ministry of Energy, Electricity Generating Authority of Thailand (EGAT), Provincial Electricity Authority (PEA) and other private sectors, the Company then established a policy in expanding the business in order to be relevant with the government budget and quantity of MW as promoted by Power Development Plan (PDP) B.E. 2553-2573. The Company takes an interest in the following businesses:

- Solar Cell Power Plant
- Wine Turbine Power Plant
- Natural Gas Vehicles Power Plant
- Biomass Power Plant (wood and energy crops)
- Biomass Power Plant (waste)

The Company's primary objective is investing in both domestic and international markets. Nevertheless, the investment plan for commercial sales in the next 3 years is not less than 400 MW.

### Domestic Investment Plan

The Company recognizes the importance of investing in companies which are authorized to sell solar cell at a fixed rate at 5.66 baht and expects to sign the agreement within the second quarter of this year. Moreover, the Company aims to invest in wind turbine power plant with good productivity of not less than 170 MW and will develop the project for commercial sales as stated in the agreement.

According to Power Development Plan (PDP) B.E. 2553-2573 of Ministry of Energy, the price calculation was fleet-in-tariff for biomass power plant (waste energy). The Company has plenty of land underneath the wind turbine power plant which can be used to grow energy crops. The energy crops are the raw materials for the biomass power plant which was promoted for the fixed rate of power purchase. This rate is higher and enables proper and better investment returns than the previous rate. The Company is also interested in investing in community waste power plant which gives better investment returns as well. At present, the Company is seeking a partner in technology and waste management by the local administration to work on the potential community waste location. This project will significantly enable the Company to efficiently grow in the long run.

### International Investment Plan

The Company's major markets are Japan and Myanmar because of the great opportunity in supporting all kinds of appropriate power plants for both countries.

- Japan
- The Company aims to invest in solar cell power plant which currently offers the best rate of power purchase (32 yen/KW/Hour). At present, the Company has signed the contract and invested in 31.75 MW and expected to receive the higher volume in the near future, depending on the worthiness and suitability of the project.



Myanmar - The Company is interested in investing in natural gas vehicles power plant. At present, the Company has invested (51%) with a Myanmar partner for 50 MW with current commercial sales of 25 MW. The Company is also working on the possess structure to be relevant with the agreement within this year. With high demand of power in Myanmar, the Company expects to sign more gas turbine power plant agreement.

### High Voltage Generating and Selling

The Company focuses on creating new products and developing existing products in order to be highly competitive in the market. Quality development using engineering value will be continuously applied for the customers' satisfaction. This will make "Gunkul" brand accepted and loyal by all customers. Products which are successfully developed in the past few years are as follows:

- "GLO" and "Gunkul" LED light bulbs
- Lighting equipments with LED
- Electronic meter (AMI) and kilowatt-hour meter
- "Gunkul" solar module 300 W

In addition, the Company hopes these new products will add market value and growth rate in this business not less than 15% per year. Besides being the market leader for high voltage equipments, this brand will always be a Thai pride.

### 16.2 Changes and Development of the Company and its subsidiaries are as follows:

|           |   |
|-----------|---|
| Year 1982 | - Gunkul Engineering Co., Ltd. founded with registered capital of 1 million baht.<br>(Current registered capital : THB 879,999,920)   |
| Year 1992 | - Establishment of G.K. Assembly Co. , Ltd. with registered capital of 2 million baht.<br>(Current registered capital : 200 million baht).  |
|           | - Establishment of G.K. Power Products Co., Ltd. (formerly known as Kerney (Thailand) Co., Ltd.), with registered capital of 2.6 million baht. (Current registered capital: 100 million baht).                        |
| Year 1993 | - Establishment of K.N.P. Supply Co., Ltd. with registered capital of 1 million baht.<br>(Current registered capital : 50 million baht)   |
| Year 2009 | - The companies restructured as a group holding company with the Gunkul Engineering Company Limited acquiring 99.99% of shares in G.K. Power Products Co., Ltd., G.K. Assembly Co., Ltd., and K.N.P. Supply Co., Ltd. |

| Year 2010 | <ul style="list-style-type: none"> <li>- Gunkul Engineering Co., Ltd. increased its registered capital from 300 million baht to 400 million baht and changed the par value of ordinary shares from 100 baht per share to 1 baht per share.</li> </ul>   |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|-----------|---|--|------------------------------------|---------|-----------|--|------------------------------------|----|-----|--------------------------|--------------|-----|--------------------------|--------------|----|-----|---------------------------|-----------|----|-----|-----------------------------|------------|----|-----|--------------------|------------|----|-----|----------------------------|
|           | <ul style="list-style-type: none"> <li>- The company transformed into a public company and changed its name to “Gunkul Engineering Public Company Limited (PCL)”.</li> </ul>  |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- On 11 December 2009, Establishment of Gunkul Powergen Co., Ltd. With registered capital of 100 million baht to produce and sell electricity from renewable energy.<br/>(Current registered capital: 992 million baht).</li> </ul>  |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- The Company was appointed by the Shanghai Electric Wind Power Equipment Company Limited as the sole distributor of wind turbines in Thailand, Myanmar and Laos.</li> </ul>   |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- On 11-13 October 2010, the company opened to the public for share sales (Initial Public Offering) of 100,000,000 shares representing 25.00 percent of the total number of 400,000,000 ordinary shares with par value of 1 baht per share sale price, sold at 5.40 baht per share.</li> </ul>   |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- On October 15, 2010, The Stock Exchange of Thailand added GUNKUL securities as new securities on the Stock Exchange of Thailand.</li> </ul>  |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- On October 19, 2010, GUNKUL securities traded on the Stock Exchange for the first day (First Day Trade).</li> </ul>  |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- On November 19, 2010 the Company acquired the common stock of G-Power Source Co., Ltd., which operates in the production and distribution of electricity from solar energy and is a party to the Provincial Electricity Authority (PEA). The company has power purchase agreements of four contracts for a total of 26 MW and has received support from the electrical section (Adder) 8 baht per unit, by the Company to purchasing ordinary shares of 9,898 shares at 6,500 baht per share totally 64,337,000 baht, or 98.98 percent stake of the registered share capital 1 million baht (Current registered capital of 930 million baht and in the 40 percent of share capital.)</li> </ul>              |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <ul style="list-style-type: none"> <li>- Gunkul Powergen Co., Ltd. signed 5 contracts of power purchasing agreements with the Provincial Electricity Authority for the solar power system, totally the size of 30.9 MW for a period of 25 years. The project get benefit from the sale of electricity while gaining the additional cost from power purchase (Adder) from the Provincial Electricity Authority of 8 baht per unit for a period of 10 years, including such projects to benefit the investment promotion agency of the Board of Investment (BOI), with the project details as follows.</li> </ul>   |  |                                    |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | <table border="1"> <thead> <tr> <th>Project</th><th>Size (MW)</th><th>Place of project (Where applied for permit).</th><th>Expected to distribute electricity</th></tr> </thead> <tbody> <tr> <td rowspan="2">1.</td><td>3.0</td><td>A. Chondaen, Phetchaboon</td><td>January 2011</td></tr> <tr> <td>4.4</td><td>A. Chondaen, Phetchaboon</td><td>October 2011</td></tr> <tr> <td>2.</td><td>8.0</td><td>A. Srichula, Nakhon Nayok</td><td>June 2013</td></tr> <tr> <td>3.</td><td>8.0</td><td>A. Wichianburi, Phetchaboon</td><td>March 2013</td></tr> <tr> <td>4.</td><td>4.5</td><td>A.Noen Po, Phichit</td><td>March 2013</td></tr> <tr> <td>5.</td><td>3.0</td><td>A.Buengsampan, Phetchaboon</td><td>November 2013</td></tr> </tbody> </table> |  |                                    | Project | Size (MW) | Place of project (Where applied for permit). | Expected to distribute electricity | 1. | 3.0 | A. Chondaen, Phetchaboon | January 2011 | 4.4 | A. Chondaen, Phetchaboon | October 2011 | 2. | 8.0 | A. Srichula, Nakhon Nayok | June 2013 | 3. | 8.0 | A. Wichianburi, Phetchaboon | March 2013 | 4. | 4.5 | A.Noen Po, Phichit | March 2013 | 5. | 3.0 | A.Buengsampan, Phetchaboon |
| Project   | Size (MW)   | Place of project (Where applied for permit). | Expected to distribute electricity |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
| 1.        | 3.0   | A. Chondaen, Phetchaboon                     | January 2011                       |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
|           | 4.4   | A. Chondaen, Phetchaboon                     | October 2011                       |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
| 2.        | 8.0   | A. Srichula, Nakhon Nayok                    | June 2013                          |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
| 3.        | 8.0   | A. Wichianburi, Phetchaboon                  | March 2013                         |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
| 4.        | 4.5   | A.Noen Po, Phichit                           | March 2013                         |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |
| 5.        | 3.0   | A.Buengsampan, Phetchaboon                   | November 2013                      |         |           |  |                                    |    |     |                          |              |     |                          |              |    |     |                           |           |    |     |                             |            |    |     |                    |            |    |     |                            |

|           |  |
|-----------|--|
| Year 2011 | - On 1 March 2011, Gunkul Powergen Co., Ltd.. increased its capital from 100.00 million baht to 400.00 million baht.   |
|           | - On March 25, 2011, the Company signed a letter of intent to begin construction of 8 MW solar power plants. Supplying solar panels as the foundation, selection of appropriate technology and installation of all systems that will supply electricity to the system (To produce electricity from solar energy in the Suphan Buri Province), with Solarta Co., Ltd. (a joint venture between Yanhee Solar Power Co., Ltd, and Ratchaburi Electricity Generating Holding Public Company Limited with the contract value of approximately 752 million baht. |
|           | - On May 4, 2011, G-Power Sources Co., Ltd. increased its capital from 1.00 million baht to 750.00 million baht.   |
|           | - On June 13, 2011, the company signed the Solar Power Plant construction contract of 8 MW (consisting of 5 MW contract, 2 MW contract and 1 MW contract) with Solarta Co., Ltd. With the contract value as above mentioned Letter of Intent signed on March 25, 2011  |
|           | - On September 1, 2011, the Company signed a letter of intent to begin construction of 8 MW solar power plant, to supply solar panels to the foundation, selection of appropriate technology and installation of all systems that can supply electricity to the system (solar power generation projects in the province of Buri Ram) with the Company, C.K. and Sun Energy (Thailand) Ltd., a contract value about 752 million baht.   |
|           | - On June 6, 2011, G-Power Source Co., Ltd. supported a credit line from Tisco Bank Public Company Limited, amounting to 4,403.60 million baht for the construction of a 26 MW solar power plant.  |
|           | - September 22, 2011 Gunkul Powergen Co., Ltd. received support for the facility from Siam Commercial Bank Public Company Limited for the amount of 2.4358 billion baht for the construction of a 30.9 MW solar power plant.   |
|           | - On November 2, 2011 the Company signed a Memorandum of Understanding on the 1000 MW Development of Wind Energy with the Department of Energy Myanmar. Study location in Mon State, Kayin State and Taninthayi State in Myanmar.  |
| Year 2012 | - On February 15, 2012, the Company had signed the Contract of 8 MW Solar Power Plant (consisted of 5 MW + 3 MW contracts) with CK & SUN ENERGY (THAILAND) CO., LTD by the value of contracts and also the scope of works as the details mentioned in the Letter of Intent dated September 1, 2012   |

- G-Power Source Co., Ltd., which has 4 power purchase agreements with the Provincial Electricity Authority, totaling 26 MW, has completed four projects with details as follows:

| Project | Size<br>(MW) | Place of project<br>(Where applied for permit). | Expected to distribute<br>electricity |
|---------|--------------|---|---------------------------------------|
| 1.      | 6.5          | A.Banphot Phisai, Nakhon Sawan                  | March 2012                            |
| 2.      | 6.5          | A.Banphot Phisai, Nakhon Sawan                  | March 2012                            |
| 3.      | 6.5          | A. Sankhaburi, Chai Nat                         | March 2012                            |
| 4.      | 6.5          | A.Buengsampon, Phetchaboon                      | February 2013                         |

- On March 30, 2012, the Company sold 4,500,000 common shares of G-Power Sources Co., Ltd., to Electricity Generation PCL., for an amount of 629.92 million baht, or equal to 60% of 750.00 million baht registered capital (Current registered capital : 930 million baht). G-Power Sources undertakes business of producing and selling solar-based electricity is a contractual party of 4 electricity sale agreements with the Provincial Electricity Agency, total capacity of 26 mw, and eligible for an adder subsidy of 8 baht kWh (Current registered capital : 930 million baht and holding in the 40 percent of capital shares).

- On May 2, 2012, G-Power Sources Co., Ltd. increased its capital from 750.00 million baht to 930.00 million baht (Current registered capital : 930 million baht).

- On May 15, 2012, the Company bought 5,460,000 common shares of Wind Energy Development Co., Ltd. from Impact Energy Asia Ltd. at the price of 95.60 baht/share, totaling 522.00 million baht, equivalent to 70.00% of the then 78.00 million baht registered capital (current registered capital is 179.90 million baht). Wind Energy Development undertakes business of producing and selling wind-based electricity, is a contractual party of 3 electricity sale agreements with the Provincial Electricity Agency, total capacity of 60 mw, and eligible for an adder subsidy of 3.5 baht kWh (Current registered capital : 1,052.10 million baht).

- On May 29, 2012, Gunkul Powergen Co., Ltd. increased its capital from 400.00 million baht to 660.00 million baht.

- In July 2012, the Company launched Napier grass demonstration plot for energy utilization, focusing on attaining maximum benefit from the land of its wind energy project as well as generating income for farmers around the project. This activity also supported the government policy concerning Napier grass planting in Thailand.

- On July 11, 2012, Gunkul Powergen Co., Ltd. increased its capital from 660.00 million baht to 785.00 million baht. (Current registered capital : 1,052.10 million baht)

- On July 30, 2012, Gunkul Powergen Co., Ltd. increased its capital from 785.00 million baht to 880.00 million baht. (Current registered capital : 1,052.10 million baht)

|           |   |
|-----------|---|
|           | <ul style="list-style-type: none"> <li>- On September 28, 2012, Wind Energy Development Co., Ltd. increased its capital from 78.00 million baht to 179.90 million baht. (Current registered capital : 1,052.10 million baht)</li> <li>- On December 17, 2012, Gunkul Powergen Co., Ltd. increased its capital from 880.00 million baht to 992.00 million baht. (Current registered capital : 1,052.10 million baht)</li> </ul>  |
| Year 2013 | <ul style="list-style-type: none"> <li>- On 31 January 2013, the Company acquired a stake of 49.00% in NK Power Sola Co., Ltd. which operates solar power generation and distribution business. NK Power Sola, currently having a registered capital of 2,600,000 baht in the ratio of 49 percent of shareholder, is a contractual party of a 1-MW electricity sale agreement with the Provincial Electricity Authority.</li> <li>- On 25 February 2013, the Company disposed of common shares in Gunkul Powergen Co., Ltd., which operates solar power generation and distribution business and is a contractual party of 5 electricity sale agreements with the Provincial Electricity Authority, with a total capacity of 30.9 MW and adder rate of 8.00 baht per unit. In this regard, 4,860,800 common shares, equivalent to 49.00% of the 992,000,000-baht registered capital, were disposed to Chubu Electric Power Gem B.V., Japan. (Current registered capital : 1,052.10 million baht)</li> <li>- On March 27, 2013, Wind Energy Development Co., Ltd. increased its capital from 179.90 million baht to 339.90 million baht.</li> <li>- On 13 June 2013, Siam Wind Energy Co., Ltd. was established to operate renewable-based, particularly wind-based, power generation and distribution business. The Company held a stake of 40.00% of the 1 million baht registered capital (Current registered capital: 1 million baht).</li> <li>- For the purpose of international investment expansion, the Company registered the establishment of Gunkul International (Mauritius) ("GIM") in the Republic of Mauritius, and Gunkul International (Singapore) Pte. Ltd. ("GIS") and Gunkul Myanmar Power (Hlawga) Pte. Ltd. in Singapore. In this regard, the Company held a stake of 100% of the 12,000-USD registered capital in GIM (the current capital is 4,517.96 million U.S. dollar); GIM held a stake of 100% of the 28,000-SGD registered capital in GIS (the current capital is 200,000 Singapore dollar), and GIS held a stake of 100% of the 14,000-SGD registered capital in Gunkul Myanmar Power (the current capital is 150,000 Singapore dollar).</li> <li>- On 1 July 2013, Gunkul Powergen Co., Ltd. changed its name to Gunkul Chubu Powergen Co., Ltd.</li> <li>- On 26 August 2013, SCG Cement - Building Materials Co., Ltd. jointly established Siam Gunkul Solar Energy Co., Ltd., in which the Company held a stake of 49.97% of the 1 million baht registered capital (the current capital is 1 million baht), to operate solar rooftop power generation and distribution business for supplying to the Provincial Electricity Authority and the Metropolitan Electricity Authority.</li> <li>- In August 2013, the Company signed a letter of intent with TPI Polene PCL, for installation of electrical system and supply of relevant equipment for TPI Cement Plant no. 4 located at Mittraparp Road, Tambol Tubkwang, Amphoe Kangkhoy, Saraburi. The contract value was approximately 367.27 million 70,000 baht.</li> </ul> |



- In August 2013, the Company established Gunkul Solar Roof 1 Co., Ltd. (GSR-1), Gunkul Solar Roof 2 Co., Ltd. (GSR-2), Gunkul Solar Power 1 Co., Ltd. (GSP-1), Gunkul Solar Power 2 Co., Ltd. (GSP-2), Bright Green Power Co., Ltd. (BGP) and Solar Energy Society Co., Ltd. (SES) to operate solar rooftop power generation and distribution business for supplying to the Provincial Electricity Authority and the Metropolitan Electricity Authority. The Company held stakes of 99.99% of their respective 1,000,000-baht registered capitals (current registered capitals of GSR-1 is 21 million baht, GSR-2 is 1 million baht, GSP-1 is 1 million baht, GSP-2 is 39 million baht, BGP and SES are 1,000,000 baht).

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- In August 2013, the Company established Gunkul Power Development Co., Ltd. to operate solar rooftop power generation and distribution for supplying to the Provincial Electricity Authority and the Metropolitan Electricity Authority, as well as to operate businesses of constructing power plant and distributing equipment for electrical and other systems related to power plant construction. The Company held a stake of 99.97% of the 1,000,000-baht registered capital (current capital is 15,000,000 baht).

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- In August 2013, WHA Corporation PCL established WHA Gunkul Green Solar Roof 1 Co., Ltd., WHA Gunkul Green Solar Roof 2 Co., Ltd., WHA Gunkul Green Solar Roof 3 Co., Ltd., WHA Gunkul Green Solar Roof 4 Co., Ltd., WHA Gunkul Green Solar Roof 5 Co., Ltd., and WHA Gunkul Green Solar Roof 6 Co., Ltd., in which the Company had stakes of 25.01% of their respective 1,000,000-baht registered capitals, to operate solar rooftop power generation and distribution business for supplying to the Provincial Electricity Authority and the Metropolitan Electricity Authority (current registered capitals of WHA\_GSR-1 is 11.50 million baht, WHA\_GSR-2 is 1 million baht, WHA\_GSP-3 is 14.50 million baht, WHA\_GSP-4 is 1 million baht, WHA\_GSR-5 is 1 million baht and WHA\_GSR-6 is 14.50 million baht).

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- In September 2013, WHA Corporation PCL established WHA Gunkul Green Solar Roof 8 Co., Ltd., WHA Gunkul Green Solar Roof 9 Co., Ltd., WHA Gunkul Green Solar Roof 10 Co., Ltd., WHA Gunkul Green Solar Roof 16 Co., Ltd., and WHA Gunkul Green Solar Roof 17 Co., Ltd., in which the Company had stakes of 25.01% of their respective 100,000-baht registered capitals, to operate solar rooftop power generation and distribution business for supplying to the Provincial Electricity Authority and the Metropolitan Electricity Authority (current registered capitals of WHA\_GSR-8 is 0.10 million baht, WHA\_GSR-9 is 0.1 million baht, WHA\_GSP-10 is 15.50 million baht, WHA\_GSP-16 is 0.10 million baht and WHA\_GSR-17 is 16 million baht)..

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- On September 18, 2013, Wind Energy Development Co., Ltd. increased its capital from 339.90 million baht to 1,052.10 million baht (current registered capital: 1,052.10 million baht).

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- Subsidiaries obtained contracts for solar rooftop power generation and distribution from the Provincial Electricity Authority and the Metropolitan Electricity Authority, and also obtain letters of intent and contracts for rooftop power plant construction (details in Section 2. Nature of Business).

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- In September 2013, Gunkul Consortium, a joint venture of the Company and Trina Solar Energy Development Pte., Ltd., obtained letters of intent from Bangchak Solar Energy (Chaiyaphum) Co., Ltd. and Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. for their solar farm construction projects, with a total capacity of 25 MW and 1,215,000 baht in value. The Company's scope of works amounted to 58% of the total project value.
- On November 4, 2013, Gunkul Power Development Co., Ltd. increased its capital from 1.00 million baht to 10.00 million baht (current registered capital: 15.00 million baht).
- On December 2013, WHA Gunkul Green Solar Roof 1 Co., Ltd. increased its capital from 1.00 million baht to 11.50 million baht (current registered capital: 11.50 million baht).
- On December 2013, WHA Gunkul Green Solar Roof 3 Co., Ltd. increased its capital from 1.00 million baht to 14.50 million baht (current registered capital: 14.50 million baht).
- On December 2013, WHA Gunkul Green Solar Roof 6 Co., Ltd. increased its capital from 1.00 million baht to 14.50 million baht (current registered capital: 14.50 million baht).
- On December 2013, WHA Gunkul Green Solar Roof 10 Co., Ltd. increased its capital from 1.00 million baht to 15.50 million baht (current registered capital: 15.50 million baht).
- On December 2013, WHA Gunkul Green Solar Roof 17 Co., Ltd. increased its capital from 1.00 million baht to 16.00 million baht (current registered capital: 16.00 million baht).
- On December 23, 2013, Gunkul Power Development Co., Ltd. increased its capital from 10.00 million baht to 15.00 million baht (current registered capital: 15.00 million baht).
- On February 17, 2013, Gunkul Solar Power 2 Co., Ltd. increased its capital from 1.00 million baht to 16.00 million baht (current registered capital: 39 million baht).
- Year 2014 - On February 5, 2014, the Company had signed the Agreement with Myanmar Electric Power Enterprise ("MEPE"), Ministry of Electric Power for Engineering Services and Procurement of High Voltage Electrical Equipment to supply for substation and transmission system, 66 - 230 KV, in the total of 15 projects by approximated amount of USD 11.362 million or THB 373 million. Distribution period is 7-10 months after signing agreement and L/C issuing.
- On February 13, 2014, the Company had acquired 199,998 Common Shares in Greenovation Power Co., Ltd. ("GNP") from Impact Energy Asia Limited ("IEA") which represents 99.9990 percent of GNP's registered shares of 200,000 shares at the total selling price of THB 432,000,000. GNP do business as a Power Producer from wind energy resource which electricity generated will be sold to the Electricity Generating Authority of Thailand ("EGAT") in accordance to a Power Purchase Agreement (PPA) in capacity of 60 MW.
- On February 20, 2014, the Company had signed 2 more agreements with MEPE, Ministry of Electric Power for Engineering Services and Procurement of High Voltage Electrical Equipment to supply for substation and transmission system, 66/33/11kV, 20&-30MVA, by approximated amount of USD 2.2882 million and EURO 1.0075 million or THB 120 million. Distribution period is 360 days after signing agreement and L/C issuing.

- On March 4, 2014, Greenovation Power Co., Ltd. increased its capital from 2.00 million baht to 202.00 million baht (current registered capital: 1,138.00 million baht).
- On March 11, 2014, Greenovation Power Co., Ltd. the subsidiary company of the Company to purchase land for GNP's projects of wind farm power plants that was the related party transaction with the director of the Company. The value amount of transaction was reasonable by lower than evaluation price of independent valuator as approval by the Board of Meeting and informing through the Stock Exchange of Thailand on February 24, 2014.
- On March 12, 2014, Gunkul Solar Roof 1 Co., Ltd. increased its capital from 1.00 million baht to 7.00 million baht (current registered capital: 21.00 million baht).
- On April 10, 2014, the Annual General Meeting of Shareholders Year 2014 had an resolution to reduce the Company's Registered Capital from the current registered capital of THB 659,999,984 to THB 659,999,929 by reduce the ordinary shares in the amount of 55 shares at the part of cannot be allocated to stock dividend payment at par value of THB 1 per share and also amendment of Article of the Memorandum of Association of the Company.
- On April 10, 2014, the Annual General Meeting of Shareholders Year 2014 had an resolution to decrease the Company's Registered Capital from the registered capital of THB 659,999,929 to THB 879,999,929 by issue the increased ordinary shares in the amount of 220 million baht at par value of THB 1 per share and also amendment of Article of the Memorandum of Association of the Company.
- On April 17, 2014, the Company had established a new subsidiary to carry out the manufacturing and distributing of Lighting Bulb Type LED named Gunkul LED Lighting Co., Ltd. in which the Company had stakes of 74.79% of their respective 10.00 million baht registered capitals (current registered capital: 100 million baht).
- On April 21, 2014, the Company had arranged to reduce and increase the registered capital as following to the resolution of the Annual General Meeting of Shareholders Year 2014 by currently registered capital is 879,999,929 baht and paid-up capital is 879,990,265 baht (current registered capital: 879,999,929 baht).
- On April 23, 2014, Gunkul Solar Power 2 Co., Ltd. increased its capital from 16.00 million baht to 39.00 million baht (current registered capital: 39 million baht).
- On June 2, 2014, the Company had acquired of 31,563,000 Common Shares in Wind Energy Development Co., Ltd. ("WED") from Impact Energy Asia Limited Co., Ltd. ("IEA") which represents 30 percent of WED's registered shares of 105,210,000 shares at the total selling price of THB 373,721,100 that totally holding 100 percent of registered capital of 1,052,100,000 baht (current capital: 1,052,100,000 baht). WED do business as a Power Producer from wind energy resource which electricity generated will besold to the Electricity Generating Authority of Thailand ("EGAT") in accordance to 3 Power Purchase Agreements in capacity of 60 MW receiving THB 3.50 / unit as adder for 10 years.



- On June 16, 2014, the Company had established a new subsidiary to carry out the Generating Electrical Power and Engineering Procurement and Construction named Gunkul Solar Community Co., Ltd. in which the registered capital of 1 million at par value of 100 baht (current registered capital: 1 million baht).
- On June 26, 2014, Gunkul Solar Roof 1 Co., Ltd. increased its capital from 7.00 million baht to 20.00 million baht (current registered capital: 21 million baht).
- On September 18, 2014, the Company had signed Memorandum of Understanding (MOU) for joining Solar Roof business with East Coast Furnitech Public Company Limited (ECF).
- On September 19, 2014, Wind Energy Development Co., Ltd. increased its capital from 339.90 million baht to 1,052.10 million baht (current registered capital: 1,052.10 million baht).
- On October 9, 2014, Greenovation Power Co., Ltd. increased its capital from 202.00 million baht to 1,138.00 million baht (current registered capital: 1,138.00 million baht).
- On November 14, 2014, the Company had established a new subsidiary to carry out the Generating Electrical Power and Engineering Procurement named Gunkul UCI Power Co., Ltd. in which the Company had stakes of 74.99% of their respective 10.00 million baht registered capitals (current registered capital: 10 million baht).
- On December 17, 2014, Gunkul International (Mauritius) ("GIM"), which is a subsidiary of the Company to purchase shares of Sendai Okura Mega Solar Godo Kaisha ("GK Sendai"), which is incorporated in Japan by operating the solar power plant business with 31.75 MW contract capacity (38.10 MW installed capacity) located in Miyaki Japan. GK Sendai produces electricity from solar energy and sell the electricity to Tohoku Electric Power Co., Inc. ("Tohoku Electric"), the local utility, at JPY36 per unit in feed-in tariff scheme, with 20 year concession period in the ratio of 100 percent shareholder in the amount of JPY1.80 billion or approximately 504 million baht.

16.3 The shareholding structure of the Group



## 17. Nature of Business

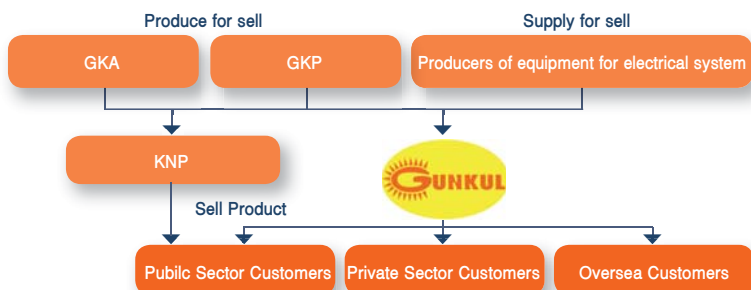
### 17.1 Nature of Product and Service

Details of the business operations of the Company and its subsidiaries as follows:

1. Business to produce, supply and sell equipment for electrical system in domestic and international.
2. Business to produce, supply and sell equipment for energy saving.
  - 2.1 Production and distribution Lighting Lamp Type LED.
  - 2.2 Production and distribution of solar panels..
3. Business to produce and distribute electricity from renewable energy resources
  - 3.1 Solar Farm
  - 3.2 Wind Farm
  - 3.3 Solar PV Rooftop
4. Business to construct alternative energy power plant
5. Business to operation and maintenance

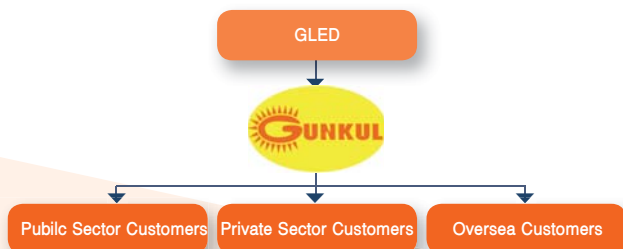
Diagram shows business conduct structure of the group of companies

- 1) Business to produce, supply and sell equipment for electrical system in domestic and international

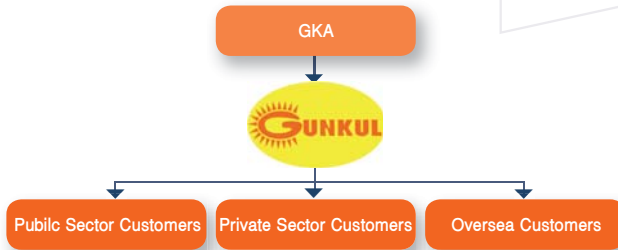


- 2) Business to produce, supply and sell equipment for energy saving.

- Production and distribution Lighting Lamp Type LED.

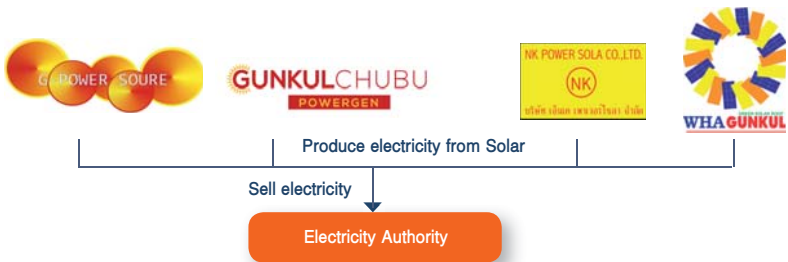


- Production and distribution of solar panels..

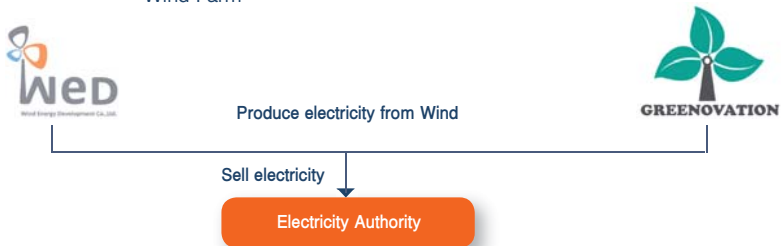


3) Business to produce and distribute electricity from renewable energy resources

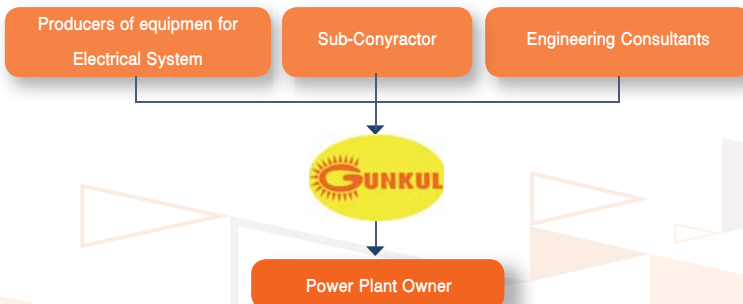
- Solar Farm & Solar Rooftop



- Wind Farm

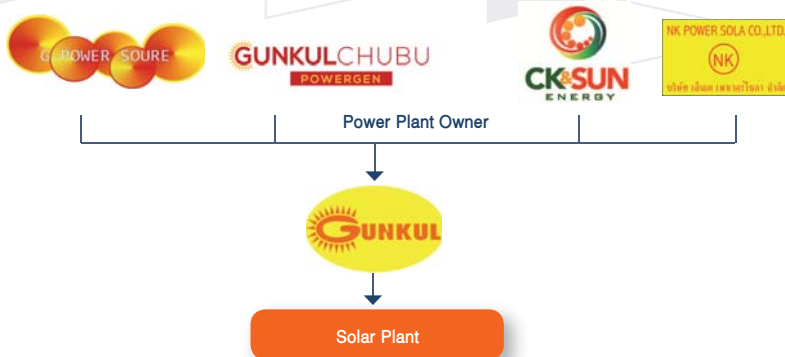


4) Business to construct alternative energy power plant





5) Business to operation and maintenance



1. Business to produce, supply and sell equipment for electrical system in domestic and international.



Gunkul Engineering Public Company Limited, the leading supplier of equipment for power systems and renewable energy systems, covering in all stages of transmission and distribution of electricity from power plants to consumers with goods. More than 5,000 items to meet the needs and characteristics of the different customer groups and both the household level to the macro level of government, the Group has expanded its business into the manufacture and sale of electricity from renewable energy as well. All kind of goods which are produced from the subsidiaries and/or supplying by producers in Thailand and overseas who are acceptable on goods' quality and standard such as USA, Germany, Sweden, Japan, China and etc.



The company's products can be classified into five categories based on the usage as follows:

- 1) Protection and transmission system control equipment and distribution lines including power cut switch (Disconnecting Switch), load break switches, gas switches (SF6 Gas Load Break Switch), and air brake switch, transformer fuse cut-out, Surge Arrester, Live part cover and Grounding system.
- 2) Transmission and distribution lines equipment including cables (Cable), to hold the line pieces (Preformed) cable spacers (Cable Spacer), connector device (Connector), device on the cable (Cable Termination), a cable connection (Cable Splicing), electrical insulators (Insulator).
- 3) Tools and equipment including safety belts, electrical rubber gloves, industrial gloves, helmets, instrumentation and testing equipment.
- 4) Street lighting equipment, including street lamps, control switches (Photo Control Switch) and a street light control relays (Street Lighting Control Relay).
- 5) Group of equipment for the system of renewable energy, including wind turbines, solar energy equipment and solar cells, hydro turbine, generator, transformer, control equipment etc.

## 2. Business to produce, supply and sell equipment for energy saving.



GUNKUL was established Gunkul LED Lighting Co., Ltd. with business support and LED market growth by using LED technology as a subsidiary produces and assembles the LED products with modern machine and technology by highly engineering competency and experienced engineers for ensuring to the customers that Gunkul LED can fulfill the accreditation and confidence of the customers with high standardized and quality products

## 3. Business of Generating and Distributing Power from Renewable Energy Sources

### 3.1 Solar Farm

The Group operates a business of generating and distributing power from renewable energy sources (RES) for supplying to government sector in response to the state policies to promote renewable energy power generation and consumption.

Foreseeing that the business related to renewable energy carries a good opportunity for development and investment for reasons of high growth potential, low risk as well as steady and sustainable profitability, the Group has expanded its scope of business from the supply and distribution of renewable energy equipment to the generation and distribution of RES power. The new business is undertaken by Gunkul Chubu Powergen Co., Ltd. and G-Power Source Co., Ltd., its joint ventures, and by NK Power Sola Co., Ltd., a subsidiary.



The Group entered the RES power generation and distribution business by investing in solar farms and applying for sale of electricity output to the Provincial Electricity Authority (PEA) under the PEA projects to purchase electricity from producers with a maximum capacity of 10 MW, aka very small power plants (VSPP). The Company has then signed power purchase agreements (PPA) with the PEA for 10 projects with a combined capacity of 57.9 MW and adder subsidy rate for VSPP of RES production of 8 baht per kWh for a term of 10 years since the commencement of sale.

Details of the Group's solar farm projects offered to the PEA could be summarized as follows:-

| Project | Capacity (MW) | Project Site (according to application) | Commencement of Output Sale |
|---------|---------------|---|-----------------------------|
|---------|---------------|---|-----------------------------|

Gunkul Chubu Powergen Co., Ltd. (51% stake held by the Company)

|    |     |  |              |
|----|-----|--|--------------|
| 1. | 3.0 | Amphoe Chondaen, Phetchabun province     | January 2011 |
|    | 4.4 | Amphoe Chondaen, Phetchabun province     | October 2011 |
| 2. | 8.0 | Amphoe Sichula, Nakhon Nayok province    | June 2013    |
| 3. | 8.0 | Amphoe Wichianburi, Phetchabun province  | March 2013   |
| 4. | 4.5 | Amphoe Sam-ngam, Phichit province        | March 2013   |
| 5. | 3.0 | Amphoe Buengsamphan, Phetchabun province | May 2013     |

G-Power Source Co., Ltd. (40% stake held by the Company)

|    |     |   |               |
|----|-----|---|---------------|
| 6. | 6.5 | Amphoe Banphotphisai, Nakhon Sawan province | March 2012    |
| 7. | 6.5 | Amphoe Banphotphisai, Nakhon Sawan province | March 2012    |
| 8. | 6.5 | Amphoe Sankhaburi, Chainat province         | March 2012    |
| 9. | 6.5 | Amphoe Buengsamphan, Phetchabun province    | February 2013 |

NK Powersola Co., Ltd. <sup>(1)</sup> (48.99% stake held by the Company)

|     |     |  |               |
|-----|-----|--|---------------|
| 10. | 1.0 | Amphoe Bo-phloi, Kanchanaburi province | November 2013 |
|-----|-----|--|---------------|

<sup>(1)</sup> The Company holds 9,799 common shares and 2,940 preferred shares in NK Powersola Co., Ltd., the voting rights of which are 1 vote for 1 common share and 20 votes for 1 preferred share.

The above projects have obtained investment promotion certificates from the Board of Investment, in the form of an exemption of corporate income tax on net operating profit for 8 years since the date of sale income recorded. After the expiry date of the aforesaid corporate income tax exemption, the Company is still granted an allowance of 50% of the normal rate of corporate income tax for 5 years. The tax rates could be summarized as follows:-

| Year                                     | Tax Rate      |                              |
|--|---------------|------------------------------|
|  | Tax Exemption | Corporate Income Tax Payment |
| 1 <sup>st</sup> - 8 <sup>th</sup> years  | 100%          | 0%                           |
| 9 <sup>th</sup> - 13 <sup>th</sup> years | 50%           | 10%                          |
| 13 <sup>th</sup> year onward             | 0%            | 20%                          |

### 3.2 Wind Farm

Although Thailand near the equator make to wind speeds average level low to moderate but since it is a natural source of energy, no energy cost. Thailand is continuing to focus on the development of wind energy by exploring the potential for wind energy sources. The research and development of wind speed to suit the wind potential of the country and promote the use of wind turbine performance from Domestic and overseas. The renewable energy plan for 15 years targeted support wind energy amount 800 MW in 2022



Recognizing the government policy to strengthen the national energy security alongside the green growth strategy, the Company sees itself as being a supportive part in the development of alternative energy power generation and thus contributing to Thailand's electricity security. It is therefore committed to develop wind-based power generation projects. Details of the wind farm projects and supply of power output applied for sale to the Provincial Electricity Authority (PEA) and the Metropolitan Electricity (MEA) could be summarized as follows:-

| Project  | Capacity<br>(MW) | Project Site<br>(according to application)    | Scheduled Date of Commercial<br>Sale under the PPA |
|--|------------------|---|--|
| Wind Energy Development Co., Ltd. (100% stake held by the Company)           |                  |   |  |
| 1  | 2.0              | Amphoe Dankhunthot Nakhon Ratchasima province | December 2015                                      |
|  | 8.0              | Amphoe Dankhunthot Nakhon Ratchasima province | December 2015                                      |
| 2  | 50.0             | Amphoe Dankhunthot Nakhon Ratchasima province | April 2016   |
| Greenovation Power Co., Ltd. (100% stake held by the Company) <sup>(1)</sup> |                  |   |  |
| 1  | 60.0             | Amphoe Dankhunthot Nakhon Ratchasima province | December 2016                                      |

<sup>(1)</sup> The Company acquired 100% of common shares in Greenovation Power Co., Ltd. on 13 February 2014.

### 3.3 Solar PV Rooftop

At the meeting on 13 August 2013, the cabinet acknowledged the National Energy Policy Council's resolution dated 16 July 2013 approving the program on power purchase from rooftop PV system at a quantity generated at the overall installed capacity of photovoltaic panels of 200 MWp, 100 MWp of which for resident-type buildings and another 100 MWp for industrial and factory buildings. The commercial sale to the power network connection system is scheduled to commence within 2013, under a Feed-in Tariff allowance for a term of 25 years.

Joining the program, Gunkul Engineering PCL has invested in projects in various provinces across the country. Gunkul Power Development Co., Ltd. was then established to support the construction of solar PV rooftop. Details of investments and projects by area of state responsibility are as follows:-

#### Solar PV Rooftop Projects with the Provincial Electricity Authority

| No.   | Applicant                                | Installed Capacity (kWp) | Type of Business            |
|-------|--|--------------------------|-----------------------------|
| 1.    | Gunkul Solar Power 2 Co., Ltd.           | 538.56                   | 100% owned by the Company   |
| 2.    | WHA Gunkul Green Solar Roof 17 Co., Ltd. | 997.56                   | 25.01% owned by the Company |
| 3.    | Green Line Energy Co., Ltd.              | 997.56                   | Power plant construction    |
| Total |  | 2,533.68                 |                             |

## Solar PV Rooftop Projects with the Metropolitan Electricity Authority

| No.   | Applicant  | Installed Capacity (kWp) | Type of Business            |
|-------|--|--------------------------|-----------------------------|
| 4.    | WHA Gunkul Green Solar Roof 1 Co., Ltd.            | 636.48                   | 25.01% owned by the Company |
| 5.    | WHA Gunkul Green Solar Roof 3 Co., Ltd.            | 832.32                   | 25.01% owned by the Company |
| 6.    | WHA Gunkul Green Solar Roof 6 Co., Ltd.            | 832.32                   | 25.01% owned by the Company |
| 7.    | Solar Energy Society Co., Ltd. (Phranakhon Nuea 1) | 499.20                   | 100% owned by the Company   |
| 8.    | Siam Gunkul Solar Energy Co., Ltd. (Donmueang)     | 873.60                   | 100% owned by the Company   |
| 9.    | T S Power Energy Co., Ltd.                         | 416.16                   | Power plant construction    |
| 10.   | T S Power Energy Co., Ltd.                         | 997.56                   | Power plant construction    |
| 11.   | Gunkul Solar Roof 1 Co., Ltd.                      | 241.92                   | 100% owned by the Company   |
| 12.   | Gunkul Solar Roof 1 Co., Ltd.                      | 22.40                    | 100% owned by the Company   |
| 13.   | Mon RM Co., Ltd.                                   | 948.48                   | Power plant construction    |
| Total |  | 6,300.44                 |                             |

#### 4. Power Plant Construction Business

The government policy to promote power generation from alternative energy together with the Company's capabilities in the production of alternative energy power, the distribution of products related to power plant operations and the engineering services provide the Company a firm step into the business of constructing alternative energy power plants.



Due to active promotion of alternative energy utilization by government agencies in effort to reduce global warming, the Group views that businesses related to alternative energy are of great potential for development and investment. Furthermore, generation of power based on alternative energy, though being a fresh idea, has shown a promising start and strong growth in the future. The Company has provided construction services for power plant projects of its affiliates, subsidiaries and other companies as follows:-

| Project Owner  | No. of Projects | Size (MW)    | Status             |
|--|-----------------|--------------|--------------------|
| 1. G-Power Source Co., Ltd.                            | 4               | 26.0         | Completed          |
| 2. Gunkul Chubu Powergen Co., Ltd.                     | 5               | 30.9         | Completed          |
| 3. NK Power Sola Co., Ltd.                             | 1               | 1.0          | Completed          |
| 4. C.K. and Son Energy (Thailand) Co., Ltd.            | 1               | 8.0          | Completed          |
| 5. Solarta Co., Ltd.                                   | 1               | 8.0          | Completed          |
| 6. Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. | 1               | 12.5         | Under construction |
| 7. Bangchak Solar Energy (Chaiyaphum 1) Co., Ltd       | 1               | 12.5         | Under construction |
| 8. Solar PV Rooftop projects                           | 11              | 7.4          | Under construction |
| 9. Solar PV Rooftop projects                           | 2               | 1.4          | Under construction |
| <b>Total</b>   |                 | <b>107.7</b> |                    |

## 5. Power Plant Maintenance Services

The Company has earned the trust of its business alliance as well as other operators to be the provider of post-construction maintenance services for their solar farms. The services under operation and maintenance agreements with these clients include controlling and monitoring the efficiency of operations and sale of the solar farms. At present, the Company renders maintenance services for 8 companies 16 power plant projects of a total capacity of 69.198 MW, as follows:-



### Solar Farm

| Project Owner                             | Capacity (MW) |
|---|---------------|
| 1. C.K. & SUN Energy (Thailand) Co., Ltd. | 8.0           |
| 2. G-Power Source Co., Ltd.               | 26.0          |
| 3. Gunkul Chubu Powergen Co., Ltd.        | 30.9          |
| 4. NK Power Sola Co., Ltd.                | 1.0           |
| <b>Total</b>                              | <b>65.9</b>   |

## Solar PV Rooftop

| Project Owner                               | Capacity (MW)   |
|---|-----------------|
| 1. WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 636.48          |
| 2. WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 832.32          |
| 3. WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 832.32          |
| 4. WHA Gunkul Green Solar Roof 17 Co., Ltd. | 997.56          |
| <b>รวม</b>                                  | <b>3,298.68</b> |

## 17.2 The revenue of the company by the business.

| Type of income   | 2012            |               | 2013            |               | 2014 1)         |               |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|  | Million baht    | %             | Million baht    | %             | Million baht    | %             |
| 1. Income from production and supply of equipment for power systems and renewable energy |                 |               |                 |               |                 |               |
| 1.1 Provisions for distribution.   | 1,099.66        | 23.08         | 647.52          | 22.68         | 1,148.52        | 37.51         |
| 1.2 Production for sale.   | 706.24          | 14.82         | 654.88          | 22.93         | 351.49          | 11.48         |
| <b>Total</b>   | <b>1,805.90</b> | <b>37.91</b>  | <b>1,302.40</b> | <b>45.61</b>  | <b>1,500.01</b> | <b>48.99</b>  |
| 2. Income from production and sale of electricity from renewable energy                  |                 |               |                 |               |                 |               |
| • Manufacture and sale of electricity from solar energy                                  | 168.81          | 3.54          | 19.21           | 0.67          | 23.82           | 0.78          |
| 3. Income from construction of renewable energy plants                                   | 2,318.06        | 48.66         | 681.39          | 23.86         | 1,407.92        | 45.99         |
| 4. Income from operation and maintenance   | -               | -             | 41.59           | 1.46          | 55.31           | 1.81          |
| Other revenues 2)  | 471.11          | 9.89          | 811.13          | 28.40         | 74.49           | 2.43          |
| <b>Total revenue</b>   | <b>4,763.88</b> | <b>100.00</b> | <b>2,855.72</b> | <b>100.00</b> | <b>3,061.55</b> | <b>100.00</b> |

1) Data from the Group's consolidated financial statements as of December 31, 2014

2) Other income, including interest and profit on disposal of assets, foreign exchange profits, gain on sale of scrap etc.

### The revenue of the company by customers

| income  | 2012            |               | 2013            |               | 2014 1)         |               |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | Million baht    | %             | Million baht    | %             | Million baht    | %             |
| 1. Public sector clients                                    |                 |               |                 |               |                 |               |
| 1.1 Revenue from electricity and renewable energy equipment | 581.84          | 13.55         | 472.31          | 16.54         | 745.12          | 24.34         |
| 2. Private client group                                     | 3,107.06        | 72.38         | 2,371.43        | 83.04         | 1,824.78        | 59.60         |
| 3. Foreign customers  | 603.87          | 14.07         | 11.98           | 0.42          | 491.65          | 16.06         |
| <b>Total revenue</b>  | <b>4,292.77</b> | <b>100.00</b> | <b>2,855.72</b> | <b>100.00</b> | <b>3,061.55</b> | <b>100.00</b> |

<sup>1)</sup> Data from the Group's consolidated financial statements as of December 31, 2014

## 17.3 Industry overview and competition

In 2014 economy of Thailand grew 0.7 percent from last year because of limitations in the growth of internal factors and external factors. In the first half of the year Thailand's economy Not expanded because of the political situation affects the part of government and confidence of household business. In 2015, Thailand's economy is expected to grow better from the private spending, which benefited from oil lower prices and tourism is the main driving force. Moreover, the cost of government are will return to the economy even more, this will build confidence and a great atmosphere for the investment sector.

In 2014, net peak demand for electricity in EGAT system was recorded at 2.26 p.m. on Wednesday 23 April 2014 at the level of 26,942 MW, increasing from Thursday 16 May 2015 at 2.00 p.m. at 26,598 or 1.3% MW and Load factor at 71.14%

Source: [www.bot.or.th](http://www.bot.or.th), [www.eppo.go.th](http://www.eppo.go.th),

## Industry overview

### Overview of the Electricity System in Thailand

Parties involving in the industry of electrical power and system production in Thailand can be divided into 3 main groups as follows:-

#### 1) Power producers

Manufacturers of electrical systems in Thailand can be divided into 6 groups, i.e. the Electricity Generating Authority of Thailand, major independent power producers (IPP), small power producers (SPP), very small power producers (VSPP), other producers including government agencies like the Department of



Energy and Energy Conservation that produce electrical power from small hydropower dams, and the import of power from foreign countries.

The Electricity Generating Authority of Thailand (“EGAT”) serves as the country’s largest power producer, the largest purchaser of electrical power produced by other manufacturers, as well as the importer of electricity from neighbouring countries, namely Laos and Malaysia. EGAT determines the amount of power each power plant has to supply to national transmission system to meet the electricity demand in each period.

## 2) Power suppliers

The Electricity Generating Authority of Thailand is the supplier of electrical power to 2 state enterprises, i.e. the Metropolitan Electricity Authority (“MEA”) and the Provincial Electricity Authority (“PEA”) that are responsible for distribution of electricity to industrial sector, business sector and household sector around the country. EGAT supplies electrical power directly to some customers as well.

In electricity transmission from power plants to MEA and PEA requires, the voltage must be regulated to reduce any power loss during long-distance transmission of electricity. Then MEA and PEA transmit electricity to users through the voltage transmission system. MEA is responsible for electricity transmission in Bangkok, Nonthaburi and Samut Prakan. PEA is responsible for electricity transmission to areas other the 3 provinces. In electricity transmission to end users, the voltage must be reduced to level suitable for use.

## 3) Consumers

Consumers consist of industrial sector, business sector and residential users, etc.

## Overview of electricity system in related private sector

The Company’s private sector clients related to electrical systems are generally a diverse group of clients, e.g. companies in the construction of the power system, public transport industry, electrical and telecommunications industry. However, when considering only large private sector projects, it was founded that projects by big private sector related to or supported by government. The government’s stimulus plan, especially investment in state-initiated infrastructures such as BTS and BRT projects, with a total investment of more than 800,000 million baht within 20 years, has influenced the private sector involved in such investments. These private companies involving in such investment are to increase their investments. The Company itself sees window of

opportunities in providing electrical equipment related to power transmissions to the rail system, for example, electrical protection devices, cable termination equipment and cable connecting sets, equipment grounding systems and other equipment related to the supply of electricity electric rail systems.

However, refer to the information from the Office of National Economic and Social Development Board (NESDB), disclosed that GDP of Thailand in 2013, the Thailand economic growth was slowly, somewhat to 2.9 percent, due to the spending and private investment in 2012 was higher than the normal, export volumes continue slowdown of the world economy is still in the early stages of recovery. Moreover, in the confidence of the public in late, during a political demonstration, it is prudent to spend more as a result private investment contracted 2.8 percent. The spending and public investment has also slowed or delayed. That factors affect the sales of the company of section private clients and some factories. However, the economic outlook remains stable solid NESDB expects Thailand's economy in 2014 is to grow in the range of 3.0-4.0, growth up from 2.9 percent in 2013. The factors supporting the expansion of the export sector is expected to recover and grow at a higher rate by the recovery of the global economy. Moreover, government expenditures in 2014 in part to a commitment, as well as private investment is likely to expand particular investment project to obtain approval of Investment already approved and can step into the second half of the year. By NESDB, estimates that government spending is expected to grow by 2.0 percent and public investment increased 0.3 percent, which would result in the private sector related to various government projects with investment increasing by the NESDB expects private investment in 2014 will grow at a rate of 3.8 percent.

## Overview of the Electricity Industry in the Republic of the Union of Myanmar

Rapidly increasing demand for electricity consumption in Myanmar occurred as a result of several factors such as the expansion of foreign investment after Myanmar is opening its door to the outside world as well as the sanctions policy of Western Countries and the United States becoming lenient. When considering the differences between Myanmar and Thailand in terms of land area and population to compare electricity generation capacity of both countries found that the two countries have similar land area and population, but the electricity generation capacity of Myanmar is lower than Thailand up to 10 times. Moreover, when considering performance of electric transmission systems of Myanmar major cities such as Rangoon revealed that there are losses on the system about 20%. For these reasons, Myanmar has been considered as one of

AEC countries with the tremendous potential for investing in the electricity market.

Gunkul Engineering Public Company Limited has more than 17 years' experience supplying electrical equipment to Myanmar government agencies with the total sales volume over 110\$. At present, the company is investing on natural gas engine power plant with a capacity of 25 megawatts (MW) located at Rangoon. The company has been providing the electrical equipment and currently been studying on the probability of wind energy development. In order that, the company attempted to hedge exchange rate risk by treating all transaction that requires payment or receipt (settlement) in a foreign currencies such as EURO (EUR), US Dollars (USD) and so on. For the aspect of investing, due to all revenues come from the electric power plant operations are received in U.S. dollars which is the same currency to the currency investment resulted in low-loss from foreign exchange risk.

However, when considering the aspect of a legal system risk, Myanmar has just started opening up country so its legal system is still changing and improving to compatible with internationally-recognized standards. Over the past few years, there have been changes in the investment law to encourage foreign investors do business in Myanmar.

## Outlook for power generation industry and electrical system in Thailand

Thailand Power Development Plan for 2012-2030 (Revision 3) has been formulated within the framework of national energy policies as follows:-

- 1) The 20-Year Energy Efficiency Plan, which targets to "reduce the ratio of energy consumption to GDP by 25% within 20 years (2011-2030)," resulting in projections of declining power demand of the country due to energy conservation scheme and energy efficiency promotion.
- 2) The 10-Year Alternative Energy Development Plan (AEDP 2012-2021), which targets to "use renewable energy and alternative energy instead of fossil fuels by at least 25% within 10 years," resulting in replacement of some power plants that are based on fossil fuels, such as coal and natural gas, by renewable energy power plants.

In addition, the government has policies to stimulate economy, causing the growth rate projection or GDP expansion of Thailand to improve. However, net peak power demand in 2030 is forecast to be approximately 52,256 mw, decreasing from that of the previous edition by 3,494 mw or 6.27%.

Added power generating capacity during 2012-2030 can be summarized as follows:-

|   |  |            |
|---|--|------------|
| - | Total capacity as of December 2011       | 32,395 mw  |
| - | Total added capacity during 2012-2030    | 55,130 mw  |
| - | Total retired capacity during 2012-2030  | -16,839 mw |
| - | Grand total capacity as of 2030 year-end | 70,686 mw  |

Power demand forecast based on national economic growth or GDP assumptions for 2011-2030 by the National Economic and Social Development Board dated 29 November 2011, which has also taken into account the government economic stimulus policy along with the effects of the great flood in late 2011, can be summarized as follows:-

Table: Economic forecast for 2011-2030

| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------|------|------|------|------|------|------|------|------|------|------|
| GDP  | 1.5  | 5.0  | 5.1  | 5.7  | 6.0  | 5.1  | 4.7  | 4.1  | 4.2  | 4.3  |
| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| GDP  | 4.2  | 4.1  | 4.0  | 4.0  | 4.0  | 4.0  | 3.9  | 3.9  | 3.8  | 3.8  |

With the government policy targeting on increasing the share of renewable energy and alternative energy instead of fossil fuel by 25% within the next 10 years, Thailand Power Development Plan has added in it the renewable energy power plants of 14,580.4 MW. When include the said capacity to existing capacity of 6,340.2 mw and deductible by retired capacity of 374.3 mw, the net electricity generation from renewable energy at the end of the plan in 2030 will be 20,546.3 mw, accounting for 29% of total system capacity, divided into domestic renewable energy of 13,688.30 mw and renewable energy from neighbouring countries of 6,858 mw, as follows:-

| Type (unit : mw)                 | 2012-2021      | 2022-2030      |
|----------------------------------|----------------|----------------|
| Solar power                      | 1,806.4        | 1,995.7        |
| Wind power                       | 1,774.3        | 199.4          |
| Hydropower (domestic and import) | 3,061.4        | 2,742.5        |
| Biomass                          | 2,378.7        | 223.5          |
| Biogas                           | 22.1           | 24.1           |
| Solid waste                      | 334.5          | 17.8           |
| <b>Total</b>                     | <b>9,377.4</b> | <b>5,203.0</b> |

Source: The Energy Policy and Planning Office, Ministry of Energy

The added power generating capacity during 2012-2030 will be 55,130 mw, classified by types of power plants as follows:-

|    |                                      |               |           |
|----|--------------------------------------|---------------|-----------|
| 1) | <b>Renewable energy power plants</b> | <b>14,580</b> | <b>mw</b> |
| -  | Domestic                             | 9,481         | mw        |
| -  | Purchased from abroad                | 5,099         | mw        |
| 2) | <b>Cogeneration power plants</b>     | <b>6,476</b>  | <b>mw</b> |
| 3) | <b>Combined cycle power plants</b>   | <b>25,451</b> | <b>mw</b> |
| 4) | <b>Thermal power plants</b>          | <b>8,623</b>  | <b>mw</b> |
| -  | Clean-coal power plants              | 4,400         | mw        |
| -  | Nuclear power plants                 | 2,000         | mw        |
| -  | Gas turbine power plants             | 750           | mw        |
| -  | Purchased from abroad                | 1,473         | mw        |
|    | <b>Total</b>                         | <b>55,130</b> | <b>mw</b> |

Department of Energy Strategic Plan 2014-2018 has established 5 strategic issues as follow :

- Strategic 1      Energy supply to meet the demand.
- Strategic 2      To enhance the stability and value the country's energy.
- Strategic 3      Governance, power and energy prices
- Strategic 4      Developing sustainable energy and environmentally friendly.
- Strategic 5      The high-performing organizations that adhere to the principles of good governance.

## Overview of the business

### • Business of electrical equipment

Growth of the Company's business is directly related to the expansion of transmission and distribution of electricity, which depend on the demand for and supply of electrical power generation in Thailand. Related agencies, such as EGAT and EPPO, are responsible for forecasting future electricity demand of the country in the future and setting framework of the capacity development plan in order to support further planning of various development projects to accommodate increasing demand for electricity in the future. Information of electricity system development and expansion portrays the government's keen and continual investments electricity projects that worth more than a hundred billion baht. As a result, the electrical equipment business in Thailand is on a growing trend according to the policies.

The electrical equipment business in the Company's main export markets, the Union of Myanmar in particular, tends to grow continually as well. This is contributed by construction of infrastructure and utilities for electricity manufacturing and distribution in order to support national economic expansion during 1985-2008. In this regard, the Union of Myanmar has invested in 21 projects of multi-scale voltage distribution systems with total distance of 1,946 kilometers, and 12 projects of substation construction with total production and distribution capacity of 1,450 mega volt ampere. In addition, Myanmar government plans to expand electricity production and distribution to other parts of the country by making additional investments in 41 projects of multi-scale voltage distribution systems with total distance of 8,454 kilometers and 8 projects of substation construction with total production and distribution of 4,000 mega volt ampere in the near future. As a result, demand for electrical system equipment in the Union of Myanmar is on a steadily growing trend.

- **Business of renewable energy equipment**

The growing trend of business equipment for renewable energy of company is directly related to the promotion of renewable energy investments from the government. The resolution of the National Energy Policy Council (NEPC.) meeting on August 15, 2014 are summarized the support of the solar farms as follows:.

- 1) Solar farm will be open to buy 1,054 MW to target 2,000 MW target within 2015
- 2) Get more for electricity from solar rooftop houses 69 MW to target 200 MW and
- 3) Solar community to supply 800 MW within December 2015. To change the owner of a cooperative agricultural community and government, by changing the obtained from Adder to Feed in Tarrif (FiT).

As a result of such policies for renewable energy equipment business will grow exponentially. In addition, the project plans to install large wind turbines produce electricity supply parallel input, In the development plan of electricity in the Plan, the 10 year 2010-2030 onwards. Thus, from the promotion and support in renewable energy sector of the government, result in business trends for renewable energy equipment is still likely to grow in the future. The government leadership and support for investment.

- Business of producing and slinging electricity generated by renewable energy**

Trend in production and sale of electricity from renewable energy in Thailand is in the same direction as renewable energy equipment business. However, it must rely on the government's investment because the cost of generating electricity from renewable energy is higher than electricity generation from other fuels. Electricity generation from solar energy costs as high as 8-10 baht per unit, so the production and sale of electricity from renewable energy are not worth investing. The production of electricity from renewable energy in the past was thus done by using waste materials such as solid waste, rice husks, or bagasse which were of lower costs. The capacity is quite low and sufficient just for limited use, so the electricity of this kind was commercially produced for sale. However, the government's supportive schemes, especially the 2009 Plan's Adder subsidy for purchase of electricity generated from renewable energy, have made electrical power producers and various business sectors become more interested in investing in electricity generation from renewable or alternative energies, with aim to produce for sale to government agencies that have purchasing quotas for electricity generated from renewable energy.

As for production and sale of electricity from solar energy, Thailand Power Development Plan for 2012-2021 shows that solar-based electricity under Thailand's electricity objectives is as high as 20% of the total 9,377.4 mw electricity from renewable energy, or equal to 1,806.4 mw capacity. Moreover, Thailand is a country that has the potential to produce quite high amounts of solar-based electricity, since it is located near the equator and exposed to the sun throughout the year. With these factors, solar-based electricity production and selling business tends to grow steadily in the future.

- Business of construction of renewable energy power plants**

The government's promotion of electricity from renewable energy including Thailand's potential to produce electricity from renewable energy have attracted the interest of domestic and oversea companies to invest in the business of producing electricity from renewable energy. Therefore, the Company's renewable energy power plant construction business will grow in line with sizes and quantities of such renewable energy power plants. As mentioned above, production of electricity from renewable energy in Thailand is still in its infancy and will grow more extensively owing to Thailand Power Development Plan for 2010-2030 (Revision 3)

## Competition

- **Businesses of manufacturing, supplying and selling equipment for electrical system and renewable energy system**

The Company's main clients are government agencies, state enterprises and large private companies. In general, customers will set criteria for qualifications of the operators who attend project biddings as well as consider the potential and experience of each bidder in supplying equipment for projects. The Company's management estimates that there are 8-10 operators considered as bidding competitors, some of them have assorted product categories. However, no operators have competitively full-range products as the Company and its subsidiaries. Being supplier and distributor of a wide variety of products, the Company therefore has these operators as its business partners.

Furthermore, electrical system is one of the country's main infrastructures. The government thus recognizes the importance of continual investment every year. As a result, the total market value of the business has been growing steadily in line with the government's investment policy. In the meantime, there are a few new operators entering the business because they must rely on funding and the ability to supply products that meet customers' requirements both in terms of quality and quantity. The competition in this business is therefore not severe.

The Company's group is renowned for product quality and variety. Being in business for over 30 years has contributed to the Company's expertise in procuring quality products from various trade partners both locally and abroad. The Company's manufacturing plants enable it to provide quality products under better cost control and thus outperform other operators who do not own manufacturing plants with flexibility of stocks that can be readily supplied to customers. The Group also seeks to fulfill varying needs of customers by focusing on product quality and constant research and development. Products manufactured by the Group's plants are not only listed with the Ministry of Industry and certified for industrial standards, thereby making the Group to have good relationships and win the trust of customers who have given the Group all-time patronage.

- **Business of producing and selling electricity**

Investing in projects of commercial production of solar-based electricity, private companies is bound by terms and conditions of electricity purchase agreements to produce and sell all the electricity to agencies related to electricity. As the Company gains revenue from selling all electricity produced to PEA, there is no competition in its electricity sale business.



Upon entering this business, operators or investors of electricity generation for sale to electricity agencies must initially meet the qualifications specified by said electricity agencies and the Ministry of Energy. Other technical information will be taken into consideration before sale agreements with electricity agencies are approved. Operators of this business require quite a large sum of investment for power plant construction. Consequently, the competition in the business of producing and selling solar-based electricity is not so intense. In addition, the PEA has postponed the acceptance of application for solar-based and wind-based electricity selling projects from VSPPs for the time being, and also reviewed the ratio of Adder subsidy for purchase of electricity, making it difficult for new operators to compete in this business.

- **Business of construction of renewable energy power plants**

At present, many construction companies, including those in overseas, have competed in the construction biddings. The Group is not only among the first to build both solar- and wind-based power plants in Thailand, but also own power plants, thereby having quite a high bargaining power with manufacturers of solar cell panels, wind turbines and other power plant equipment. Moreover, the Company has developed products and equipment for use in its own renewable energy power plants. All these give the Company a big advantage in terms of construction costs over other competitors, especially those from overseas who have to bear higher costs of hiring subcontractors in Thailand. The Company can also process the application of various permits necessary for power plant construction such as BOI and factory permit, and coordinate with electricity agencies and relevant government agencies, etc. Power plant operators are provided with convenient and smooth operations when choosing the Company's services.

## 18. Risk Factors

### 18.1 Dependence on client risks

- **Risks of dependence on government sector clients**

Major clients of the Company and its subsidiaries in government sector include the electricity-related agencies such as the Provincial Electricity Authority, the Metropolitan Electricity Authority and the Electricity Generating Authority of Thailand, which account for about 25% of the sales revenue of the Company and its subsidiaries in 2014. The revenue from sales to these customers is based on the government's budget for the development of production capacity and supply. If there is a change of the cabinet that results in alteration of electricity investment policy or any delay in approval of procurement for various projects, the Company's revenue in relation to these clients may be affected. Moreover, procurement processes of the government agencies are carried out mostly by competitive bids that sometimes involve many bidders. If the Company does not win the bids, it will lose revenue from these clients.

Investment in electricity capacity development and supply is regarded as investment in basic public infrastructure that grows continually. In times of economic expansion, the government sector needs to expand its public utilities to support the national growth and the increase of population and households. On the contrary, in times of economic slowdown, the government sector usually uses the public investment in infrastructure as a mechanism to stimulate economic recovery. So it can be said that the risks arising from the change of investment policy in the government power sector is quite low. As for the bids for government projects, they tend to be carried out separately according to product groups. The Company's products are not only of great variety, but also accredited by ISO 9001 quality standards. Many of them are registered with the Ministry of Industry as well as guaranteed by the tests of independent institutes, both domestically and internationally. Some of its products are certified by the Office of Industrial Standards (TIS) as well. The Company is therefore at an advantage when competing in bids for supply of products to the government agencies and state enterprises, which generally promote and encourage the procurement of products accredited and certified by the Ministry of Industry. For this reason, the risk that the Company may not be selected in a project bid of any type is low as well.

- **Risk of dependence on large clients**

In 2014, the company sold products to approximately 180 PEA offices in different areas for the value of 745.12 million baht or equal to 25.03% of the company's sale income according to consolidated financial statements.

Major customers of the company are regular customers who have maintained contact and business with the company for a long time and have a good relationship. Maintaining good standards of goods and services quality for over 30 years, the company is confident that it will continue to gain trust of customers. However, the company has a policy to reduce risk of dependence on any particular customer in each market, by constantly seeking new customers in order to expand customer base and to create more business opportunities and development of new products such as development of energy-saving LED light bulbs for distribution to the government sector and private sector, the LED lamps classified under the consumer products with a high market value. The lighting products are available in all buildings. Also, it is a product that has been promoted by the government for purchasing to replace instead of the traditional lamp that uses more electricity or power.

- **Risk of dependence on revenue from Myanmar**

In 2014, the revenue from sales of electrical equipment to Myanmar was in amount of 488.61 million baht, comparing with 2013 by decreasing 11.98 million baht or 3,978.55%, due mainly to the change of procurement policy from using foreign currencies to Myanmar currency (Kyatt) and not to be direct business partner with Myanmar government. The company considers that procurement according to this new policy has a risk of payment and exchange rate uncertainty of Kyat, which is highly volatile. Therefore, the Group undertakes businesses carefully by focusing on projects due directly with the government under foreign currency deals only. However, the Group plans to seek a long-term solution to meet the changing procurement policy, and is studying the feasibility of setting a branch in Myanmar.

In order to reduce dependence on revenue from Myanmar, the Group has a policy of market expansion into neighboring countries, such as Lao PDR, Vietnam, Cambodia and Malaysia. Moreover, the Group has a policy to undertake the business of power generation from renewable energy sources and the

business of power plant construction, both in Myanmar and Thailand. In this regard, the Group gains the trust of Myanmar government and is thus assigned to conduct a feasibility study of wind power development project. So, the Group believes that its policy can reduce the risk of dependence on revenue from Myanmar.

However, the Group has a policy to prevent risk of dependence on any particular customer, by expanding customer base in public and private sector clients, including in export segment in order to soften the impact of possible decrease of purchase orders from any segment. The proportion of goods sold to each segment would vary from period to period. The company would consider factors that might affect order placements of each segment, such as electricity budget, related industrial circumstance and economic situation of Thailand and of customer countries, etc., in order to set an appropriate marketing policy for conditions in each period of time. For example, when the budget approval of government sector is slow, orders from customers in this sector will drop, and the Group will maintain its revenue size by focusing more on private sector and oversea clients. On the other hand, when private sector decreases investment, the Group will have orders from oversea customers and also government sector customers who use their budget to stimulate the economy. Therefore, diversification of customer segments can reduce risk of dependence on any single customer group, enabling the Group to maintain revenue scale in each period of time.

## 18.2 Risk of exchange rate fluctuation

As the nature of business of the Group involves export to and import from foreign countries, which are paid mostly in US dollar or euros, the Group might be affected by the fluctuation of exchange rates. It might have gains or losses on exchange rates if the date of purchase or sale is different from the date of the delivery or payment.

However, as the Group both makes import and export in foreign currency, it can reduce risk of exchange rate fluctuation on an extent. In case the dollar or euro is strong against baht, the Group will have increased income from foreign deals when the payment is converted into baht, yet the cost of imported raw materials will rise. Conversely, in case the dollar or euro weakens against baht, the Group will have decreased income from foreign deals upon currency conversion, and the cost of imported raw materials will drop.

The above characteristics are therefore regarded as prevention against fluctuations in exchange rates as follows:-

1. Planning of purchase orders and delivery (Natural Hedge). The Company will open a deposit account in foreign currency when the payments or sales are made in foreign currency. When the Group is paying for imported raw materials in the near future, the Company's management team will be assigned to monitor changes in exchange rates and use the information to plan the purchase of raw materials and deliveries that are paid or received in foreign currency, to help reduce the risk of exchange rate (Natural Hedge).
2. Forward contracts

In 2014, the Group sold its products in foreign currency in the amount of 491.65 million baht, equal to 16.06% of the total revenue of sales and purchased raw materials and goods from overseas in the amount of 488.61 million baht, equal to 21.68 % of total value of raw materials and goods purchased by the Group over the same period. According to the consolidated financial statements as of 31 December 2014, the Company had debt liabilities in foreign currency of approximately USD 2.34 million US dollars, EURO 2.57 million and 5.04 million Yen, and has secured by forward contracts in the amount of EURO 0.27 million. The foreign currency has been managed through the advice by financial institutions who support for credit facilities, in order to decide on the appropriate and necessary schedule of the forward contracts. In 2014, the Company had been successful in foreign currency management through the Financial Management Committee by providing to the authorized person as the level of transaction.

### 18.3 Possible risks to the power generation and supply business

- **Risk of power generation performance**

The ability to generate electricity of a solar power plant depends on two main parts, i.e. the quality of the solar panels and the amount of losses incurred in the electricity generation system. To prevent such risks, the Group uses solar panels from the top well-known companies such as Solar Frontier K.K. ("SF"), Wuxi Suntech Power Co., Ltd. ("Suntech") etc., which is regarded as one of the best manufacturers of quality solar panels recognized around the world.

For the construction and installation of various electrical system equipment, the Group has employed Schneider (Thailand) Limited ("SE"), a company under the Schneider group of France which is recognized for its



experience and expertise in the field of electrical engineering equipment and installation of electronic control systems as well for power plant construction that processing in the beginning of 2012.

Since 2012 to the present, the Company has successfully realized its potential and proficiency in solar farm construction, developed the engineering team and subcontractors, as well as meticulously selected key equipment related to solar farm construction from manufacturers who have delivery capability, proper after-sale services and warranty. As a result, the Company can reduce risks from dependence on large contractors in power plant construction, thus being a big step forward in the greater enhancement of managerial competitiveness, cost controlling and efficiency of power plant construction.

After the completion of solar farms, the Company's joint venture partners and other operators have placed trust in the Company with the signing of operation and maintenance agreements for power plants of 64-MW capacity in total, equal to 80% of the number of power plants built by the Company and making commercial sales. This enables the Company to comprehensively control and monitor the capacity of power supply and efficiency of solar farm operations, thereby mitigating risks from guarantee of minimum supply quantity of each project.

- **Risk of power supply**

The Group has signed a power purchase agreement with PEA for distribution of power at the amount specified in each contract. The contract is a Non-Firm type for reasons that in the generation of solar-base power, the amount of power generated each time cannot be specifically controlled. According to the agreement, the PEA will purchase all electricity produced by quantities specified for each project. The contract is five years from the date of signing the contract and automatically continues for a period of five years. The PEA does not have the right to terminate the agreement as long as the company complies with the conditions specified in the contract. Due to the said conditions and the contract party being a government agency, it is considered that the Group has no risk from the inability to generate and supply electrical power, or the inability to collect payments.

## 18.4 Risks of economic and political factors

During 2013 to early 2014, Thailand's economy faced the recession due to export volume decrease while the prolonged political unrest affected the consumers and investors' confidence. At that time, Thailand was ruled by a caretaker government though there was still public conflict. This conflict was a crucial factor in obstructing the business expansion both in investment sector and industrial expansion.

After His Majesty the King appointed the government under the supervision of General Prayuth Chan-ocha on 31 August 2014, Thailand's overall economy has improved which created confidence for both domestic and international investors. The government has set various policies to stimulate the economy and energy business was one of the important policies supported by the government. The resolution of National Energy Policy Office (NEPO) concluded the solar farm supports as follows:

- For new licenses being issued during 2014-2015, the power purchase will be changed from adder to feed-in-tariff (FIT) for 25 years with the following rates; solar farm 5.66 baht/unit, solar rooftop 6.85 baht/unit, small factory 6.40 baht/unit, large factory 6.01 baht/unit and community solar (agricultural cooperative or government sectors) 5.66 baht/unit.
- Solar farm will be purchased for 1,054 MW in order to meet the target at 2,000 MW within 2015) and Department of Alternative Energy Development and Efficiency (DEDE) will consider the purchase from the existing project proposers.
- Solar rooftop proposers (130 MW approved) which were required to supply the power within December 2012, was allowed to postpone the supply period to June 2015.
- More solar rooftop purchase for houses was permitted at 69 MW (in order to reach the target at 200 MW).
- Community solar 800 MW has to supply power within December 2015 and change the project owner to agricultural cooperative and government sectors.

Since the Company is Thailand's leader in solar cell power plant who is directly benefited from the aforementioned policy, the Company has prepared to support the 1 GWh solar cell power plant projects in all aspects such as financial, personnel and technology.

Consequently, this is an urgent policy which needs to be completed within 2015. Therefore, the Company requires great preparation in order to fulfill all requirements in power purchase announcement and finish the power plant construction in time.

However, the Company is confident that with the preparation of the above, will enable the company to have a share of the power plant not less than 10% and the construction will be completed as promised.

## 18.5 Risks of investing in solar power plant in Japan.

### 1. Risk of Government policy of Japan.

According to Japan suffered from the effects of the earthquake and tsunami disaster wave as a result damage to nuclear power plants at Fukushima province in Japan and finally to be closed. As the effect causing a panic with the population, the Government of Japan should rethink the power policy by using other energy for replacing and reducing the proportion of nuclear energy, by defining the policy of promoting solar power and geothermal energy, etc.

During the early impact, the Government of Japan aims to encourage the private sector and investors, both of domestic and foreign, to invest in solar power plant as the purchase rate of feed in tariff that is highest rate in the world. However, the rate will be reduced as the period of availability of the commercial power distribution. Currently, the feed in tariff rate of the Japan project that the Company interested for investment is at the rate of 32 Yen per kilowatt per hour (to be the feed in tariff rate which is the highest rate in the world). As the power policy issuing by the Government of Japan in the purpose of accelerating solutions to the shortage and demand for electricity in the country, has been effected to the purchasing price of electricity which has been the main factor for consideration of the return on the investment of the company. GUNKUL has managed risk in this case by investing in the project that received an acceptance letter or completed for signing in power purchase agreement on feed in tariff.

### 2. Risk in laws and obtaining necessary licenses.

As the development of solar power plants in Japan comparing with a similar project in Thailand, there is some issue that should be considered rather than in Thailand such as land development for the project. If there are large trees in the area of the project,



the project developer should avoid and request for permission of using the area to the related government's entities by taking the process for consideration and approval at a long time. Moreover, if cutting down some trees, the matter will be specified in the license and the project developer should do the planting for replacement as the proportion which considered by the related entities and must to strictly comply with the conditions during processing and completion of the project.

In case of applying for the extension of transmission lines into the area for project development of solar power plant, the processing period for Thailand is approximately 6 months until to 1 year that able to be developed along with the construction of the power plant that is in the same processing period of extension of transmission line. In Japan, the private concessionaire who is the electricity supplier to the public and also private sector is the representative of the government for power purchasing. However, the procession period for Japan to extension of transmission lines into the area of project is approximately 2-3 years. Therefore, the Company has been negotiating for reduce the risk to be the appropriated duration for project development and/or requesting to be allowed to directly act as an extension arranger for transmission line connection to electrical power distribution in the power plants of its own directly, depending on the appropriateness and necessity of each area in each case.

### **3. The risk of holding structure in the proportion of investment and project financing from financial institutions in Japan.**

As of the development of solar projects in Japan, especially in the first project of the company that interested to invest in the capacity of 31.75 MW at Sendai, Miyagi, Japan in proportion of 100% which was approved by the Risk Management Committee and the Board of Directors, considering for related risks and return of investing. However, GUNKUL need to get financial support from the financial institutions in Japan and low interest rates low for private sector in Japan. The company has been supported by a commercial bank in Thailand who is a financial partner with the company to provide find out for matching financial institutions in Japan for supporting credit facilities which in the suitable rate according to the conditions of financial assumptions as presenting to the Board for consideration of investment in Japan in the proportion holding 100%. Although may be having some limitation to match with the term condition offering by financial institutions in Japan, the Company will take the best decision by matching with the good



terms and conditions and may be alter the proportion of investment holdings only as much as necessary for acceptance by financial institutions in Japan.

#### **4. Risk in management of returns and exchange rates in the long term.**

As the investment of solar power project In Japan, the Company has got the Power Purchase Agreement by feed in tariff at the rate of 32 Yen per kilowatt per hour for 20 years. Although the Company will recognize the revenue in yen but also repay the loan in the same currency which to hedge the exchange rate at 80 percent of project investment. As expectation that its project financing offering by financial institutions in Japan, comparing with the proportion of equity in percentage of 80:20, the profit return earned from investment as yen currency will be returned as dividend to the Company in Thailand, therefore, the Company should manage to prevent the currency risk by arranging for hedging fund of foreign exchange rate in the long term and also arrange in other method to be served for risk management as foreign currency investment.

#### **5. Risk in management and development projects to be completed by the due date of the contract.**

As developing solar power plant in the capacity of 31.75 MW in Sendai, Miyagi, Japan, the processing period starting development until completion for electricity commercial supplying is taken 18-22 months that need to manage and control the project to be completed within the term of the power purchase agreement with within the following factors.

1. To provide the professional partner who expertise in solar power plant construction through the evaluation process and the criteria selected by the company.
2. To manage the power plant construction and to obtain licenses to complete timely and consistent with the goals set forth by the power distribution commercially.
3. To recruit Japanese official who have the expertise in project management, controlling and maintenance of power plants after electricity commercially successful.
4. To manage and control the overall of projects, investment cost within the budget and also completion within the timeframe.

The Company has got the supporting by contracting partner who will support overall of project until receiving financial support from the financial institutions in Japan. Including must be taken to complete the construction in the duration of the term power and also take responsibility for maintenance of the plant after the plant completion by the fee will be paid as the success of the project in each period. Also, the Company gets the supporting by the Chubu Electric Power B.V. who is the largest electricity distribution concessionaire in Japan and to be a partner for investing in solar power in Gunkul Chubu Powergen, the subsidiary of the Company.

#### **6. Risks in the provision of insurance coverage of the earthquake and disaster.**

Although the area of Sendai, Miyagi, Japan where had been affected by the tsunami and got damage impact in the past as well, however, before investment for solar power plant in the capacity of 31.75 MW at Sendai, Miyagi, Japan, the Company has explored the area for the project and found that to be the plateau in the city of Sendai, where are not affected by the tsunami disaster. Moreover, the Company can take the offering of insurance coverage for earthquake and disaster continuity. Also, the Company has arranged to consult with our partner, Team Consultant Co., Ltd. who is technical expertise in Japan, for preparing a report on geological surveys to determine the impact of the earthquake to use the information in decision-making and implementation project.

## 19. Capital Structure and Shareholders

### 19.1 Capital

As of December 31, 2014, the Company had registered capital of THB 879,999,929.00 and had paid-up capital of THB 879,990,265.00 divided into 879,990,265 shares at par value of THB 1.00.

### 19.2 Shareholders

Top ten major shareholders of the Company as of February 6, 2015, the latest closing date of share registration book is as the following.

| No           | Shareholder Name  | Number of Share    | Percentage   |
|--------------|---|--------------------|--------------|
| 1.           | Dhumrongpiyawut Family Group  |                    |              |
|              | - Gunkul Group Company Limited  | 527,694,200        | 59.97        |
|              | - Mr. Gunkul Dhumrongpiyawut  | 260,480            | 0.03         |
|              | - Miss Naruechon Dhumrongpiyawut  | 44,000             | 0.01         |
|              | Total Number of Share Holding by Dhumrongpiyawut Family Group                                 | 527,998,680        | 60.00        |
| 2.           | UOB KAY HIAN (HONG KONG) LIMITED - Client Account   | 40,000,400         | 4.55         |
| 3.           | Miss Nanpapatr Piyapootinun   | 20,207,200         | 2.30         |
| 4.           | CORE PACIFIC - YAMAICHI INTERNATIONAL (H.K.) LIMITED  | 20,000,200         | 2.27         |
| 5.           | Mr. Khanaphat Jirakasemphong  | 19,701,200         | 2.24         |
| 6.           | Thai NVDR Co., Ltd.   | 14,686,936         | 1.67         |
| 7.           | HSBC (SINGAPORE) NOMINEES PTE LTD   | 11,588,400         | 1.32         |
| 8.           | Krungthai Axa Assurance Public Company Limited - KTAM Growth<br>by Krungthai Asset Management | 6,909,700          | 0.79         |
| 9.           | Thai Value Focus Equity - Dividend  | 5,763,000          | 0.65         |
| 10.          | Muang Thai Life Assurance Public Company Limited  | 5,600,000          | 0.64         |
| <b>Total</b> |   | <b>672,455,716</b> | <b>76.42</b> |

Gunkul Group Company Limited is the holding company with paid-up capital of 110,000,000.00 baht as of December 31, 2014. Major shareholder is Dhumrongpiyawut family with 99.64% stake in Gunkul Group.

| Name  |                                 | Number of Share | %      |
|-------|---------------------------------|-----------------|--------|
| 1.    | Dhumrongpiyawut Family Group    |                 |        |
| 1.1   | Mr. Gunkul Dhumrongpiyawut      | 465,000         | 42.27  |
| 1.2   | Miss Naruechon Dhumrongpiyawut  | 211,000         | 19.18  |
| 1.4   | Miss Sopacha Dhumrongpiyawut    | 210,000         | 19.09  |
| 1.5   | Master Arpakorn Dhumrongpiyawut | 210,000         | 19.09  |
| 2.    | Mr. Chaloempon Srichaen         | 3,000           | 0.27   |
| 3.    | Miss Nanpapatr Piyapootinun     | 1,000           | 0.09   |
| Total |                                 | 1,100,000       | 100.00 |

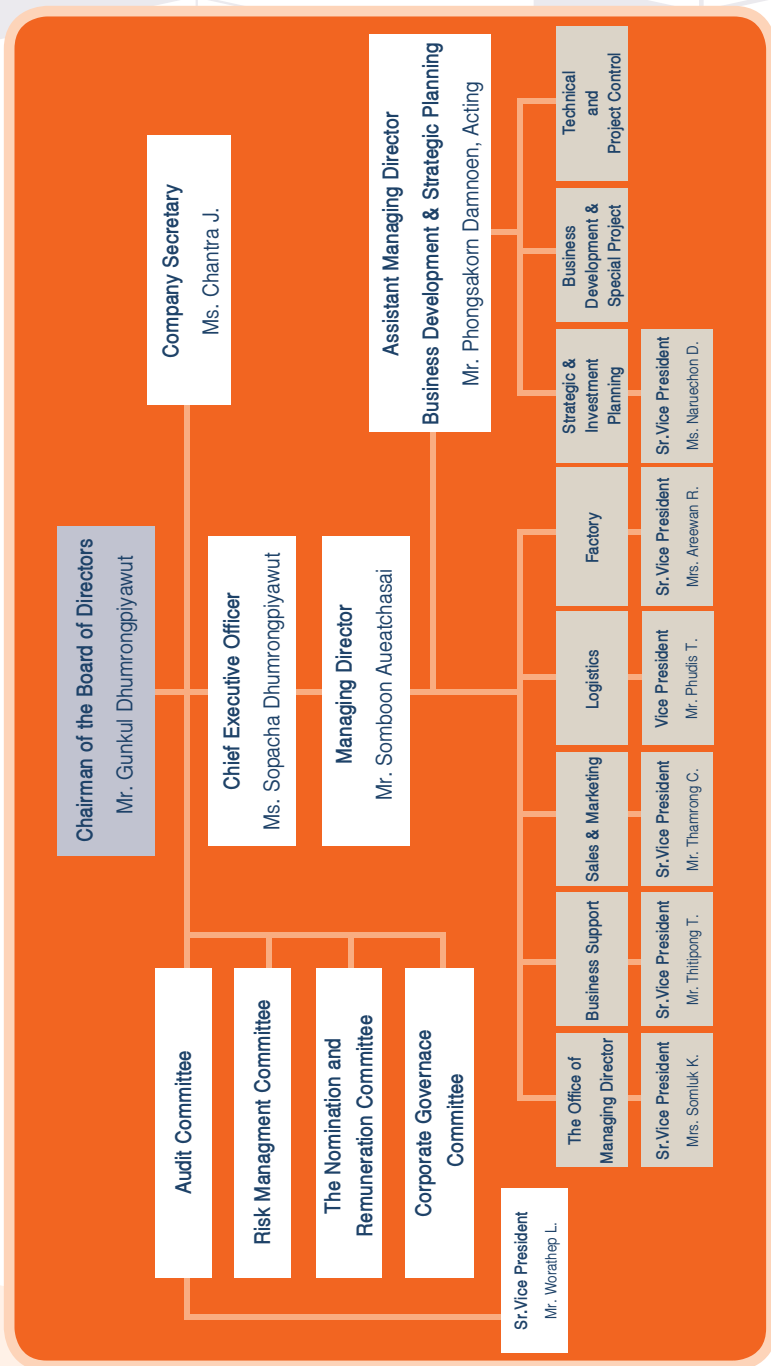
### 19.3 Dividend Payment Policy

The Company has dividend payout ratio of at least 40% of net profit of the Company only (unconsolidated basis) in which net profit is after deducting corporate tax, legal reserve and other reserves. However, the Company may pay dividend less than mentioned above if necessity i.e. more working capital required, aggressive expansion plan, or else. The board resolution on dividend payment is needed to propose to shareholders' meeting for approval, except interim dividend in which board can go ahead and report to shareholders later.

The Company's subsidiaries also has dividend payout ratio of at least 40% of net profit after deducting corporate tax, legal reserve and other reserves. There are another four factors, cash flow analysis, financial status, liquidity and expansion plan, taking into account on how much dividend to pay.

## 20. Management Structure

As of 31<sup>st</sup> December 2014



The Company's management structure comprises of board of directors and executives in which board of directors comes from independent directors, non-executive directors and executive directors. Independent directors represent one third of board of directors.

## 20.1 Board of Directors

As of December 31, 2014, board of directors comprised of nine persons as follows;

| Name                    |                          | Position   |
|-------------------------|--------------------------|--|
| 1. Mr. Gunkul           | Dhumrongpiyawut          | Chairman of the Board  |
| 2. Mr. Sathaporn        | Kotheeranurak            | Independent Director<br>Chairman of the Audit Committee<br>Member of the Risk Management Committee             |
| 3. Pol. Maj. Gen. Visit | Sukarasep                | Independent Director<br>Chairman of the Nomination and Remuneration Committee<br>Member of the Audit Committee |
| 4. Mr. Djitt            | Laowattana <sup>1)</sup> | Independent Director<br>Chairman of the Good Corporate Governance Committee<br>Member of the Audit Committee   |
| 5. Ms Sopacha           | Dhumrongpiyawut          | Director<br>Chief Executive Officer<br>Member of the Risk Management Committee                                 |
| 6. Mr. Somboon          | Aueatchasai              | Director<br>Executive Director<br>Managing Director  |
| 7. Ms. Naruechon        | Dhumrongpiyawut          | Director<br>Executive Director   |
| 8. Mr. Chaloepon        | Sricharoen               | Director<br>Executive Director   |
| 9. Mrs. Areewan         | Roonpraphan              | Director<br>Executive Director   |

<sup>1)</sup> Mr. Djitt Laowattana was appointed as a director from Board of Directors meeting No.5/2014 on August 9, 2014



## Authorized Directors

Authorized director who can sign documents that will have impact to the Company is Mr. Gunkul Dhumrongpiyawut or Miss Sopacha Dhumrongpiyawut or Miss Naruechon Dhumrongpiyawut gives signature together with another two signatures from Mr. Somboon Aueatchasai or Mrs. Areewan Roonpraphan or Mr. Chaloepon Sricharoen and then gets the Company's stamp.

Or Mrs. Areewan Roonpraphan, Mr. Chaloepon Sricharoen and Mr. Somboon Aueatchasai all sign their names and get the Company's stamp.

## Scope of Authority of Board of Directors

- 1) Supervise and determine key policies related to core operations, finances, fund raisings, capital management and risk management
- 2) Consider investment regarding investment budget for investment projects and monitor those projects to be in line as planned
- 3) Monitor the Company's operations to meet or to exceed its goal and set solutions to solve problems if any
- 4) Report general and financial information to shareholders, stakeholders and general investors properly, timely and legally.
- 5) Acknowledge audited reports from audit committee and or internal control units including accounting audit and advisors and propose solutions if there is any problem
- 6) Review the Company's internal control and risk management
- 7) Prepare process to select top management in accordance with succession plan
- 8) Appoint audit committee and give audit committee the scope of power
- 9) Appoint director(s) to be as the Company's representative from board of directors. Representative, however, has no power to approve transactions that representative or person that may have conflict ("person that may have conflict" is the same definition as mentioned in Stock Exchange Commission regulation) may have conflict of interest with the Company or the Company's subsidiaries.

This is an exception for transaction that gets approval from shareholders' meeting. Director or person who may have conflict of interest who approves this transaction will not have right to vote on following subjects;



- Subject that is required approval from shareholders' meeting
- Transaction that is required by law to get approval from shareholders' meeting
- Moreover, the following transactions are needed to have approval from board of directors' meeting and shareholders' meeting by gaining at least three forth of total voting rights in the meeting.
  - Sell or transfer whole or partial business to other persons
  - Do, correct or stop contract to rent the whole or partial business to others. Assign other people to manage business or to merge business with others with aim to share profit and loss
  - Issue new shares to creditors on the debt-to-equity plan
  - Reduce registered capital by reducing number of shares or reducing par value
  - Capital increase, capital reduction, debenture issuance, acquisition or divestment
  - Other subjects that are required by law

## 20.2 Executives

As of December 31, 2014, there were 14 executives as follows;

| Name               |                     | Position  |
|--------------------|---------------------|---|
| 1. Miss Sopacha    | Dhumrongpiyawut     | Chief Executive Officer   |
| 2. Mr. Somboon     | Aueatchasai         | Managing Director   |
| 3. Mr. Phongsakorn | Damnoen             | Assistant Managing Director,<br>Business Development & Strategic Planning |
| 4. Mrs. Areewan    | Roonpraphan         | Senior Vice President, Factory  |
| 5. Mrs. Somluk     | Kanuenghet          | Senior Vice President, Executive Officer                                  |
| 6. Mr. Worathep    | Luangsirapornchai   | Senior Vice President, Internal Audit                                     |
| 7. Mr. Thamrong    | Chankraithong       | Senior Vice President, Sales & Marketing                                  |
| 8. Mr. Thitipong   | Techaratanayuenyong | Senior Vice President, Business Support /<br>Chief Financial Officer      |
| 9. Miss Naruechon  | Dhumrongpiyawut     | Senior Vice President, Strategic Planning & Investment                    |
| 10. Mr. Janpon     | Ngamaroonchote      | Vice President, Strategic Planning & Investment                           |
| 11. Mr. Phudis     | Triwilaskul         | Vice President, Logistics   |
| 12. Mr. Nivej      | Boonwichai          | Vice President, Technical and Project Control                             |
| 13. Miss Nattawan  | Wongchan            | Vice President, Business Support  |
| 14. Miss Suttirat  | Tangnorakul         | Accounting Manager  |



### Scope of Authority of Managing Director

- 1) Control and supervise operations/general management
- 2) Do as per policy set to meet budget approved by board of directors or executive committee
- 3) Have authority to approve disbursement budget for acquiring assets and services that will have benefit to company in which such authority is for general transaction on trade with limited budget set by board of directors
- 4) Have authority to set order, rule, announcement and memorandum to make things done accordingly to company policy, benefit and rules & regulations
- 5) Have authority to do and to show as company representative to outside persons to handle task that is useful to company
- 6) Approve appointment of necessary advisors
- 7) Get assignment to manage company to be in line goal, rules & regulations, policy, announcement, resolutions from shareholders' meeting and/or resolutions from board of directors' meeting

Regarding authority assignment to managing director and other authority assignment done by managing director, this does not include authority and/or authority assignment to approve transaction that managing director or related persons may have conflict of interest (based on rules from Stock Exchange of Thailand) to company and/or subsidiaries. Above transaction is needed to propose to board of directors' meeting and/or shareholders' meeting for consideration and approval to be in line with rules and regulations. An exception comes from general trade transaction set by company's policy and criteria.

## Financial Budget Approval

Board of directors has power to approve financial budget as follow;

| Authorization   |                            | Related Transaction<br>(Million Baht) | Sale/Purchase/<br>Transfer for Assets<br>(Million Baht) | Sale/Purchase for Goods, Material and Services in normal business/ agreement obligated in business<br>(Million Baht) | Loan Agreement/<br>Guarantee and Financial Obligation<br>(Million Baht) |
|---|----------------------------|---------------------------------------|---|--|---|
| 1. Board of Director<br>(The resolution is not less than half of total votes) |                            | > 200                                 | > 200   | > 500  | > 500   |
| 2. Audit Committee  |                            | > 150                                 | -   | -  | -   |
| 3. Executive Committee  |                            | > 100 - 150                           | > 100 - 200   | > 200 - 500  | > 200 - 500   |
| 4. Chief Executive Officer  | Under Budget<br>(approved) | > 20 - 100                            | > 20 - 100  | > 100 - 200  | > 50 - 200  |
|   | Off-Budget                 | > 5 - 20                              | > 5 - 20  | > 10 - 100   | > 10 - 100  |
| 5. Managing Director  | Under Budget<br>(approved) | 20                                    | 20  | 100  | 50  |
|   | Off-Budget                 | 5                                     | 5   | 10   | 10  |

## 20.3 Company Secretary

Board of directors' meeting (13/2551) dated October 27, 2008, approved appointment of Miss Chantira Jongjamareeseethong as Company Secretary, effective since October 27, 2008. Such person has education, knowledge, experience and responsibility to do secretary job with aim to make things done in line with rules & regulations and corporate governance.

### Scope of Authority of Company Secretary

1. Coordinate to make meetings of company and shareholders in tandem with corporate governance and rules & regulations like Stock Exchange of Thailand Act and Public Company Act Por Sor 2535.
2. Respond to information disclosure of company to comply with rules from Stock Exchange of Thailand, Stock Exchange Commission and other related authorities

3. Give basic advice to board of directors and management executives on things to comply with rules from Stock Exchange of Thailand, Stock Exchange Commission and other related authorities
4. Prepare and keep significant documents like director register, board of directors' meeting letter, board of directors' report, company's annual report, shareholders' meeting letter, shareholders' meeting report and conflict of interest report by directors and executives
5. Monitor board of directors' activities to make things done effectively, efficiently and best to company
6. Coordinate to make resolutions from board of directors and shareholders' meeting fulfilled
7. Do other jobs assigned by board of directors

In addition, with focus on corporate governance, the Company sent Miss Chantira Jongjamareeseethong to take Company Secretary Program (28/2008) and Effective Minute Taking-EMT Course (12/2008) held by Thai Institute of Directors (IOD) and other courses for supporting to the Board of Directors.

## 20.4 Remuneration and Meeting of Committee

### 20.4.1 Cash Remuneration

#### (1) Remuneration for Directors and Meeting

The Company has clear and transparent policy on remuneration for directors. Remuneration committee will consider and propose directors' remuneration to board of directors and then to shareholders' meeting for approval. Remuneration paid here is competitive compared to that with other listed companies in energy sector. Director who gets assignment to be in audit committee and executive committee will get more compensations as more works loaded.

Remuneration for directors and sub-committee comprises of meeting fee and annual compensation details are as follow;

Remuneration

| Position                  | Board of Directors | Audit Committee | Good Corporate Governance Committee | Risk Management | Nomination and Remuneration Committee | Management Committee |
|---------------------------|--------------------|-----------------|-------------------------------------|-----------------|---------------------------------------|----------------------|
| 1. Chairman               | 20,000             | 20,000          | 12,500                              | 12,500          | 12,500                                | 7,500                |
| 2. Member                 | 17,000             | 17,000          | 10,000                              | 10,000          | 10,000                                | 5,000                |
| 3. Secretary of Committee | 5,000              | 5,000           | 5,000                               | 5,000           | 5,000                                 | -                    |

**Remark :** In case the independent directors have been appointed as Chairman of the Board. To be eligible for payment of meeting fee only one location in each of the top position.

Yearly Remuneration Fee

| Position                  | Board of Directors | Audit Committee | Good Corporate Governance Committee | Risk Management | Nomination and Remuneration Committee | Management Committee |
|---------------------------|--------------------|-----------------|-------------------------------------|-----------------|---------------------------------------|----------------------|
| 1. Chairman               | 500,000            | 240,000         | 100,000                             | 100,000         | 100,000                               | 500,000              |
| 2. Member                 | 200,000            | 200,000         | 50,000                              | 50,000          | 50,000                                | 200,000              |
| 3. Secretary of Committee | 50,000             | 50,000          | 25,000                              | 25,000          | 25,000                                | -                    |
| 4. Company Secretary      | 100,000            | -               | -                                   | -               | -                                     | -                    |

**Remark :** In case the independent directors have been appointed as Chairman of the Board., to be eligible for payment of annual compensation only one location in each of the top position.

## Bonus Remuneration Fee

| Position                            | Board of Directors   | Audit Committee | Good Corporate Governance Committee | Risk Management Committee | Nomination & Remuneration Committee | Executive Committee |
|-------------------------------------|--|-----------------|-------------------------------------|---------------------------|-------------------------------------|---------------------|
| 1. Chairman of the Board            | <p><u>Criteria of Bonus Payment</u></p> <p>1. Not exceeding 1 percent of total comprehensive income attributable to Equity holders of separated financial statement of the Company.</p> <p>1.1 <u>Deduct</u> Gain from foreign exchange before tax</p> <p>1.2 <u>Deduct</u> Gain from asset divestment before tax</p> <p>1.3 <u>Deduct</u> Revenue or profit from special income before tax</p> <p>1.4 If director is in committee more than one committee, the bonus payment from the committee that receive the highest payment.</p> <p>2. Calculation:</p> <p>2.1 Fixed bonus payment in amount of THB 1,500,000 for Chairman of the Board of Director.</p> <p>2.2 Total bonus of each committee</p> <p>Total amount from No. 1 - Total amount from No. 2.1 is equal to balance of bonus which will be paid the Director by considering the number of attendance from meeting of each committee divided by total number of meeting from every committees as shown in formula as follows:</p> $A = \frac{\text{Total amount from No. 1} - \text{Total amount from No. 2.1}}{\text{Total number of meeting from every committees}} \times \text{Number of attendance from meeting of each committee}$ <p>2.3 Individual Bonus for each committee</p> $\text{Individual Bonus} = \frac{\text{Total bonus of each committee (A)}}{\text{number of member in each committee}}$ |                 |                                     |                           |                                     |                     |
| 2. President                        |  |                 |                                     |                           |                                     |                     |
| 3. Chairman of Any Committee        |  |                 |                                     |                           |                                     |                     |
| <u>Except</u>                       |  |                 |                                     |                           |                                     |                     |
| Chairman of the Board and President |  |                 |                                     |                           |                                     |                     |
| 4. Managing Director                |  |                 |                                     |                           |                                     |                     |
| 5. Management Directors             |  |                 |                                     |                           |                                     |                     |
| 6. Director of Any Committee        |  |                 |                                     |                           |                                     |                     |
| <u>Except</u>                       |  |                 |                                     |                           |                                     |                     |
| Management Directors                |  |                 |                                     |                           |                                     |                     |

**Remark :** the maximum of the all compensation payment is set as follows:

|   |                 |               |
|---|-----------------|---------------|
| <sup>1)</sup> Chairman of the Board of Directors          | Maximum Payment | THB 2,500,000 |
| <sup>2)</sup> President                                   | Maximum Payment | THB 1,800,000 |
| <sup>3)</sup> Chairman of any committee                   | Maximum Payment | THB 1,000,000 |
| (Except: Chairman of the Board of Director and President) |                 |               |
| <sup>4)</sup> Managing Director                           | Maximum Payment | THB 1,000,000 |
| <sup>5)</sup> Executive Directors                         | Maximum Payment | THB 800,000   |
| <sup>6)</sup> Director of Any Committee                   | Maximum Payment | THB 400,000   |
| (Except: Executives Director)                             |                 |               |

If director is in committee more than one committee, the any remuneration including Conference Remuneration Fee, Yearly Remuneration Fee and Bonus Remuneration Fee should not exceeded the highest remuneration from committee which the director take position of.

Board of Directors and sub-committees have scheduled meetings throughout the year, usually on a quarterly and and special meetings as necessary. The agenda setting clear and sent notice of the meeting and the agenda for the Board of Directors at least seven days, and the meeting prior to the Board of Directors have the adequate information before the meeting. Chairman made responsible for allocating sufficient time to present the document and information management is an important issue for discussion. The quarterly meeting the majority also attending, unless it is an urgent mission.

For 2013 and 2014 the total remuneration 7,272,884.83 Baht and 8,273,678.13 Baht respectively, the details of the remuneration and the attendance of each director summarized as follows.

| No.                | Name                                       | Started Position | Attending Meetings of the Various Committees |      |                      |                      |                      |                      |                                     |                      |                      |                      |                                       |                      |                       |                       |                     |            | Remuneration for 2013 <sup>1)</sup> |                    | Remuneration for 2014 <sup>1)</sup> |                    |
|--------------------|--|------------------|--|------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|---------------------------------------|----------------------|-----------------------|-----------------------|---------------------|------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
|                    |  |                  | Number of Months Served                      |      | Board of Directors   |                      | Audit Committee      |                      | Good Corporate Governance Committee |                      | Risk Management      |                      | Nomination and Remuneration Committee |                      |                       |                       | Executive Committee |            | sub-Board of Directors              | Total Remuneration | sub-Board of Directors              | Total Remuneration |
|                    |  |                  |  |      |                      |                      |                      |                      |                                     |                      |                      |                      | Remuneration Committee                |                      |                       |                       |                     |            |                                     |                    |                                     |                    |
|                    |  |                  | 2013   | 2014 | 2013 (9 Times /year) | 2014 (9 Times /year) | 2013 (6 Times /year) | 2014 (6 Times /year) | 2013 (3 Times /year)                | 2014 (3 Times /year) | 2013 (4 Times /year) | 2014 (5 Times /year) | 2013 (5 Times /year)                  | 2014 (5 Times /year) | 2013 (25 Times /year) | 2014 (24 Times /year) |                     |            |                                     |                    |                                     |                    |
| Board of Directors |  |                  |  |      |                      |                      |                      |                      |                                     |                      |                      |                      |                                       |                      |                       |                       |                     |            |                                     |                    |                                     |                    |
| 1                  | Mr. Gunkul Dhumrongkayawut                 | 27 October 2008  | 12   | 12   | 7/9                  | 9/9                  |                      |                      |                                     |                      |                      |                      |                                       |                      |                       |                       | 912,884.83          | -          | 912,884.83                          | 1,509,863.07       | -                                   | 1,509,863.07       |
| 2                  | Mr. Sathaporn Koheeranaurak <sup>4)</sup>  | 27 October 2008  | 12   | 12   | 9/9                  | 9/9                  | 6/6                  | 6/6                  |                                     | 4/4                  | 5/5                  |                      |                                       |                      |                       |                       | 353,000.00          | 445,000.00 | 798,000.00                          | 333,000.00         | 460,000.00                          | 813,000.00         |
| 3                  | Pol. Maj. Gen. Veit Sukrasap <sup>4)</sup> | 16 March 2009    | 12   | 12   | 9/9                  | 8/9                  | 6/6                  | 6/6                  |                                     |                      | 5/5                  | 3/3                  |                                       |                      |                       |                       | 353,000.00          | 454,500.00 | 807,500.00                          | 336,000.00         | 493,500.00                          | 775,500.00         |
| 4                  | Mr. Djitt Lawattana <sup>2, 4)</sup>       | 9 August 2014    | -  | 5    | -                    | 5/5                  | -                    | 2/2                  | -                                   | 1/1                  |                      |                      |                                       |                      |                       |                       | -                   | -          | -                                   | 164,452.05         | 182,678.08                          | 347,130.13         |
| 5                  | Mrs. Sopacha Dhumrongkayawut               | 27 October 2008  | 12   | 12   | 9/9                  | 9/9                  |                      |                      |                                     | 3/4                  | 5/5                  |                      | 25/25                                 | 24/24                |                       |                       | 353,000.00          | 601,917.81 | 954,917.81                          | 353,000.00         | 615,000.00                          | 968,000.00         |
| 6                  | Mr. Sornboon Aueitchalai                   | 7 May 2010       | 12   | 12   | 9/9                  | 9/9                  |                      |                      |                                     |                      |                      |                      | 25/25                                 | 24/24                |                       |                       | 448,000.00          | 200,000.00 | 648,000.00                          | 448,000.00         | 210,000.00                          | 658,000.00         |
| 7                  | Mrs. Narachon Dhumrongkayawut              | 27 October 2008  | 12   | 12   | 9/9                  | 9/9                  |                      |                      |                                     |                      |                      |                      | 25/25                                 | 24/24                |                       |                       | 353,000.00          | 200,000.00 | 553,000.00                          | 353,000.00         | 210,000.00                          | 563,000.00         |
| 8                  | Mr. Chalorpon Srichoen                     | 27 October 2008  | 12   | 12   | 8/9                  | 8/9                  |                      |                      |                                     |                      |                      |                      | 25/25                                 | 24/24                |                       |                       | 336,000.00          | 200,000.00 | 536,000.00                          | 336,000.00         | 210,000.00                          | 546,000.00         |
| 9                  | Mrs. Areevan Rongrarnphan                  | 27 October 2008  | 12   | 12   | 9/9                  | 9/9                  |                      |                      |                                     |                      |                      |                      | 25/25                                 | 24/24                |                       |                       | 353,000.00          | 200,000.00 | 553,000.00                          | 353,000.00         | 210,000.00                          | 563,000.00         |
| 10                 | ANM Dr. Pan Tolarong <sup>4)</sup>         | 9 November 2012  | 12   | 12   |                      |                      |                      |                      |                                     | 4/4                  | 5/5                  |                      |                                       |                      |                       |                       | -                   | 118,082.19 | 118,082.19                          | -                  | 162,500.00                          | 162,500.00         |
| 11                 | Mr. Decha Chodigorn <sup>4)</sup>          | 9 November 2012  | 12   | 12   |                      |                      |                      |                      |                                     |                      | 5/5                  | 3/3                  |                                       |                      |                       |                       | -                   | 90,000.00  | 90,000.00                           | -                  | 80,000.00                           | 80,000.00          |
| 12                 | Mr. Charan Lertthaisapoj <sup>4)</sup>     | 9 November 2012  | 12   | 12   |                      |                      |                      |                      |                                     |                      | 4/5                  | 3/3                  |                                       |                      |                       |                       | -                   | 85,000.00  | 85,000.00                           | -                  | 80,000.00                           | 80,000.00          |
| 13                 | Mrs. Somluk Kanueghiet                     | 27 October 2008  | 12   | 12   |                      |                      |                      |                      |                                     |                      |                      | 5/5                  | 3/3                                   |                      |                       |                       | -                   | 136,000.00 | 136,000.00                          | -                  | 120,000.00                          | 120,000.00         |
| 14                 | Mr. Phongthep Thilapan <sup>4)</sup>       | 25 February 2013 | 10   | 12   |                      |                      |                      | 3/3                  | 3/3                                 |                      |                      |                      |                                       |                      |                       |                       | -                   | 80,000.00  | 80,000.00                           | -                  | 80,000.00                           | 80,000.00          |
| 15                 | Mr. Somchai Traratarnaporn <sup>4)</sup>   | 25 February 2013 | 10   | 12   |                      |                      |                      | 3/3                  | 3/3                                 |                      |                      |                      |                                       |                      |                       |                       | -                   | 80,000.00  | 80,000.00                           | -                  | 80,000.00                           | 80,000.00          |



| No.   | Name   | Stated Position | Number of Months Served |                | Attending Meetings of the Various Committees |                |                 |                |                                     |                |                 |                |                                       |                |                     |                 | Remuneration for 2013 <sup>1)</sup> |                             | Remuneration for 2014 <sup>1)</sup> |                    |
|---|--|-----------------|-------------------------|----------------|--|----------------|-----------------|----------------|-------------------------------------|----------------|-----------------|----------------|---------------------------------------|----------------|---------------------|-----------------|-------------------------------------|-----------------------------|-------------------------------------|--------------------|
|   |  |                 |                         |                | Board of Directors                           |                | Audit Committee |                | Good Corporate Governance Committee |                | Risk Management |                | Nomination and Remuneration Committee |                | Executive Committee |                 | Board of Directors                  | sub-Committee <sup>2)</sup> | Total Remuneration                  | Board of Directors |
|   |  |                 | 2013                    | 2014           |  |                |                 |                |                                     |                |                 |                |                                       |                |                     |                 |                                     |                             |                                     |                    |
|   |  |                 | 2013                    | 2014           | 2013   | 2014           | 2013            | 2014           | 2013                                | 2014           | 2013            | 2014           | 2013                                  | 2014           | 2013                | 2014            | 2013                                | 2014                        | 2013                                | 2014               |
|   |  |                 |                         | 9 Times (year) | 9 Times (year)                               | 6 Times (year) | 6 Times (year)  | 3 Times (year) | 3 Times (year)                      | 4 Times (year) | 5 Times (year)  | 5 Times (year) | 5 Times (year)                        | 5 Times (year) | 5 Times (year)      | 24 Times (year) | 24 Times (year)                     |                             |                                     |                    |
| Directors who resigned during the year 2557 |  |                 |                         |                |  |                |                 |                |                                     |                |                 |                |                                       |                |                     |                 |                                     |                             |                                     |                    |
| 1   | Mr. Sornbat Sanjane <sup>4)</sup><br>(resigned on 3 July 2014) | 9 November 2012 | 12                      | 6              | 9/9  | 4/4            | 6/6             | 3/4            | 3/3                                 | 2/2            |                 |                |                                       |                |                     | 353,000.00      | 439,500.00                          | 796,500.00                  | 168,279.97                          |                    |
| 2   | Mr. Papangorn Sakulorakam<br>(resigned on 27 December 2014)    | 27 October 2008 | 12                      | 12             |  |                |                 |                |                                     |                | 4/4             | 5/5            |                                       |                | -                   | 128,000.00      | 128,000.00                          | -                           | 150,000.00                          |                    |
|   |  |                 |                         |                |  |                |                 |                |                                     |                |                 |                |                                       |                |                     | 3,814,884.83    | 3,458,000.00                        | 7,272,884.83                | 4,774,589.09                        |                    |
|   |  |                 |                         |                |  |                |                 |                |                                     |                |                 |                |                                       |                |                     |                 |                                     | 3,498,889.04                | 8,273,678.13                        |                    |

<sup>1)</sup> Company will pay annual compensation for one time/year and the annual compensation for 2014 will be paid in the year 2015 and for 2015 will be paid in 2016 year.

<sup>2)</sup> The allowance of meeting attendance and annual compensation for the sub-committees who attended the meetings and served as member of the committees. However, 5 executive directors who are members of Executive Committee had an attention by not receiving the meeting allowance as attendance in the Executives Committee's meetings in the year of 2013 in the total of 812,500.00 baht and also in the total of 605,000.00 baht for 5 executives in the year of 2014.

<sup>3)</sup> As the resolution of the Board of Directors No. 5/2014 date August 9, 2014, Mr. Djitt Laowattana has been appointed as the Board of Director, Audit Committee and Chairman of the Good Corporate Governance Committee.

In selection and appointment of director, chairman of the board or committee, member of committee and executives should be considered by the Nomination and Remuneration Committee before proposing to the Board of Directors for consideration.

<sup>4)</sup> Independent Director/ No Conflict of Interest or taking position of executive in the company.

## (2) Remuneration for Management Executive

In 2013, the Company had 12 executives, 4 were executives and directors and 8 were executives only.

In 2014, the Company had 14 executives, 4 were executives and directors and 10 were executives only. Remuneration payment is as follow;

(Unit : Baht)

| Remuneration<br>to<br>management | Executives and Directors |                   |                   |                   | Executive Only    |                   |                   |                   |
|----------------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2013                     |                   | 2014              |                   | 2013              |                   | 2014              |                   |
|                                  | No. of<br>persons        | Remuneration      | No. of<br>persons | Remuneration      | No. of<br>persons | Remuneration      | No. of<br>persons | Remuneration      |
| Total salary                     | 4                        | 12,780,000        | 4                 | 14,122,000        | 8                 | 10,523,220        | 10                | 14,655,260        |
| Total bonus                      | 4                        | 3,100,000         | 4                 | 3,704,325         | 8                 | 1,365,305         | 10                | 2,913,740         |
| <b>Total</b>                     | <b>4</b>                 | <b>15,880,000</b> | <b>4</b>          | <b>17,826,325</b> | <b>8</b>          | <b>11,888,525</b> | <b>10</b>         | <b>17,569,000</b> |

### 20.4.2 Non-cash remuneration

- None -

## 20.5 Personnel

- Total employees of the Company and subsidiaries as of December 31, 2014
  - Permanent employees 395 persons
  - Temporary employees 91 persons
- Employee remuneration
  - In 2014, cash remuneration of employees of the Company and subsidiaries comprised of salary, bonus and Pension fund money with combined amount of 162,015,412.09 baht

| Unit : Baht        | 2013                  | 2014                  |
|--------------------|-----------------------|-----------------------|
| Salary             | 122,965,896.29        | 132,915,163.12        |
| Bonus              | 18,572,936.00         | 24,223,319.34         |
| Pension fund money | 3,687,574.45          | 4,876,929.63          |
| <b>Total</b>       | <b>145,226,406.74</b> | <b>162,015,412.09</b> |

- As the policy of remuneration for employees, the company has a policy to pay compensation in accordance with the results of operations each year, also consider the performance evaluation capabilities (Competency) of individual employees and performance (KPIs) of each segment to be consistent with the results of operations for both the short and long term.

3. Labor dispute over the past three years

- None -

4. Personnel development policy

The Company has policy to develop staff with aim to support them to grow in the organization and require staff to work happily so they can create productivity which is good to company for sustainable growth.

The Company sets human resources development plan by using competency and KPIs as data to set training course to improve working skill. Followings are training courses provided to various levels of staff;

- Management      Company wants management to clearly understand corporate management, vision, and strategy, so they can set up integrated corporate strategy for company resulting in competitive advantage by providing training courses on planning, strategy and management for top executives.
- Dept. Head        Company wants to create skill on preliminary management and job responsibility so head of department can fulfill corporate strategic plan and use this skill to manage controlee. Training courses involve leadership, teamwork and basic management skill to head of department so they can apply to use with employees.
- Employee         Company wants employees to have knowledge and understand their roles and responsibility so they can improve their performance. Training courses focus on operating skill and working environment like primary work, presentation suggestion and rules and regulations.



The company's policy of continuously development for employees' knowledge and capability is main mission of corporation to stand up for increasing their skill and to be professional in their jobs.

On management structure policy, the Company group has policy to promote on annual basis for capable employees in accordance with career path policy. In addition, the Company group also supports employees to participate in sustainable quality development like expressing opinions to develop work and having skill test.

For directors and top executives, the Company group continuously supports them to participate training courses held by Thai Institute of Directors (IOD) and others to improve understanding of roles, responsibility and skill in management as being company directors and executives that continuously knowledge will be most useful for the company's improving.

## 21. Details of the Board of Directors and Executives

### 21.1 Details of Directors and Executives

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship  | Working Experience during the Past 5 Years |  |   |
|--|---------------|---|---------------------------------------|---|--|--|---|
|  |               |   |                                       |   | Period                                     | Position   | Company   |
| 1. <b>Mr. Gunkul Dhumrongiyawut</b><br>Director with Authority to sign<br>on behalf of the Company<br>Chairman of the Board of<br>Directors<br>(27 <sup>th</sup> October 2008)     | 60            | <ul style="list-style-type: none"><li>- Honorary Master of Engineering Western University in 2010</li><li>- Leader Program 152012</li><li>- Capital Market Academy</li><li>- Director Certification Program (DCP) 111/2008</li><li>- Thai Institute of Director (IOD)</li><li>- Director Accreditation Program (DAP) 70/2008</li><li>- Thai Institute of Director (IOD)</li><li>- Managing Finance for Business Owners by Peter Ho</li><li>- Secrets to Doubling Your Sales, Productivity &amp; Profits Programme</li></ul> | 0.03                                  | <ul style="list-style-type: none"><li>- Husband of Miss Sopachra Dhumrongiyawut</li><li>- and Father of Miss Naruechon Dhumrongiyawut</li></ul> | 2012-Present                               | Chairman of the Board of Directors   | Gunkul Engineering Public Company Limited                         |
|  |               |   |                                       |   | 1982-2012                                  | President  | Gunkul Engineering Public Company Limited                         |
|  |               |   |                                       |   | 1991-Present                               | Director   | Gunkul Group Company Limited                                      |
|  |               |   |                                       |   | 1996-Present                               | Director   | Gunkul Marine Line Company Limited                                |
|  |               |   |                                       |   | 2000-Present                               | Director   | Gunkul Engineering (2000) Company Limited                         |
|  |               |   |                                       |   | 1994-Present                               | Director   | G.M. Supply and Construction Company Limited                      |
|  |               |   |                                       |   | 2009-2013                                  | Director   | Gunkul Powergen Company Limited                                   |
|  |               |   |                                       |   | 1993-2010                                  | Director   | K.N.P Supply Company Limited                                      |
|  |               |   |                                       |   |  |  |   |
|  |               |   |                                       |   |  |  |   |
| 2. <b>Mr. Sathaporn Kotheeranurak</b><br>Independent Directors<br>Chairman of the Audit Committee<br>Member of the Risk Management<br>Committee<br>(27 <sup>th</sup> October 2008) | 58            | <ul style="list-style-type: none"><li>- Master of Business Administration Chulalongkorn University</li><li>- Diploma in Auditing Thammasat University</li><li>- Bachelor in Accounting Rajamangala University of Technology Thanyaburi</li><li>- Certified Public Accountant (CPA) Certificate No. 3349</li><li>- Certified Professional Internal Auditor (CPIA)</li><li>- Degree in WorPor 2005</li><li>- National Defense College</li></ul>   | -                                     | None  | 2012-Present                               | Chairman of the Audit Committee / Independent Directors / Member of Risk Management Committee Audit Committee / Independent Director | Gunkul Engineering Public Company Limited                         |
|  |               |   |                                       |   | 2012-Present                               |  | Kaset Thai International Sugar Corporation Public Company Limited |
|  |               |   |                                       |   | 2009-Present                               | Chairman of the Audit Committee / Independent Directors  | Surapon Foods Public Company Limited                              |
|  |               |   |                                       |   | 2005-Present                               | Audit Committee / Independent Director   | Star Sanitaryware Public Company Limited                          |
|  |               |   |                                       |   | 2008-2012                                  | Audit Committee / Independent Director   | Gunkul Engineering Public Company Limited                         |
|  |               |   |                                       |   | 1995-Present                               | Managing Director  | Sathaporn & Co Company Limited                                    |
|  |               |   |                                       |   | 1993-Present                               | Managing Director  | Sungora Company Limited   |
|  |               |   |                                       |   | 1993-Present                               | Managing Director  | DBMT Company Limited  |
|  |               |   |                                       |   |  |  |   |
|  |               |   |                                       |   |  |  |   |

| Name-Surname<br>Position<br>(Appointed Date) | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Working Experience during the Past 5 Years |  |  |
|--|---------------|--|---------------------------------------|--|--|--|
|  |               |  |                                       | Period                                     | Position   | Company  |
| 2. Mr. Sathaporn Kotheeranurak               |               | <ul style="list-style-type: none"> <li>- Royal Thai Army War College Program 44 Institute of Advanced Military Studies</li> <li>- Diploma in higher PorSorSor 1, PorRorMor 1 and PorRorMor 11 King Prajadhipok's Institute</li> <li>- Diploma in SorJorVor 81 Applied Psychology Institute</li> <li>- Diploma BorRorOr 1 Royal Thai Police</li> <li>- Advanced Audit Committee Program 132013 Thai Institute of Director (IOD)</li> <li>- Director Accreditation Program (DAP) 342005 Thai Institute of Director (IOD)</li> <li>- Diploma in higher BorRorMor 3 National Intelligence Agency</li> <li>- Certificate of Public Law Class 6 Faculty of Law, Thammasart University and Office of the Council of State</li> <li>- Study Mission to Nonmember Countries on Knowledge Creating Enterprises Year 2009, Germany</li> <li>- Top Management Forum : Corporate Governance Year 2003, Japan</li> </ul> |                                       | 1991-Present                               | Managing Director  | S.V. Evergreen Company Limited                                   |
|  |               |  |                                       | 2014-Present                               | Associate Judge  | The Central Intellectual Property and International Trade Center |
|  |               |  |                                       | 2013-Present                               | Chairman of Team, educating for measure of internet anti-corruption  | Office of the National Anti-Corruption Commission                |
|  |               |  |                                       | 2012-Present                               | Member of Sub-committee : Selection the Candidates of NACC Integrity Awards Consideration  | Office of the National Anti-Corruption Commission                |
|  |               |  |                                       | 2011-Present                               | Member of Social Anti-Corruption Committee   | Office of the National Anti-Corruption Commission                |
|  |               |  |                                       | 2003-Present                               | Advisor of Business Administration Committee Member of Sub-Committee, Support of State Enterprises and Intellectual Management in University Business Incubators | Rajamangala University of Technology Thanyaburi                  |
|  |               |  |                                       | 2010-Present                               |  | Office of the Higher Education Commission : OHEC                 |
|  |               |  |                                       | 2005-2011                                  | Treasurer  | The Thailand Chamber of Commerce and Board of trade of Thailand  |
|  |               |  |                                       | 2005-2011                                  | Chairman of accountance and financial  | The Thailand Chamber of Commerce and Board of trade of Thailand  |
|  |               |  |                                       | 2002-2006                                  | Advisor of Audit committee   | The Federation of Thai Industries                                |
|  |               |  |                                       | 2000-2002                                  | Vice President, Tax Business Land and Investment Committee   | The Federation of Thai Industries                                |
|  |               |  |                                       |  |  |  |

| Name-Surname<br>Position<br>(Appointed Date)  | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Working Experience during the Past 5 Years |   |   |
|---|---------------|---|---------------------------------------|--|---|---|
|   |               |   |                                       | Period                                     | Position  | Company   |
| 3. Pol.Maj.Gen. Visit Sukrasap<br>Independent Directors<br>Member of the Audit Committee<br>Chairman of the Nomination and<br>Remuneration Committee<br>(16 <sup>th</sup> March 2009) | 59            | - Bachelor Degree in Public Administration<br>Royal Police Cadet Academy<br>- Management Course for Higher Rank<br>Police 28<br>- Course for Superintendent 31<br>- Director Accreditation Program (DAP)<br>782009 Thai Institute of Director (IOD) | -                                     | 2012-Present                               | Chairman of the Nomination and Remuneration<br>Committee  | Gunkul Engineering Public Company Limited   |
|   |               |   |                                       | 2009-Present<br>2014-Present               | Member of the Audit Committee/Independent Director<br>Commander   | Gunkul Engineering Public Company Limited<br>Chumporn Provincial Police Station,  |
|   |               |   |                                       |  |   | Ranong Province   |
|   |               |   |                                       | 2013-2014                                  | Commander   | Ranong Provincial Police Station,   |
|   |               |   |                                       |  |   | Ranong Province   |
|   |               |   |                                       | 2013-2013                                  | Commander   | Administrative and Civil Affair Division,   |
|   |               |   |                                       |  |   | Royal Thai Police   |
|   |               |   |                                       | 2006-2012                                  | Deputy Commander  | Administrative and Civil Affair Division,   |
|   |               |   |                                       |  |   | Royal Thai Police   |
|   |               |   |                                       | 2005-2006                                  | Superintendent  | Administrative and Civil Affair Division,   |
|   |               |   |                                       |  |   | Royal Thai Police   |
|   |               |   |                                       | 2000-2005<br>1998-2000<br>1997-1998        | Superintendent (Disciplinary Development)<br>Deputy Superintendent (Penalty Solicitor)<br>Deputy Superintendent | Disciplinary Division, Royal Thai Police<br>Disciplinary Division, Royal Thai Police<br>Nongyasai District Provincial Police Station, |
|   |               |   |                                       | 1992-1994                                  | Chief of Police   | Supaburi Province<br>Nongyasai District Provincial Police Station,<br>Supaburi Province   |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |   |
|--|---------------|---|---------------------------------------|--------------|--|---|---|
|  |               |   |                                       |              | Period                                     | Position  | Company   |
| 4. Dr. Djitt Leowattana<br><br>Independent Directors<br>Member of the Audit Committee<br>Chairman of the Good Corporate<br>Governance Committee<br>(9 <sup>th</sup> August 2014) | 53            | <ul style="list-style-type: none"> <li>- Bachelor of Engineering (Hons)</li> <li>King Mongkut's University of Technology<br/>Thonburi</li> <li>- precision Mechanics Kyoto University Japan</li> <li>- Ph.D., Carnegie Mellon University, USA.</li> <li>(With two US patents: (1) Curve Controlling<br/>Apparatus for Endoscopic<br/>Conduits (2) A Mechanism for Assembly of<br/>Non-Axisymmetric Rigid Parts)</li> <li>- Certificate in Management of Technology<br/>and Innovation Massachusetts Institute of<br/>Technology (MIT), USA.</li> <li>- Finance for Non-Finance Director</li> <li>Thai Institute of Director (IOD)</li> <li>- Understanding the Fundamental of Finance<br/>Statement Thai Institute of Director (IOD)</li> <li>- Director Certification Program (DCP) 93/2007</li> <li>Thai Institute of Director (IOD)</li> <li>- Roles of Chairman Program, 19/2008</li> <li>Thai Institute of Director (IOD)</li> <li>- Audit Committee Program, 29/2009</li> <li>Thai Institute of Director (IOD)</li> </ul> | -                                     | None         | 2014-Present                               | Chairman of Good Corporate Governance Committee   | Gunkul Engineering Public Company Limited                 |
|  |               |   |                                       |              | 2014-Present                               | Member of the Audit Committee/Independent<br>Director                                   | Gunkul Engineering Public Company Limited                 |
|  |               |   |                                       |              | 2012-Present                               | Technology consultant   | Slam Commercial Bank                                      |
|  |               |   |                                       |              | 2010-Present                               | Director  | Thai Engineering Company Limited                          |
|  |               |   |                                       |              | 2005-Present                               | Confucius scholars the "brainchild".  | Thai TV3  |
|  |               |   |                                       |              | 2004-Present                               | Consultant  | Robotics Society Thailand                                 |
|  |               |   |                                       |              | 2002-Present                               | Chairman of the Technical Committee   | ABU RoboCon (Thailand)                                    |
|  |               |   |                                       |              | 2010-2011                                  | Director and Audit Committee  | TOT PUBLIC COMPANY LIMITED                                |
|  |               |   |                                       |              | 2009-2011                                  | Director, Risk Management Director And Executive<br>Director of Information Technology. | Government Saving Bank                                    |
|  |               |   |                                       |              | 2008-2009                                  | Assistant Director  | National Electronics and Computer Technology<br>Center    |
|  |               |   |                                       |              | 2008-2011                                  | Director of the hard disk drive.  | National Science and Technology Development<br>Agency     |
|  |               |   |                                       |              | 2008-2011                                  | Directors and Audit Committee   | KTB Computer Services Company Limited                     |
|  |               |   |                                       |              | 2007-2008                                  | Director / Chairman of the Finance Committee  | TOT PUBLIC COMPANY LIMITED                                |
|  |               |   |                                       |              | 2007-2008                                  | Director  | ADC Company Limited                                       |
|  |               |   |                                       |              | 2007-2008                                  | Consultant  | Minister of Information and Communications<br>Technology. |
|  |               |   |                                       |              | 2006-2007                                  | Director  | Thai National Grid Center                                 |
|  |               |   |                                       |              | 2006-2012                                  | Director of Engineering and Research Industry   | National Research Council of Thailand (NRCT)              |



| Name-Surname<br>Position<br>(Appointed Date) | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Working Experience during the Past 5 Years |           |  |
|--|---------------|--|---------------------------------------|--|-----------|--|
|  |               |  |                                       | Relationship                               | Period    | Position<br><br>Company                        |
| 4. Dr. Ditt Laowatana<br>(Continued)         |               | <ul style="list-style-type: none"> <li>- Monitoring the System of Internal and Risk Management, MIR 7/2009</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring Fraud Risk Management, MFM 1/2009</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring Financial Reporting, MFR 9/2009</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring Internal Audit Function, MIA 7/2009</li> <li>- Thai Institute of Director (IOD)</li> <li>- Regulatory skills for directors and senior management of enterprises and public organizations, 3/2010. Public Director Institute</li> <li>- Financial Institutions Governance Program, FGP 3/2011</li> <li>- Thai Institute of Director (IOD)</li> <li>- Leader Program 15/2012</li> <li>- Capital Market Academy</li> </ul> |                                       |  | 2006-2007 | Director<br><br>Bangkok Crstal Company Limited |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |  |
|--|---------------|--|---------------------------------------|--------------|--|---|--|
|  |               |  |                                       |              | Period                                     | Position  | Company  |
| 5. <b>AVM.Dr.Pan Totrong</b><br>Chairman of the Risk<br>Management Committee<br>(9 <sup>th</sup> November 2012)                | 60            | <ul style="list-style-type: none"> <li>- Ph.D.in Electrical Engineering<br/>University of Pittsburgh, USA.<br/>(Supreme Command HQ Scholarship)</li> <li>- M.S. in Electrical Engineering,<br/>Ohio University, USA.<br/>(Supreme Command HQ Scholarship)</li> <li>- B.Sc. (Honours) in Physics<br/>Mahidol University (Ministry of Defence<br/>Scholarship)</li> <li>- Air War College, Royal Thai Air Force,<br/>Class No. 31</li> <li>- National Defence College, Class No. 48</li> <li>- Director Certification Program (DCP 120/2009)<br/>Thailand Institute of Director (IOD)</li> <li>- Advanced Defence Management, Class No. 1<br/>Association of National Defence College</li> </ul> | -                                     | None         | 2013-Present                               | Chairman of The Risk Management Committee                                       | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |              | 2012-2013<br>2012-2013                     | Member of The Risk Management Committee<br>Advisor (Quality System Development) | Gunkul Engineering Public Company Limited<br>Food and Drug Quality Control Center,<br>Ministry of Public Health, Lao PDR |
| 6. <b>Mr. Charan Lerthierapoj</b><br>Member of the Nomination<br>and Remuneration Committee<br>(9 <sup>th</sup> November 2012) | 54            | <ul style="list-style-type: none"> <li>- Master of Science (Major HRQD)<br/>National Institute of Development<br/>Administration, 2004</li> <li>- Bachelor of Arts. (General Management),<br/>Rajamangala University of Technology<br/>Thonburi, 1990</li> <li>- Safety officer course in the professional level<br/>Safety Institute</li> <li>- The game to the course.<br/>HR Center Company Limited</li> </ul>  | -                                     | None         | 2012-Present                               | Member of the Nomination and Remuneration<br>Committee                          | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |              | 1996-2013<br>1994-1997                     | Vice President<br>The Lecturer.   | Italtai Industry Co.,Ltd.<br>Quality and Safety Co.,Ltd.   |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |  |
|--|---------------|--|---------------------------------------|--------------|--|---|--|
|  |               |  |                                       |              | Period                                     | Position  | Company  |
| 7. Mr. Decha Choolgom<br>Member of the Nomination and<br>Remuneration Committee<br>(9 <sup>th</sup> November 2012)         | 52            | <ul style="list-style-type: none"><li>- MBA Marketing and Finance<br/>Case Western Reserve University,<br/>USA Year 1988</li><li>- BA Economics, Thammasat University</li><li>- Director Certification Program (DCP) 26/2003</li><li>- Thai Institute of Director (IOD)</li><li>- Secrets to Doubling Your Sales, Productivity<br/>&amp; Profits</li><li>- Key to Success in Organization Redesign</li><li>- Effective Managers Program</li><li>- Project Finance</li></ul>  | -                                     | None         | 2012-Present                               | Member of the Nomination and Remuneration<br>Committee  | Gunkul Engineering Public Company Limited                              |
|  |               |  |                                       |              | 2005-Present                               | Managing Director   | Integrated Management Consultant Co., Ltd.                             |
|  |               |  |                                       |              | 2003-2005                                  | Assistant Managing Director   | Thai Rung Union Car Public Company Limited                             |
|  |               |  |                                       |              | 2001-2003                                  | Deputy Managing Director  | Advance Power Supply Public Company<br>Limited                         |
|  |               |  |                                       |              |  |   |  |
| 8. Mr. Somchai Trairatanapirom<br>Member of the Good Corporate<br>Governance Committee<br>(25 <sup>th</sup> February 2013) | 54            | <ul style="list-style-type: none"><li>- Doctor's Degree, Faculty of Monetary<br/>Gobe University, Japan (Governing<br/>Japanese Scholarship)</li><li>- Master Degree, Faculty of Economics<br/>(International Finance and Banking)<br/>Thammasat University</li><li>- Bachelor Degree, Faculty of Economics<br/>(International Finance, Banking and Marketing)<br/>Thammasat University</li><li>- Advanced Certificate Course in Public<br/>Administration and Public Law(PorPorMor 4)</li><li>- Certificate of the Program on Management<br/>of Technology</li><li>- The Association for Overseas Technical<br/>Scholarship (Scholarship AOTS), Japan</li></ul> | -                                     | None         | 2013-Present                               | Member of the Good Corporate Governance<br>Committee  | Gunkul Engineering Public Company Limited                              |
|  |               |  |                                       |              |  | Deputy Managing Director  | Institute of Research and Development for<br>Public Enterprises (IRDP) |
|  |               |  |                                       |              | 1998-Present                               | CEO-Leadership Succession Program(LSP)<br>Team Leader/Specialist/Advisor, Performance<br>Appraisal of State Enterprises | State Enterprise Policy Office, Ministry to<br>Finance                 |
|  |               |  |                                       |              | 2012-Present                               | Member of Sub-Committee, Appraisal of Good<br>Corporate Governance  | Thai Health Promotion Foundation                                       |
|  |               |  |                                       |              | 2009-2012                                  | Advisor, Project of Certificate Issuing and Annual<br>Performance Appraisal for Governor                                | Office of The Attorney General   |
|  |               |  |                                       |              | 2012-2013                                  | Advisor, Performance Controlling along with<br>Appraisal System in quality of State Enterprises                         | State Enterprise Policy Office, Ministry of<br>Finance                 |
|  |               |  |                                       |              | 2008-2012                                  | Deputy Managing Director  | Tris Coporation Company Limited (TRIS)                                 |
|  |               |  |                                       |              | 2011-2012                                  | Advisor, Follow-up and Project Appraisal -<br>Development Policy Loan 2012, Area 4 North-East<br>of Thailand            | Public Debt Management Office, Ministry of<br>Finance                  |

| Name-Surname<br>Position<br>(Appointed Date) | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |  |  |
|--|---------------|---|---------------------------------------|--------------|--|--|--|
|  |               |   |                                       |              | Period                                     | Position   | Company  |
| 8. Mr Somchai Trairataniptom<br>(Continued)  |               | - Director Certification Program (DCP 118/2552)<br>Thai Institute of Director (IOD)<br>- Certificate Course of Corporate Governance<br>Public Sufficiency Management for Executive,<br>Advanced Course No. 1, the Office of the<br>Public Sector Development Commission |                                       |              | 2011-2012                                  | Advisor, Competency Development in KPI and Appraisal Determination   | International Institute for Trade and Development (Public Organization)                                |
|  |               |   |                                       |              | 2011-2012                                  | Advisory, Risk Management and Internal Audit   | National Innovation Agency (Public Organization) NIA,  |
|  |               |   |                                       |              | 2010-2011                                  | Advisory, Cost Analysis and NGV Price Determination  | Petroleum Institute of Thailand (PTIP) Energy  |
|  |               |   |                                       |              | 2010-2012                                  | Advisory, Follow-up and Performance Appraisal of GISTDA  | Policy and Planning office, Ministry of Energy Informatics and Space Technology                        |
|  |               |   |                                       |              | 2010-2011                                  | Team Leader, Performance Appraisal of The Nation Telecommunications Commission, 2012 - 2011                                      | Development Agency (Public Organization) - GISTDA)   |
|  |               |   |                                       |              | 2009                                       | Competency Appraisal of Personnel of Individual Development, Agricultural Research, Development Agency (ARDA)                    | Office of The National Broadcasting and Telecommunications Commission (NBTC) Ministry of Public Health |
|  |               |   |                                       |              | 2008-2012                                  | Advisory, Performance Appraisal in Working Capital Budget  | The Comptroller General's Department (CGD), Ministry of Finance  |
|  |               |   |                                       |              | 2008-2012                                  | Advisory, Performance Appraisal of Ministry of Energy  | Ministry of Energy   |
|  |               |   |                                       |              | 2007-2012                                  | Advisory, SET Award Project  | The Stock Exchange of Thailand   |
|  |               |   |                                       |              | 2007-2011                                  | Member of Sub-Committee, Agreement Negotiation and Performance Appraisal to Certificate Issuing of Annual Government Performance | Office of the National Anti-Corruption Commission  |
|  |               |   |                                       |              | 2007-2011                                  | Advisory, Efficiency and Effectiveness Development of Government Performance   | Office of the National Anti-Corruption Commission  |
|  |               |   |                                       |              | 2007-2011                                  | Advisory, Capacity Building Seminar Arrangement  | Office of the National Anti-Corruption Commission  |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |   |
|--|---------------|--|---------------------------------------|--------------|--|---|---|
|  |               |  |                                       |              | Period                                     | Position  | Company   |
| 8. Mr. Somchai Trairataniptom<br>(Continued)   |               |  |                                       |              | 1999-2008                                  | Senior Assistant Managing Director  | Thai Rating and Information Services Company Limited (TRIS)               |
|  |               |  |                                       |              | 2003-2012                                  | Team Leader, Advisory in Certificate Issuing for Government Performance   | Office of Public Sector Development Commission (OPDC)                     |
|  |               |  |                                       |              | 2000-2012                                  | Team Leader, Performance Appraisal  | The Institute for the Promotion of Teaching Science and Technology (IPST) |
|  |               |  |                                       |              | 2010-2012                                  | Advisory, Risk Management and Internal Audit                              | The Institute for the Promotion of Teaching Science and Technology (IPST) |
|  |               |  |                                       |              | 2000-2005                                  | Corporate Governance Rating   | The Securities and Exchange Commission and Stock Exchange of Thailand     |
| 9. Mr. Phongthep Thitapan<br>Member of the Good Corporate Governance Committee<br>(25 <sup>th</sup> February 2013) | 56            | <ul style="list-style-type: none"> <li>- Master of Public Administration</li> <li>National Institute of Development Administration (NIDA)</li> <li>- Bachelor of Laws Program</li> <li>Ramkhamhaeng University</li> <li>- Degree in WorPonr 54/2011,</li> <li>National Defense College</li> <li>- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives No.6, King Prajadhipok's Institute, 2008</li> <li>- Advanced Certificate Course in Public Administration and Public Law for Executives No.8, King Prajadhipok's Institute, 2009</li> </ul> | -                                     | None         | 2013-Present                               | Member of Good Corporate Governance Committee                             | Gurukul Engineering Public Company Limited                                |
|  |               |  |                                       |              | 2010-Present                               | Director  | Total Industrial Services Co.,Ltd.  |
|  |               |  |                                       |              | 2010-Present                               | Director  | PTT LNG Company Limited   |
|  |               |  |                                       |              | 2008-Present                               | Director of Inspection and Performance                                    | Ministry of Finance   |
|  |               |  |                                       |              | 2014-Present                               | Chief of Staff  | Ministry of Finance   |
|  |               |  |                                       |              | 2551-2557                                  | Specialist, Special Business of Financial System (Level 9)                | Ministry of Finance   |
|  |               |  |                                       |              | 2004-Present                               | Committee and Secretary   | Center of Problem Solving for Public Debt, Ministry of Finance            |
|  |               |  |                                       |              | 2007-2008                                  | Director, Office of Development of Community along as Sufficiency Economy | The Secretariat of the Cabinet  |
|  |               |  |                                       |              | 2003-2008                                  | Director, Performance Appraisal   | Office of the Permanent Secretary   |

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| Name-Surname<br>Position<br>(Appointed Date)  | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |  |
|---|---------------|---|---------------------------------------|--------------|--|---|--|
|   |               |   |                                       |              | Period                                     | Position                                      | Company  |
| 10. Miss Sopacha Dhumrongpiyawut<br>(Continued)   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 6 Company Limited  |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 8 Company Limited  |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 9 Company Limited  |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 10 Company Limited |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 16 Company Limited |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | WHA Gunkul Green Solar Roof 17 Company Limited |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | G-Power Source Company Limited                 |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | G.K.Assembly Company Limited                   |
|   |               |   |                                       |              | 2002-Present                               | Director                                      | Gunkul Trading and Agency Company Limited      |
|   |               |   |                                       |              | 2000-Present                               | Director                                      | G.K.Power Product Company Limited              |
| 11. Mr. Somboon Aueatchasai<br>Director with Authority to sign<br>on behalf of the Company<br>Director/Executive Director<br>Managing Director<br>( <sup>7<sup>th</sup></sup> May 2010) | 44            | - Master in Managerial Accounting<br>Thammasat University<br>- Diploma in Auditing<br>Thammasat University<br>- Bachelor in Accounting<br>Rajamangala University of Technology<br>Phra Nakhon<br>- Capital Market Leader Program, 1/2014<br>The Securities and Exchange Commission<br>- Advanced Certificate Course in Politics and<br>Governance in Democratic Systems<br>for Executives No.17, King Prajadhipok's<br>Institute, 2013<br>- Director Certification Program (DCP) 139/2011<br>Thai Institute of Director (IOD) |                                       | None         | 2009-2012                                  | Director                                      | Gunkul Chubu Powergen Company Limited          |
|   |               |   |                                       |              | 2000-2010                                  | Director                                      | K.N.P. Supply Company Limited                  |
|   |               |   |                                       |              | 2012-Present                               | Managing Director                             | Gunkul Engineering Public Company Limited      |
|   |               |   |                                       |              | 2010-Present                               | Director                                      | Gunkul Engineering Public Company Limited      |
|   |               |   |                                       |              | 2010-2012                                  | Deputy Managing Director                      | Gunkul Engineering Public Company Limited      |
|   |               |   |                                       |              | 2007-2010                                  | Assistant Managing Director, Business Support | Gunkul Engineering Public Company Limited      |
|   |               |   |                                       |              | 2014-Present                               | Director                                      | Gunkul Solar Community Company Limited         |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | NK Power Sola Company Limited                  |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Siam Wind Energy Company Limited               |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Gunkul Solar Roof 1 Company Limited            |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Gunkul Solar Roof 2 Company Limited            |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Gunkul Power Development Company Limited       |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Gunkul Tech Company Limited                    |
|   |               |   |                                       |              | 2014-Present                               | Director                                      | Wind Energy Development Company Limited        |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | G-Power Source Company Limited                 |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Gunkul Chubu Powergen Company Limited          |
|   |               |   |                                       |              | 2013-Present                               | Director                                      | Seangunitrai LPG Company Limited               |
|   |               |   |                                       |              | 2008-Present                               | Director                                      |  |
|   |               |   |                                       |              |  |   |  |
|   |               |   |                                       |              |  |   |  |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |  |  |
|--|---------------|---|---------------------------------------|--------------|--|--|--|
|  |               |   |                                       |              | Period                                     | Position   | Company  |
| 11. Mr. Somborn Aueathasai<br>(Continued)  |               | <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) 84/2010 Thai Institute of Director (IOD)</li> <li>- Certificate Program in International Tax Law, Class 1 Thai Bar Association</li> <li>- Diploma in certified internal auditor, class 1 Chulalongkorn University and The institute of internal auditors of Thailand</li> </ul>   |                                       |              | 2005-2007                                  | Financial Consultant   | Integrated Management Consultant Company Limited |
|  |               |   |                                       |              | 2004-2005                                  | Assistant General Manager of Office of Executive                       | Thai Rung Union Car Public Company Limited       |
| 12. Mr. Phongsakorn Damoen<br>Assistant Managing Director,<br>Business Development &<br>Strategic Planning | 37            | <ul style="list-style-type: none"> <li>- M.Sc. (Electrical Engineering) Hannover University, Germany</li> <li>- B. Eng. (Telecommunication) Rajamangala University of Technology</li> <li>- Director Certification Program (DCP) 149/2011 Thai Institute of Director (IOD)</li> <li>- FTTx Technology course Korea</li> <li>- RF &amp; Optical Repeater for Mobile Network course Korea</li> <li>- Optical Fiber Cable Quality Control course People Republic of China</li> <li>- Optical Fiber Cable Specification course People Republic of China</li> <li>- Wind Turbine Technology course People Republic of China</li> <li>- PV Conference Japan</li> <li>- Biomass Conference USA.</li> </ul> | -                                     | None         | 2014-Present                               | Assistant Managing Director, Business Development & Strategic Planning | Gunkul Engineering Public Company Limited        |
|  |               |   |                                       |              | 2010-2014                                  | Senior Vice President, Business Development and Special Project        | Gunkul Engineering Public Company Limited        |
|  |               |   |                                       |              | 2014-Present                               | Director   | Greenovation Power Company Limited               |
|  |               |   |                                       |              | 2013-Present                               | Director   | NK Power Sola Company Limited                    |
|  |               |   |                                       |              | 2013-Present                               | Director   | Sam Gunkul Solar Energy Company Limited          |
|  |               |   |                                       |              | 2012-Present                               | Director   | Wind Energy Development Company Limited          |
|  |               |   |                                       |              | 2009-Present                               | Director   | Gunkul Powergen Company Limited                  |
|  |               |   |                                       |              | 2010-2012                                  | Director   | G-Power Source Company Limited                   |
|  |               |   |                                       |              | 2009-2010                                  | Manager, Business Development and Special Project                      | Gunkul Engineering Public Company Limited        |
|  |               |   |                                       |              | 2007-2009                                  | Supervisor, Business Development and Special Project                   | Gunkul Engineering Public Company Limited        |
|  |               |   |                                       |              | 2005-2007                                  | Solution Manager   | Jun (Thailand) Company Limited                   |



| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Relationship                                  | Working Experience during the Past 5 Years |  |  |
|--|---------------|--|---------------------------------------|---|--|--|--|
|  |               |  |                                       |   | Period                                     | Position   | Company                                    |
| 13. Miss Naruechon<br>Dhumrongpiyawut<br>Director with Authority to sign<br>on behalf of the Company<br>Director/Executive Director<br>Senior Vice President,<br>Strategic Planning<br>and Investment<br>(27 <sup>th</sup> October 2008) | 31            | <ul style="list-style-type: none"> <li>- Master of Business Administration<br/>Boston University USA.</li> <li>- Master of Management<br/>Harvard University USA.</li> <li>- Bachelor of Engineering<br/>Chulalongkorn University</li> <li>Director Accreditation Program (DAP) 702008</li> <li>Thai Institute of Director (IOD)</li> <li>- Financial Advisor Licence,<br/>Investment Banking Club Association of<br/>Thai Securities Company</li> </ul> | 0.01                                  | Daughter of<br>Mr.Gunkul<br>Dhumrongpiyawut   | 2014-Present                               | Senior Vice President, Strategic Planning & Investment | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2012-2014                                  | Vice President, Strategic Planning & Investment        | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2008-Present                               | Director   | Gunkul LED Lighting Company Limited        |
|  |               |  |                                       |   | 2014-Present                               | Director/Managing Director                             | Greenovation Power Company Limited         |
|  |               |  |                                       |   | 2014-Present                               | Director   | Gunkul Solar Community Company Limited     |
|  |               |  |                                       |   | 2014-Present                               | Director   | Gunkul International (Mauritius)           |
|  |               |  |                                       |   | 2013-Present                               | Director   | Gunkul Investment (Singapore) Pte.Ltd.     |
|  |               |  |                                       |   | 2013-Present                               | Director   | Gunkul Myanmar Power (Hawga) Pte.Ltd.      |
|  |               |  |                                       |   | 2014-Present                               | Director   | Gunkul Myanmar Central Power 1 Pte.,Ltd.   |
|  |               |  |                                       |   | 2014-Present                               | Director   | Gunkul Okura Mega Solar Godo Kaisha        |
|  |               |  |                                       |   | 2012-Present                               | Director   | Wind Energy Development Company Limited    |
|  |               |  |                                       |   | 2004-Present                               | Director   | Noppakun Company Limited                   |
|  |               |  |                                       |   | 2011-2012                                  | Assistant Vice President                               | Finansa Securities Company Limited         |
| 14. Mr. Chabompon Sritharoen<br>Director with Authority to sign<br>on behalf of the Company<br>Director/Executive Director<br>(27 <sup>th</sup> October 2008)  | 45            | <ul style="list-style-type: none"> <li>- Bachelor of Arts<br/>Ramkhamhaeng University</li> <li>- Director Accreditation Program (DAP)<br/>702008 Thai Institute of Director (IOD)</li> <li>- Effective Senior Manager course</li> <li>- Managing Finance for Business Owners<br/>by Peter Ho</li> <li>- Secrets to Doubling Your Sales,<br/>Productivity &amp; Profits</li> </ul>  | -                                     | Brother of<br>Miss Sopacha<br>Dhumrongpiyawut | 2010-2011                                  | Senior Associate                                       | Kasikorn Securities Public Company Limited |
|  |               |  |                                       |   | 2008-Present                               | Director   | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2010-Present                               | Director   | K.N.P. Supply Company Limited              |
|  |               |  |                                       |   | 2007-Present                               | Private Sales Manager                                  | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2006-2007                                  | Manager of Office of Managing Director Department      | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2003-2005                                  | Manager of Business Development                        | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   | 2001-2003                                  | Assistant General Manager of Private Sales             | Gunkul Engineering Public Company Limited  |
|  |               |  |                                       |   |  |  |  |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |   |
|--|---------------|---|---------------------------------------|--------------|--|---|---|
|  |               |   |                                       |              | Period                                     | Position                                  | Company                                   |
| 15. <b>Mrs. Areewan Roonpraphan</b><br>Director with Authority to sign<br>on behalf of the Company<br>Director/Executive Director<br>Senior Vice President, Factory<br>(27 <sup>th</sup> October 2008) | 45            | <ul style="list-style-type: none"> <li>- Bachelor's degree in Accounting</li> <li>- Dhurakij Bunrit University</li> <li>- Director Accreditation Program (DAP) 702008</li> <li>- Thai Institute of Director (IOD)</li> <li>- Effective Senior Manager course</li> </ul>   | -                                     | None         | 2008-Present                               | Director                                  | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2010-Present                               | Senior Vice President, Factory            | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2009-Present                               | Director                                  | G.K. Assembly Company Limited             |
|  |               |   |                                       |              | 2009-Present                               | Director                                  | G.K. Power Product Company Limited        |
|  |               |   |                                       |              | 2008-2010                                  | Assistant General Manager, Logistics      | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2007-2008                                  | Assistant General Manager, Factory        | G.K. Power Product Company Limited        |
|  |               |   |                                       |              | 2003-2007                                  | Accounting Manager                        | G.K. Power Product Company Limited        |
| 16. <b>Mr. Worathep Luangirapornchai</b><br>Secretary of the Audit Committee<br>Senior Vice President Internal<br>Audit  | 59            | <ul style="list-style-type: none"> <li>- Bachelor's degree in Accounting</li> <li>- Ramkhamhaeng University</li> <li>- Audit Committee Program (ACP) 24/2008</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring of the Quality of Financial Reporting (MFR) 7/2009</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring of the Internal Audit Function (MIA) 4/2008</li> <li>- Thai Institute of Director (IOD)</li> <li>- Monitoring of the System of Internal Control and Risk Management</li> <li>- Risk Management 52009, Thai Institute of Director (IOD)</li> </ul> | -                                     | None         | 1997-2003                                  | Accounting Supervisor                     | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2010-Present                               | Senior Vice President, Internal Audit     | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2008-2010                                  | Assistant General Manager, Internal Audit | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2003-2008                                  | Manager, Internal Audit                   | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 1997-2002                                  | Accounting Manager                        | Gunkul Engineering Public Company Limited |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years |   |   |
|--|---------------|---|---------------------------------------|--------------|--|---|---|
|  |               |   |                                       |              | Period                                     | Position  | Company                                   |
| 17. Mrs. Somluk Kanuengphet<br>Member of the Nomination and<br>Remuneration Committee<br>and Secretary<br>Senior Vice President<br>Executive Office<br>(27 <sup>th</sup> October 2008) | 43            | <ul style="list-style-type: none"> <li>- Bachelor of Arts<br/>Srinakharinwirot University</li> <li>- Effective Senior Manager course</li> <li>- Performance Appraisal by Balance Scored<br/>Card course</li> <li>- Career Planning &amp; Development &amp; Succession<br/>Planning course</li> <li>- Salary Administration for Line Manager course</li> <li>- Effective Techniques for Job Analysis &amp;<br/>Job Description course</li> <li>- Effective Techniques for Job Evaluation &amp;<br/>Salary Survey course</li> </ul>                             | -                                     | None         | 2010-Present                               | Senior Vice President, Executive Office                       | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2010-Present                               | Director  | G.K. Assembly Company Limited             |
|  |               |   |                                       |              | 2010-Present                               | Director  | G.K. Power Product Company Limited        |
|  |               |   |                                       |              | 2008-Present                               | Member of Nomination and Remuneration Committee               | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2006-2010                                  | General Manager, Executive Office                             | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2003-2008                                  | Manager, Human Resources Department                           | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 1993-2002                                  | Manager, Human Resources Department                           | Packlink (Thailand) Co.,Ltd.              |
|  |               |   |                                       |              |  |   |   |
| 18. Mr. Thamrong Chankraithong<br>Senior Vice President<br>Sales & Marketing   | 43            | <ul style="list-style-type: none"> <li>- M.Sc. (Information Technology)<br/>King Mongkut's Institute of Technology<br/>Ladkrabang</li> <li>- B.Sc. (Applied Physics)<br/>King Mongkut's Institute of Technology<br/>Ladkrabang</li> <li>- Director Certification Program (DCP) 149/2011,<br/>Thai Institute of Director (IOD)</li> <li>- Secrets to Doubling Your Sales, Productivity<br/>&amp; Profits course</li> <li>- Substation &amp; Transmission Line &amp;<br/>Building Base Concept course</li> <li>- Stringing Equipments by TEMA, Italy</li> </ul> | -                                     | None         | 2010-Present                               | Senior Vice President, Sales and Marketing                    | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 2011-Present                               | Director/Senior Vice President, Sales and Marketing           | K.N.P. Supply Company Limited             |
|  |               |   |                                       |              | 2008-2010                                  | Assistant General Manager,<br>Public Sector and International | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 1997-2007                                  | Manager, Public Sector  | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              | 1995-1997                                  | Assistant Manager, Public Sector                              | Gunkul Engineering Public Company Limited |
|  |               |   |                                       |              |  |   |   |

| Name-Surname<br>Position<br>(Appointed Date)                       | Age<br>(Year) | Educational Qualifications  | Share<br>Holding<br>Percentage<br>(%) | Working Experience during the Past 5 Years |   |   |
|--|---------------|---|---------------------------------------|--|---|---|
|  |               |   |                                       | Relationship                               | Period  | Position<br>Company   |
| 18. Mr. Thamrong Chaikraithong<br>(Continued)                      |               | <ul style="list-style-type: none"> <li>- Meter Training Program by General Electric Co., USA</li> <li>- Meter Testing Equipments by ZERA Electric, Germany</li> <li>- Energy Conservation for Factory</li> <li>- Business Opportunities in Marketing Energy Efficiency</li> </ul>   |                                       |  |   |   |
| 19. Mr. Thitpong<br>Techaratanayuenyong<br>Chief Executive Officer | 40            | <ul style="list-style-type: none"> <li>- Master of Business Administration (MBA)</li> <li>- Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- Bachelor of Economics (Major in International Economics)</li> <li>- Chulalongkorn University</li> <li>- Bachelor of Engineering (Major in Civil &amp; Environmental Engineering)</li> <li>- Chulalongkorn University</li> <li>- Business Leader Program by Dr. Noel M. Tichy</li> <li>- Engaging Your People &amp; Develop Coaching skills</li> <li>- Global Business Leader Development</li> <li>- Decode Brain Power</li> <li>- CPF Good &amp; Smart Team Management</li> <li>- Building Relationships and Team Leading</li> </ul> | -                                     | None                                       | 2014-Present<br>2008-2013<br><br>2002-2008<br>1999-2002 | Chief Executive Officer<br>Assistant Vice President<br><br>Finance Department Manager<br>Corporate Dealer<br><br>Gunkul Engineering Public Company Limited<br>Charoen Pokphand Foods Public Company Limited<br>Intouch PLC.<br>Kasikorn Bank Public Company Limited |

| Name-Surname<br>Position<br>(Appointed Date)   | Age<br>(Year) | Educational Qualifications   | Share<br>Holding<br>Percentage<br>(%) | Relationship | Working Experience during the Past 5 Years                                    |   |  |
|--|---------------|--|---------------------------------------|--------------|---|---|--|
|  |               |  |                                       |              | Period  | Position  | Company  |
| 20. Mr. Phuds Triwilaskul<br>Vice President<br>Logistics   | 42            | <ul style="list-style-type: none"> <li>- Bachelor's degree in Accounting<br/>Dhurakij Bunarit University</li> <li>- SAP User Interface Team of Siam Cement Group (Module : MM)</li> <li>- Essential Knowledge for Purchasing Professionals</li> <li>- Oversea Purchasing Techniques</li> <li>- Purchasing Knowledge for Cost Saving</li> <li>- Self Certification Scheme</li> <li>- Supply Chain &amp; Logistics Management</li> </ul> | -                                     | None         | 2011-Present<br>2007-2010<br>2005-2007<br>1993-2005                           | Vice President, Logistics<br>Manager, Purchasing<br>Manager, Sourcing Department<br>Purchasing Supervisor   | Gunkul Engineering Public Company Limited<br>Gunkul Engineering Public Company Limited<br>L.V. Technology Public Company Limited<br>Siam Fibre Cement Company Limited  |
| 21. Miss Sultirat Tangvorakul<br>Accounting Manager  | 41            | <ul style="list-style-type: none"> <li>- Degree Master of Business Administration<br/>Ranikhamhaeng University</li> <li>- Degree Bachelor's Degree (accounting)<br/>Ranikhamhaeng University</li> <li>- Mini MBA I Taxation (Major in General Business) School of Tax</li> <li>- Modern Accountants Program Class 13<br/>Faculty of Commerce and Accountancy,<br/>Chulalongkorn University</li> </ul>                                  | -                                     | None         | 2012-Present<br>2011-2012<br>2005-2007<br>1999-2005<br>1997-1998              | Accounting Manager<br>Project Accounting Manager<br>Assistant Account<br>Bookkeeper<br>Assistant Auditor  | Gunkul Engineering Public Company Limited<br>Gunkul Engineering Public Company Limited<br>Kim Chong Him Trading Company Limited<br>Wattanasuk International Company Limited<br>Sutthithom Group law and accounting office  |
| 22. Miss Chantra<br>Jonglamareeseehong<br>Company Secretary and<br>Investor Relations Manager<br>(27 <sup>th</sup> October 2008) | 47            | <ul style="list-style-type: none"> <li>- Degree Bachelor's Degree (accounting)<br/>Siam University</li> <li>- Bachelor of Arts<br/>Thammasat University</li> <li>- Company Secretary Program, 28/2008<br/>Thai Institute of Director (IOD)</li> <li>- Effective Minute Taking (EMT), 12/2008<br/>Thai Institute of Director (IOD)</li> <li>- ประกาศนียบัตร ภาควิชาบัญชี ระดับ 2 (นิติ)</li> </ul>                                      | -                                     | None         | 2007-Present<br>2005-2007<br>2003-2005<br>2000-2003<br>1997-2000<br>1990-1997 | Company Secretary and Investor Relations Manager<br>Coordinator<br>Secretary to Assistant Managing Director<br>HR and Administration, Manager<br>Secretary and Coordinator<br>HR and Administration, Supervisor | Gunkul Engineering Public Company Limited<br>Integrated Management Consultant Company<br>Limited<br>Thai Rung Union Car Public Company Limited<br>ASL Automated Co., Ltd. (Hong Kong)<br>KBC Bank N.V., (Belgium)<br>Thai Sunrock Co., Ltd. and Nissho Iwai<br>Corporation (Japan) |

## 21.2 Details Position Titles of Directors in Subsidiary Companies

| Name | G.K. Assembly Co., Ltd. | G.K. Power Products Co., Ltd. | K.N.P. Supply Co., Ltd. | Wind Energy Development Co.,Ltd. | NK Power Sola Co., Ltd. | Gunkul Solar Roof 1 Co., Ltd. | Gunkul Solar Roof 2 Co., Ltd. | Solar Energy Society Co., Ltd. | Gunkul Power Development Co., Ltd. | Gunkul Solar Power 1 Co., Ltd. | Gunkul Solar Power 2 Co., Ltd. | Gunkul Solar Community Co.,Ltd. | Gunkul LED Lighting Co., Ltd. | Gunkul and UCI Power Co., Ltd. | Greenovation Power Co.,Ltd. | Siam Gunkul Solar Energy Co., Ltd. | Gunkul International (Mauritius) | Gunkul Investment (Singapore) Pte. Ltd. | Gunkul Myanmar Power (Hlawga) Pte.Ltd. | Gunkul Myanmar Central Power 1 Co.,Ltd. | Sendai Okura Mega Solar Godo Kaisha |
|------|-------------------------|-------------------------------|-------------------------|----------------------------------|-------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|---------------------------------|-------------------------------|--------------------------------|-----------------------------|------------------------------------|----------------------------------|---|--|---|-------------------------------------|
|      | Mr. Gunkul              | Dhumrongpiyawut               | Miss Sopacha            | Dhumrongpiyawut                  | Mr. Somboon             | Aueatchasai                   | Mr. Phongsakorn               | Damnoen                        | Miss Naruechon                     | Dhumrongpiyawut                | Mr. Chabempon                  | Srichaboen                      | Mrs. Areewan                  | Roonpraphan                    | Mrs. Somluk                 | Kanueghet                          | Mr. Thamrong                     | Chankraithong                           |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |
|      |                         |                               |                         |                                  |                         |                               |                               |                                |                                    |                                |                                |                                 |                               |                                |                             |                                    |                                  |   |  |   |                                     |

Remark

X = President

I = Director

[illegible]

III= Audit Committee / Independent Director

V = Executive

VI = Company Secretary

## 22. Corporate Governance

### 22. Corporate Governance Policy

Our board of directors, governing bodies and executive management considered that systematic management principles and good corporate governance are the most important factors for success. Therefore, the principles is to be used as guidelines for implementing a quality management system focus on transparency and information disclosure in order to improve operational performance, create a competitive advantage, add value for business owner, and maximize benefit all stakeholders equally and fairly.

This corporate governance policy has been agreed and approved in writing by the board of directors at board meeting 13/2008 on October 27, 2008. The company also provided individual self-assessment for the board of directors and the subcommittee members as well as provided performance appraisal for the executive management and managing directors. In addition, a detail of implementing the good corporate governance arranged according to the good corporate governance for all companies and businesses registered 2006 of the Stock Exchange of Thailand and the continuous improvement have been applied to comply with the good corporate governance. The structure of corporate governance is divided into five sections as following.

#### Section 1 Shareholder Right

The fundamental rights of shareholders including the right to trade and transfer the company's shares, the right to have access to adequate business information, the right to share of the profits of a business, the right to be treated fairly in shares buy back by the company, the right to elect and remove directors, the right to consider on remuneration of directors in all forms, the right to approve the appointment of independent auditor annually, and the right to attend and vote at a shareholder meeting in order to make decision on significant issues that may affect the company such as dividend allocation, amendment to the memorandum and/or articles, reduction or increase of capital, approve the special items, and so on, which are typically defined by state law.

The Company has policy to support and promote shareholders to use their right as follow;



1. Give date, time, place, meeting agenda and other related data to shareholders in advance, so they have time to study. Company will send letter of shareholders' meeting together with related documents to shareholders for at least seven days or fourteen days in advance before meeting takes place. Company also publishes this on newspaper for at least continuously three days in advance. Moreover, it posts information on company's website, so shareholders and investor can reach and understand.
2. Send proxy together with letter of meeting to support voting right in case shareholders are not available to be at the meeting by themselves.
3. Give shareholders a chance to propose agenda, show opinions and questions in ahead of the meeting
4. Give shareholders a chance to show opinions and questions on the meeting date
5. Require at least half of board of directors to attend shareholders' meeting, so they can answer questions raised by shareholders. At least one audit committee is required to attend the meeting too.
6. Require chairman of the meeting to explain on voting procedure in which shareholders who have conflict of interest will not have no voting right on that subject.
7. Prepare meeting report with full information involved including questions from shareholders and answers from directors
8. Publish meeting report via electronic media of Stock Exchange of Thailand and company's website, so shareholders can check without having official report on hands.

In 2014, the Company held general shareholders' meeting for the year 2014 dated April 9, 2014, 2<sup>nd</sup> floor, Chaopraya Ballroom, Chaopraya Park Hotel, No. 247 Ratchadapisek Road, Dindang, Bangkok 10320. There were every director of committee, Director, Executive, Secretary of every committee and secretary of company Auditor representative of financial advisor and representative of Lawyer participate total 33 directors and management executives participating to explain meeting agenda and answer questions from shareholders. The Company assigned Thailand Securities Depository as registrar to send letter of shareholders meeting and related documents to shareholders for at least 21 days in advance before meeting takes place. The Company also published letter of shareholders meeting and related documents via company's website,



www.gunkul.com, for at least 23 days in advance, so shareholders can reach related information regarding shareholders' meeting as convenient and as quick as possible.

For registering and voting, the Company uses barcode system and provides revenue stamp for shareholders to send proxy to company with aim to make it fast and convenient to shareholders. In the meeting, the Company explains voting criteria before meeting starts and gives shareholders opportunity to express their opinions and raise questions. In addition, the Company also welcomes questions from shareholders sent in ahead of the shareholders meeting for the year 2013 during October 29, 2011 to January 2013, However, there were no questions raised.

## Section 2 Treatment among Shareholders

The Company has policy to create equivalent among shareholders both executive shareholders and non-executive ones as well as minority shareholders and foreign shareholders as follow;

1. Publish information regarding shareholders meeting to keep all shareholders informed equivalently and not add special agenda without any notice
2. Give shareholders who can't attend meeting by themselves to give proxy to others as representative
3. Give chance to all shareholders to propose opinions and to raise questions in ahead of and during the meeting and providing for shareholders to propose a director for election agenda in ahead of the meeting via company's website or sending the email to the company secretary.
4. Give chance to shareholders to vote director on one-on-one basis
5. Require shareholders who are directors or executives to disclose information that may have conflict of interest and those shareholders have no right to vote on that subject
6. Tell board of directors and management to know their task on reporting a change in holding of securities to Stock Exchange Committee based on article 59 of Securities and Stock Exchange of Thailand Act Por Sor 2535
7. Require board of directors, executives or employees who have inside information not to disclose such information to public and are banned for securities trading of the Company's stocks for one month before financial statements published

### Section 3 Stakeholders Role

The Company has policy to promote cooperation between company and all stakeholders including shareholders, bankers, customers, trade partners, employees, and surrounding communities with aim to encourage the Company's operations and to create long-term sustainable growth. Besides realizing the importance of right of stakeholders by law, the Company also has policy to take care all stakeholders equivalently as follow;

- Employee : Company treats employees equally, gives them proper compensations and creates quality working environment.
- Partner : Company treats trade partners fairly and in line with trade contract and has policy to create and develop relationship with trade partners continuously.
- Customer : Company has responsibility to customers by maintaining quality and standard of goods and services as well as reacting to customers' need perfectly and completely to maximize customer satisfaction in the long run.
- Competitor : Company operates business along with fair competition and develops market to grow for mutual benefit of industry.
- Creditor : Company complies with contract condition and gives information to creditors as per request.
- Society : Company has responsibility to monitor its operations not to hurt environment and society and complies with rules and regulations. Company also has program on corporate social responsibility (CSR) by supporting creative activities continuously and allocating budget to do CSR with focus activities regarding education, environment and youth. In 2014, the Company donated things to improve learning skill of youth on the Children Day, awarded scholarship to youth and employees' children.

To make sure that all stakeholders are equally protected and treated, the Board of Directors provides communication channels via company's website [www.gunkul.com](http://www.gunkul.com), so shareholders and stakeholders have chance to express their opinions and to complain directly to company's board of directors in case of unfair treatment or having troubles with company. In addition, the Company provides employees channels to consult or inform directly to Executive Office when it finds suspect actions that are illegal or break "business code of conduct" that may have impact to employees, stakeholders and company itself. Executive Office will find out fact and report to internal audit committee and audit



committee for further consideration. This data informed will be kept secret under the policy to protect the staff or whistle-blower.

#### Section 4 Information Disclosure and Transparency

Board of directors has policy on disclosure of information, financial data and business operations with creditability and reliability to show true operational and financial status and business future by setting rules and regulations regarding information disclosure based on Stock Exchange of Thailand Act. In 2014, the Company disclosed following information;

- Report financial and general information to shareholders and general investors and report board of directors' responsibility on financial report together with audited report in annual report
- Report corporate governance policy and policy related to environment and society and implementation via different channels like annual report and company website
- Roles and responsibility of board of directors and sub-committee, number of meetings attended, number of directors participated meetings last year, and directors' opinions
- Remuneration policy to directors and executives

Apart from information disclosure as per required by Stock Exchange of Thailand Act, the Company also communicates with shareholders and investors via investor relations department as company representative to directly contact with shareholders, investors, securities analysts (both local and foreign ones), and corporate communications department to publish information to shareholders, investors and public via mass media and other medias (both local and international ones).

In 2014, the Company held four times of analyst meetings to discuss about quarterly and yearly results to investors and analysts. Press release is used once company has investment and or business activity.

In addition, information disclosure is done via company website [www.gunkul.com](http://www.gunkul.com) both in Thai and English so all stakeholders can participate. If interested, you can contact investor relations department at telephone no. 0-2242-5867 and 0-2242-5861 facsimile no. 0-2242-5878 or e-mail [ir@gunkul.com](mailto:ir@gunkul.com)

## Section 5 Responsibilities of Board of Directors

### 1. Board of Directors Structure

The company has nine directors on its board. The members of the company's board of directors consist of six (5) members of executive directors and four (4) members of non-executive directors, who is one (1) member of non-independent director and three (3) members of independent directors. All of them have expertise and experience includes deep knowledge in the company's business area. In addition, there are three (3) independent members of the audit response to balance the vote on addresses audit considerations relating to administration and management of administrative section in order to maximize the benefits of the company.

The company has a policy to appointing separate president and managing director to different person aim to balance management authority and prevent unlimited power over other members. The board of directors will determine roles and responsibilities of each position and response to recruit and appoint the right person for the position.

### 2. Leadership and Vision

Board of directors recommends company to have vision, mission, goal, policy, operational direction, long-term strategy and plan & annual budget by assigning executive management to present and board of directors to comment and discuss to get common agreement before approval. Board of directors appoints president of executives to develop and implement business strategy. Role, duty and responsibility of board of directors, sub-committee and executive committee are needed to be identified by reviewing at least every five years.

### 3. Conflict of Interest

The Company is serious on banning directors, executives and employees to use position to find benefit, so it includes this subject into company's business code of conduct. Directors, executives and employees are required not to do related transaction that may create conflict of interest to company. In case it is the must to do that transaction, pricing and conditions have to be the same as that done with outside person. Directors or employees who have benefit in that project must not have right to approve. Related transactions under Stock Exchange of Thailand Act are required to strictly follow the rules on principle, method and information disclosure.

In addition, board of directors also bans not to use inside information to find its own benefit and to compete business with company. It also requires not to use inside information for securities trading or not to tell others for insider trading. In case that executives or employees participate in special task in which information is a secret and may have impact to company share price, such executives or employees are needed to sign confidentiality agreement with company until company discloses information to Stock Exchange of Thailand (SET) and Stock Exchange Committee (SEC).

#### **4. Business Code of Conduct**

Apart from corporate governance, board of directors has policy to operate business with aim to maximize benefit of shareholders by setting up goal and procedures to meet that goal. The Company provides written code of conduct in which board of directors agreed and approved the latest code of conduct in shareholders' meeting (13/2551) dated October 27, 2008. In code of conduct, it comprises of company goal, vision, mission, ideology, corporate value, corporate governance policy and regulation with aim to provide clarity and convenience to directors, executives and employees to understand company standard and direction in which involves all stakeholders like employees, shareholders, customers, partners, creditors, competitors and society.

Directors, executives and all employees have to acknowledge, understand and implement the Company's policy and regulations as mentioned in code of conduct. Regular meeting, public relation and creative activity are required to make employees informed and understood the importance of business code of conduct. Apart from business code of conduct, the Company also has "Corporate Shared Values" project to create shared corporate culture.

#### **5. Position Consolidation or Power Split**

Board of directors sets that chairman of board is not the same person as chairman of executives by having divided role, authority and responsibility with aim to create balance between management and corporate governance.

#### **6. Directors and Executives Remunerations**

Board of directors assigns remuneration committee to review structure of remuneration system and proper compensation to management executives based

on task, duty, responsibility and performance. Such remuneration should be competitive when compares to industry and be able to create motivation to work effectively.

Directors' remuneration comprises of three parts, annual compensation, meeting fee and Bonus. Remuneration payment to directors is required approval from shareholders' meeting.

The total remuneration payment for directors of 2014 had been paid to all directors. (seeing the details in "remunerations topic").

## 7. Board of Directors' Meeting

Board of directors requires to have a meeting at least six times per year, while extra meeting will be held if necessary. In order to be efficient for directors' performing, the meeting of Board of Directors had been set for 9 times in 2014 and also having the meeting between the independence directors and auditors in order to discussing about the corporate management for one time. In the meeting, agenda have to be clear and related documents have to be provided and sent to directors for at least seven days in ahead of meeting, so directors have time to study. In case there is new agenda to add after documents sent, it can do only on emergency and is needed to get approval from chairman of board of directors. The policy of meeting resolution, must to have the directors at least two-third of all directors by conforming to the Company's article and associates All directors have chance to discuss and comment openly and chairman of board is responsible to make meeting conclusion. In case director has conflict of interest in that subject, such director has to walk out from the meeting.

The meeting schedule of the Board of Directors and Sub-Committees have been set in ahead for making appointment with directors every year.

Meeting report is in written form. After getting acknowledgement from meeting, all documents require acknowledgement from chairman of board and secretary of board. There are two sets of meeting documents, original one and copy one (so directors and related persons can use it easily). In addition, meeting documents are kept in electronics file.

## 8. Internal Control and Internal Audit

Board of directors sets internal control system covering accounting, finance, operations, regulations, audit and check & balance with aim to protect

shareholders' capital and company's assets. Internal audit office must have independency and report directly to the Audit Committee who controlling on the performing under the Company's rules and policy and to make sure that internal audit and internal control system is the key driving mechanism to support long-term sustainable growth. Internal audit reviews internal control activities and give advice and suggestion regarding internal control and risk management to improve operational efficiency to cope with growing business and changing economic environment.

## **9. Directors' Report**

Board of directors is responsible for reporting consolidated financial statements of the Company and subsidiaries and financial information in annual report. That report is based on Thailand's general accounting standard by selecting the proper one and use it consistently. Audit committee and accounting audit will together consider proper accounting standard to use in financial report. Board of directors emphasizes persons who do report to have cautious judgment and to disclose sufficient information on financial notes.

Board of directors assigns audit committee to respond for quality of financial report and internal control. Comments from audit committee on this subject are shown in audit committee report and in annual report too.

Board of directors comments that financial report of the Company and its subsidiaries as of December 31, 2014, is right, sufficient and reliable.

## **10. Board of Directors Self-Assessment**

The boards of directors have self-assessment on their own performance on a regular basis with on the purpose of reviewing their performance and addressing their issues together to further improvement. The self-assessment form recommended by the Stock Exchange of Thailand has been agreed to be used for the individual self-assessment in year 2014 by the board of directors. The form will be added or modified its questions to cover roles and responsibilities of the boards of directors in all aspects and it should comply with the company's nature of business.

Apart from the board of directors self-assessment, all subcommittee are requested to do the individuals self-assessment on a yearly basis.



## 11. President and Managing Director Performances Evaluation

The board of directors response to evaluate the president and managing director performances. This performance evaluation is to compare their achievements with their goals in corporate level and ability in individual level. The key factors to help make a sound decision for the evaluation consist of qualitative indicators including leadership, strategy formulation and implementation, financial planning and performance, relationship with board members, relationship with external organizations, staff administration and relationship with staffs, succession management, knowledge of products and services, and personal characteristics.

## 12. Limiting the Number of Listed Companies Policy

In order to develop an effective performance of boards of directors, the policy to limit the number of listed companies has been specified that each director cannot serve in the role as directors over five positions.

## 22.2 Sub-committee

The Board of Directors has appointed 5 sub-committee, Audit Committee, Good Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee and Executives Committee are in the details as follows:

### 1) The Audit Committee

As of December 31, 2014, the Audit Committee comprised of three independent directors by taking in each term not more than 3 years as defined by the Board of Directors. The members of the Audit Committee are as follow;

| Name                    |                             | Position                         |
|-------------------------|-----------------------------|----------------------------------|
| 1. Mr. Sataporn         | Kotheeranurak <sup>1)</sup> | Chairman of the Audit Committee  |
| 2. Pol. Maj. Gen. Visit | Sukarasep                   | Member of the Audit Committee    |
| 3. Mr. Djitt            | Laowattana                  | Member of the Audit Committee    |
| 4. Mr. Worathep         | Luangsirapornchai           | Secretary of the Audit Committee |

<sup>1)</sup> Audit Committee who has knowledge and experience in auditing the Company's financial statements



### Scope of Authority of the Audit Committee

- 1) Review and disclose financial statements by coordinating with external auditor and company management with aim to report financial reports on quarterly and yearly basis
- 2) Review internal control and internal audit systems to make it more efficiently and effectively by reviewing with internal and external auditors (if any) and consider the independence of internal audit department or other departments which involves in internal audit
- 3) Review company operations to be in tandem with rules and regulations from Stock Exchange of Thailand or related agencies
- 4) Select and appoint company auditor and pay proper compensation to auditor based on reliability, resources required and experience and attend meeting with auditor without having management team participation for at least once a year
- 5) Select, appoint and dismiss the internal auditors.
- 6) Consider related transactions or transactions that may have conflict of interest to comply with rules and regulations set by Stock Exchange of Thailand to make sure that those transactions are reasonable and best to the Company
- 7) Report activities of audit committee by disclosing on company annual report in which this report is signed by chairman of audit committee. This report includes;
  - Opinions on process of conducting and disclosing company financial statements on reliability and accuracy basis
  - Opinions on company internal control system
  - Opinions on practices complied with Stock Exchange of Thailand or related rules
  - Reasons on proper auditor
  - Opinions on transactions that may have conflict of interest
  - Number of audit committee meetings and number of meeting participations of each audit director
  - Opinions or overall notices that audit committee gets from charter operations
  - Other reports that audit committee thinks that shareholders and general investors should know under scope of duty and responsibility assigned by board of directors
- 8) Implement other jobs assigned by board of directors under supervision of audit committee like reviewing financial management and risk management policy, reviewing business code of conduct, reviewing together with company

management on significant reports that are needed to report to public as per required by law i.e. management analysis report.

To make great efficiency of audit committee, audit committee may search for independent opinions from other advisors (if necessity) and company will support such expense.

#### Qualifications of Audit Committee and Independent Directors

1. Hold shares of less than 1% of total shares that have voting right of the Company, parent company, subsidiaries, related companies or companies that may have conflict of interest. In this case, it counts shares held by persons who have relationship with independent directors too.
2. Not or used to be company director who has management authority, employee, salary-based advisor or authorized person who manage the Company, parent company, subsidiaries, related companies or companies that may have conflict of interest. An exception comes when they are out of that position for at least two years before taking this position.
3. Not a person who has blood relationship or law relationship in form of father/mother, spouse, brother/sister, son/daughter including spouse of child of management, major shareholder, authorized person or person who is nominee to be management or authorized person of the Company or subsidiary
4. Not or used to have business relationship with the Company, parent company, subsidiaries, related companies or companies that may have conflict of interest that may have impact to independent decision. Not or used to be major shareholder, director or management of person who has business relationship with the Company, parent company, subsidiaries, related companies or companies that may have conflict of interest. An exception comes when they are out of that position for at least two years before taking this position.
5. Not or used to be auditor of the Company, parent company, subsidiaries, related companies or companies that may have conflict of interest. And not or used to be major shareholder, director, management or partner of auditing firm whose auditor is hired as auditor of parent company, subsidiaries, related companies or companies that may have conflict of interest. An exception comes when they are out of that position for at least two years before taking this position.
6. Not or used to be professional service provider including legal advisor or financial advisor who gets compensation of over two million baht a year from the Company, parent company, subsidiaries, related companies or companies that

may have conflict of interest. In case that professional service provider is juristic person, it covers major shareholder, director, management or partner of professional service firm too. An exception comes when they are out of that position for at least two years before taking this position.

7. Not a director who gets appointment to be representative for the Company, major shareholder or shareholder who has relationship with major shareholder
8. Not to do similar business with aim to compete perfectly with the Company or subsidiaries. Not be partner, director, employee, salary-based advisor or shareholder (having more than 1% of voting right) of company who has similar business and competes with each other
9. Not have any character which may have impact to give independent opinions on company's operations

## 2) The Good Corporate Governance Committee

As of December 31, 2014, the Good Corporate Governance Committee comprised of three independent directors as follow;

| Name             |                     | Position   |
|------------------|---------------------|--|
| 1. Mr. Djitt     | Laowattana          | Chairman of the Good Corporate Governance Committee  |
| 2. Mr. Phongthep | Thitapan            | Member of the Good Corporate Governance Committee    |
| 3. Mr. Somchai   | Trairatanapirom     | Member of the Good Corporate Governance Committee    |
| 4. Miss Chantira | Jongjamareeseethong | Secretary of the Good Corporate Governance Committee |

## Scope of Authority of the Good Corporate Governance Committee

- 1) To propose guidelines for good corporate governance to the Board of Directors.
- 2) To advise the Board on matters of corporate governance as well.
- 3) The operations of the Board and management to the principles of good corporate governance.
- 4) Review of the principles of good corporate governance by comparison with the practice of international practice and present to the Board of Directors.
- 5) The corporate governance policies of the company for working group.
- 6) The policies and practices with Corporate Social Responsibility
- 7) To monitor the implementation of the CSR and report to the Board of Directors.

### 3) The Risk Management Committee

As of December 31, 2014, the Risk Management Committee comprised of four persons including independent and executive directors as follow;

| Name             |                     | Position  |
|------------------|---------------------|---|
| 1. AVM.Dr.Pian   | Totarong            | Chairman of the Risk Management Committee           |
| 2. Mr. Sathaporn | Kotheeranurak       | Member of the Risk Management Committee             |
| 3. Miss Sopacha  | Dhumrongpiyawut     | Member of the Risk Management Committee             |
| 4. Mr. Thitipong | Techaratanayuenyong | Member of the Risk Management Committee & Secretary |

#### Scope of Authority of Risk Management Committee

- 1) Set policy and scope of risk management framework, set roles and responsibility and participate to set company goals
- 2) Supervise and support risk management to make it successful on enterprise wide risk management" and increase level of risk awareness of each factor into consideration in resource allocation and process management
- 3) Consider key risks and manage them efficiently and effectively, promote capacity in enterprise wide risk management and risk management technique and combine risk management with company business plan and other management activities
- 4) Prepare risk management language to be the same language used in organization and measure chance to happen, impact and type of risk to share
- 5) Give convenience to department managers to develop new reporting rules including upper and lower end on both qualitative and quantitative analysis and supervise reporting process
- 6) Report to executive head on progress of risk management and outliers and propose necessary suggestions

#### 4) The Nomination and Remuneration Committee

As of December 31, 2014, the Nomination and Remuneration Committee comprised of four persons including independent and executive directors as follow;

| Name                    |                | Position  |
|-------------------------|----------------|---|
| 1. Pol. Maj. Gen. Visit | Sukarasep      | Chairman of the Nomination and Remuneration Committee           |
| 2. Mr. Decha            | Chooligorn     | Member of the Nomination and Remuneration Committee             |
| 3. Mr. Charan           | Lerththeerapoj | Member of the Nomination and Remuneration Committee             |
| 4. Mrs. Somluk          | Kanuenghet     | Member of the Nomination and Remuneration Committee & Secretary |

#### Scope of Authority of the Nomination and Remuneration Committee

- 1) Set policy, principal and method for nomination and remuneration including other benefits of the Board of Directors, sub-committees and executives, up to managing director's position to the Board of Directors.
- 2) Consider for nomination, selection and propose the suitable person under related regulation to the Board of Directors for consideration to appoint as directors of the Board of Directors and/or the sub-committees in the purpose of replacement, resignation or addition and also propose to the shareholder meeting if any under the company's article and associates.
- 3) Review and propose the structure and criteria of remuneration in compensation of meeting attendance, annual compensation and bonus including other benefit to make it fit with duty and responsibility by proposing to the Board of Directors and/or the Shareholder Meeting for consideration.
- 4) Monitoring the policy of remuneration in overall which persuade and maintain the employees.
- 5) Set principal for executives' evaluation, especially in the position of managing director in the purpose to consider for annul compensation based on duty and responsibility to the company.
- 6) Consider overall annual budget regarding salary hike, bonus and other benefits of employees and propose to the Board of Directors for consideration.
- 7) Disclose the activities of the committee in annual report.
- 8) Operate other jobs assigned by board of directors

## 5) Executive Committee

As of December 31, 2014, the Executive Committee comprised of five persons as follow;

| Name             |                 | Position                |
|------------------|-----------------|-------------------------|
| 1. Ms. Sopacha   | Dhumrongpiyawut | Chief Executive Officer |
| 2. Mr. Somboon   | Aueatchasai     | Executive Director      |
| 3. Ms. Naruechon | Dhumrongpiyawut | Executive Director      |
| 4. Mr. Chaloepon | Sricharoen      | Executive Director      |
| 5. Mrs. Areewan  | Roonpraphan     | Executive Director      |

### Scope of authority of executive committee

- 1) Have authority to make decision on the Company's key operations by setting scope, type, size, objective and policy of business as well as supervising overall operations, production, customer relationship and responsibility to board of directors
- 2) Consider investment expansion and fixed asset acquisition and then propose this to board of directors
- 3) Have authority to act and show as company representative to outside people in related activities and having benefit to company
- 4) Consider fund raising to propose to board of directors
- 5) Approve the appointment of necessary advisors who can help company
- 6) Do general management
- 7) Approve plan of each department and approve request of each department that is beyond department authority

Regarding assignment of authority and responsibility, person who get such authority will not have authority to approve transaction that such person or related person that may have conflict of interest ("person that may have conflict of interest" is defined by Stock Exchange of Thailand) to company or subsidiaries. Approval of such transaction is needed to propose to meeting of board of directors and/or meeting of shareholders. An exception comes from transaction regarding normal operations of company in line with rules and regulations set by board of director.

Board of directors may appoint other sub-committee as per necessity. Scope of authority of each sub-committee has to be clear and specific as sub-committee should be close to issue or problem than others.

## 22.3 Selection and Appointment of Directors and Executives

### Selection of Board of Directors

Though the Company doesn't have director search committee, the company's board of directors handles that job by using following criteria, knowledge, capability, experience, vision, creditability and professional qualification (no ban manner), to select director and then propose to shareholders' meeting for approval. The Company sets key criteria for director search as follow;

1. Board of directors comprises of at least 9 persons in which at least half of that must have residence in Thailand and directors must have qualifications as law said
2. Director search by shareholders' meeting is based on majority vote as follow;
  - 2.1 One shareholder has voting right equivalent to one share, one vote
  - 2.2 Shareholder votes director on one-on-one basis
  - 2.3 Director search is based on highest-scored ranking. In the case that qualified persons get same scores and exceed number of directors required, chairman of meeting has final decision.
3. In every annual shareholder meeting, one third of directors are required to resign. If total directors can't be divided by three, use close amount of directors to resign. Directors who are required to resign in the first year and second year use lucky draw technique. For the following years after that, directors who are in position for the longest period have to resign. However, directors who resign may be selected again.
4. Director has right to get compensation from company in term of reward, meeting fee, pension fund, bonus or other compensations as defined by rules or resolution from shareholders' meeting either in term of fixed amount or general concept. Moreover, director also gets allowance and fringe benefit on top of normal benefits like salary and bonus as employee.
5. Director who wants to resign sends resignation form to company. It will be effective once company accepts. Director may give resignation notice to register person.
6. In case that director position is vacant due to extra reasons (not term expired), board of directors can select qualified person with no banned manner as replacement director in next meeting of board of directors, except director's term has less than two months left. Such replacement director will be in the position



- for time equivalent to remaining term of previous director. This resolution from board of director requires at least three fourth of remaining directors.
7. If shareholders want director to resign, it needs to get vote from shareholders' meeting of at least three fourth of total shareholders attending the meeting and total voting right.
  8. Board of directors select a director to be chairman, while there will be one or more to serve as deputy chairman.

### **Selection of Audit Committee/Independent Directors**

Regarding to the selection of Audit Committee, Board of directors or shareholders' meeting will select persons to be a committee in selecting audit committee in which such committee must have at least three persons from audit committee by selecting from independent directors. Audit committee has three year term but may get renewal from board of directors or shareholders' meeting. Among audit committee, there is at least one person who has knowledge and experience in financial & accounting background, so he/she can do financial statement review.

### **The Best Corporate Governance Committee Selection**

In the part of best corporate governance committee selection, the board of directors or the meeting of shareholders should appoint the committee members which all of them are the independent directors who are not directly involved in doing company business. In order to comply with the principles of good corporate governance and to provide fairness and transparency auditing for the company, it has been defined that the good corporate governance committee must have service period of three (3) years. However, they may be appointed by the board of directors or the meeting of shareholders to continue his/her tenure roles and responsibilities as the good corporate governance committee. The good corporate governance committee will be considered by their qualifications in deep knowledge in the company's business area, experiences in corporate governance, and expertise in policy formation in order to ensure compliance with the good governance principles.



### **Risk Management Committee Selection**

In the part of risk management committee selection, the board of directors or the meeting of shareholders should appoint the committee members consist of two (2) independent directors and two (2) managing directors. The directors must have well understanding of the organization's risk and the independent directors must able to advise the global types of risk management to the company. It has been defined that the risk management committee must have service period of three (3) years. However, they may be appointed by the board of directors or the meeting of shareholders to continue his/her tenure roles and responsibilities as the risk management committee. The risk management committee will be considered by their qualifications in deep knowledge in the company's business area, skill and expertise in accounting and financial in policy formation in order to concretely implement risk management.

### **Nomination and Remuneration Committee Selection**

In the part of the nomination and remuneration committee selection, the board of directors or the meeting of shareholders should appoint the committee members consist of three (3) independent directors and one (1) executive management. The executive management will be appointed to oversee the Division of Human Resources. It has been defined that the nomination and remuneration committee must have service period of three (3) years. However, they may be appointed by the board of directors or the meeting of shareholders to continue his/her tenure roles and responsibilities as the nomination and remuneration committee. The nomination and remuneration committee will be considered by their qualifications in deep knowledge in the company's business area, skills and experiences in legal, expertise in developing such remuneration and nominations policy and structure. The information obtained from the database of Consultant Company will be used for the purpose of nomination and remuneration in the organization to compatible with internationally-recognized standards.

### **Selection of Executive Committee**

Board of directors appoints executive committee in which executive committee comprises of three at least and five at most by selecting from directors or employees or capable persons who are no audit committee. Executive committee has responsibility to manage company as per assignment from board of directors. Executive committee directly reports to board of directors.

However, the selection of all committee, the company will consider from select committee who are expert and has qualification in wide range of professional skill, special expertise, and deep knowledge in the company's business area in order to obtain policy guidelines, recommendations, and continuous improvement company processes to compatible with internationally-recognized standards.

### Orientation and Training of Board Members

All new members to boards of directors must participate actively in the orientation and training sessions for new committee members. At the orientation and training, the executive management will provide important information relating to the company and then all committee members will be received the membership committee manual and code of business conduct for new employee. In addition, the executive management of the company and other committee members may also participate in the orientation.

The membership committee manual major content including roles and responsibilities of all board of directors, holding or trading any securities by the directors, directors' interest report, conference management, disclosure of information, dealing with the management, compensation and benefits of board of directors and subcommittee, authorization schedule, general information of the company, charter of the audit committee of the board of directors, charter of the internal audit, roles and responsibilities of internal audit, measure related party transactions, and so on.

Besides the orientation of the board members, the company has policy to arrange in-house training courses/sessions on subjects related and encourage the board member to participate outbound training courses/sessions to increase the understanding of the important role and mission under the campaigning of the good corporate governance planning. Moreover, the directors may be admission for the training courses/sessions that held by the Thai Institute of Directors Association or relevant agencies in which the company responses for all expenses are incurred.



## Executive Recruitment and Appointment

The board assists management in making policy and selection criteria for the position of managing director and policy to emergency succession or the retirement of managing director. The selection process will be clear and transparency. The selection criteria for the position will be considered by knowledge, experiences, abilities, ethics and leadership. The Nomination and Remuneration Committee are assigned to propose the qualified person for appointing as managing director.

The managing director was assigned to recruit the best candidates with extensive knowledge, skills, and experience for the position of executive in accordance to the properties and methods of selection defined by the company.

## 22.4 Corporate Governance of subsidiaries and associates

In past, nomination and voting to appoint as a director in subsidiaries and associates provided by management, and since 2013, the company set new procedures for nomination and voting shall be approved by the Board of Directors and nominee who was appointed to be director of subsidiaries or associated companies should takes a responsibility to ensure the best interests of the subsidiaries or associates. The Company has determined that the person is appointed must be approved by the board before to the vote or the right to vote on important matters in the same class must be approved by the Board of Directors. If the company itself is run by the directors represent in the subsidiary or associated company according to the shareholding of the company.

Also in case of a subsidiary, the Company has determined the appointed person to monitor and control the subsidiaries to set the regulation of related transaction, acquisition or disposition of assets or making any other major items of that company in all completely and correctly by performing as principal of disclosure and the above transactions in the same manner as the Company's criteria including the need to ensure that the storage and accounting of the subsidiary companies to be checked and compiled financial statements with deadlines.

## 22.5 Inside Information

The Company emphasizes on information disclosure and transparency by not allowing directors and executives to use inside information to find their benefits and for securities trading as follow;

- Require directors and executives to report holding of securities of themselves, spouse, underage children to Stock Exchange Commission and Stock Exchange of Thailand Article 59 and punishment Article 275 of Stock Exchange of Thailand Act Por Sor 2535
- Require management to report change in securities holding to Stock Exchange Commission and Stock Exchange of Thailand Act 59 Por Sor 2535 and send copy of this report to company on the same day that sent to Stock Exchange Commission
- Require directors, executives or employees who know inside information not to disclose information to outsiders or to persons who are not involved in this subject and not to do securities trading for at least one month before announcement of financial statements and at least 24 hours after announcement

Company sets discipline punishment for person who finds benefit for itself by using inside information to disclose until it hurts company. Discipline punishment starts from verbal warning, written warning, probation and layoff.

## 22.6 Auditor fee

### 1. Audit fee

In 2012, 2013 and 2014, audit fees for the Company comprises annual audit fee and audit fees for the 3 quarters, as per following details:-

| Audit | Gunkul Engineering PCL. |
|-------|-------------------------|
| 2012  | 850,000.00              |
| 2013  | 892,000.00              |
| 2014  | 892,000.00              |

Persons or businesses related to auditors or audit office, which was SP Audit Co., Ltd., was not related person or business of the Company.



## 2. Non-Audit fee

Unless the audit fees that paid in annual by the Company and subsidiaries, the remuneration of the other service fee such as meeting attendance allowance 32,000 baht, overtime 79,720 baht, transportation fee and filing 36,327 baht, and special audit fee 190,000 baht concluded in the total of 338,049 baht, which already paid in the year of 2014.

## 22.7 Compliance with the Principles of Good Corporate Governance in Any Other Matter

The company has policy and criteria for determining remuneration for the board of directors, executive management, and other board committee by comparing with industry, experiences, roles and responsibilities, and expected benefit from each board members. In order to comply with the principle of good corporate governance, the company prepares the summary of round table for each committee and meeting allowances in section of the management structure.

The board of directors defined that the company must prepare and report the trade and transfer the company's shares/securities to the board meeting of the good corporate governance committee and the board of directors in all meeting. Moreover, the company must report the progress of the subcommittee and the board of directors in every meeting for the efficiency of organization management for growing sustainably and continuing oversight of the principles of good corporate governance.

## 23. Internal Control and Risk Management

### 23.1 Conclusion of Board of Directors' Opinion about the Company's Internal Control System.

Board of Directors realizing about the importance of risk management and have direct responsibility for risk management of the organization. The objective is to support the operations of the Company's management division to be more efficient and achieve goals by specifying the policy and risk management framework and involved in all sections of the business. And specify the internal regulation, preventive and decrease risk measure, reporting system, monitoring procedure and regularly evaluate to cover business risk factors.

Board of Directors has delegated to the Audit Committee which consists of 3 independent directors and each one is not an employee of the Company to take the responsibility of review and audit the internal to ensure that the operations are effective. The Internal Audit Department performs to assess the risk and internal operation control activities and report about the financial reporting audit and risk management report to the Audit Committee quarterly.

In addition, the Company sets up its own internal audit department aim to check and evaluate the internal control system of the Company and its subsidiaries. The Company prepares business code of conduct so called work book, implements the Key Performance Indicator (KPI) to control and evaluate the Company's operations and incorporates risk assessment based guidance from COSO (The Committee of Sponsoring Organization of Treachery Commission). Internal audit department will report the auditing results and comments to audit committee and board of directors on quarterly basis.

Furthermore, the Board of Directors has authorized the Risk Management Committee which consists of 2 independent directors and 1 executive director to take the responsibility of specifying the policy and risk management framework including specifying the roles and responsibility of management, and also participating in targeted to practical use in the organization by supervising and assessing the risk of all activities to ensure that performing in the compliance transparency and impartiality to all stakeholders and related parties.

## 23.2 Conclusion of Audit Committee about the internal control

In the Board of Directors' meeting 2/2015 dated February 21, 2015, Audit and Corporate Governance Committee (three independent directors), management and internal audit participated in this meeting. Following is the conclusion from the meeting regarding internal control system covering five areas;

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

Boards of Directors and the Audit Committee have the same opinions as the internal audit which is the Company's internal control system is adequate and appropriate. The Company has provided adequate personnel to operate under the system effectively. Including a system of internal control to monitor the operations of the subsidiaries to protect the assets of the Company and the subsidiaries from directors or the management team's abuse of asset spending, including transactions with the persons who may have conflicts and related party. Those are sufficient for internal control in other topics and the Committee considers that the Company has adequate internal control as well.

Audit and Corporate Governance Committee and management have continuously paid attention on corporate governance, internal control and risk management with aim to have good corporate governance, efficient internal control, acceptable risk management, reliable accounting and financial reports, and straight-forward rules and regulations.

## 23.3 Head of company's internal audit.

At the meeting of the Audit Committee Meeting No. 1/ 2551 which held on October 27, 2008 has appointed Mr. Woratthep Luangsirapornchai, Senior Vice President of Internal Audit to be the head of internal audit of the company and Secretary to the Audit Committee due to 5 year experience in performing of internal before appointment and had been trained in many courses which related to the performing of internal audit such as Audit Committee Program (ACP) Class 24 /2551. The Thai Institute of Directors



Association (IOD) Monitoring the Internal Audit Function Programme (MIA) Class 4/2008 The Thai Institute of Directors Association (IOD), and understanding in the activities and operations of the Company. Thus, he is appropriate to be assigned in this position.

In order to consider approving, transferring, dismissal of the incumbent as a head of internal audit of the company must be approved or get the approval from the Audit Committee.

## 24. Related Transactions

### 24.1 Summary of relationship between the Company, subsidiaries and related companies/persons

| Company                                 | Symbol | Type of Business                  | Relationship   |
|---|--------|-----------------------------------|--|
| Gunkul Group Co., Ltd.                  | GKG    | Holding company                   | <ul style="list-style-type: none"> <li>- GKG is major shareholder of GUNKUL with 59.97% stake.</li> <li>- GKG is held by Dhumrongpiyawut family at 99.64% stake and has shared director with GUNKUL named Mr. Gunkul Dhumrongpiyawut</li> </ul>  |
| G.K. Assembly Co., Ltd.                 | GKA    | Manufacturing Electrical Products | As of December 31, 2014, GUNKUL was major shareholder of GKA for 99.99% stake. Shared shareholder between GKA and GUNKUL is Mr. Gunkul Dhumrongpiyawut holding 0.00005% stake in GKA. Shared directors between GKA and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mrs. Areewan Roonprapan.  |
| G.K. Power Products Co., Ltd.           | GKP    | Manufacturing Electrical Products | As of December 31, 2014, GUNKUL was major shareholder of GKP for 99.99% stake. Shared shareholder between GKP and GUNKUL is Mr. Gunkul Dhumrongpiyawut holding 0.001% stake in GKP. Shared directors between GKP and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mrs. Areewan Roonprapan.  |
| K.N.P. Supply Co., Ltd.                 | KNP    | Supplying Electrical Products     | As of December 31, 2014, GUNKUL was major shareholder of KNP for 99.99% stake. Shared shareholder between KNP and GUNKUL is Mr. Gunkul Dhumrongpiyawut holding 0.0002% stake in KNP. Shared director between KNP and GUNKUL is Mr. Chaloepon Sritharoen.   |
| Wind Energy Development Co., Ltd. (WED) | WED    | Generating Electrical Power       | As of December 31, 2014, GUNKUL was major shareholder of WED for 99.99% stake. Shared shareholder between WED and GUNKUL is Mr. Gunkul Dhumrongpiyawut holding 0.001% stake in WED. Shared directors between WED and GUNKUL are Miss. Naruechon Dhumrongpiyawut, daughter of Mr. Gunkul Dhumrongpiyawut, and Mr. Sornboon Aueatchasai. Shared director between GCPG and GPS is Mr. Sornboon Aueatchasai. |

| Company                            | Symbol | Type of Business            | Relationship   |
|------------------------------------|--------|-----------------------------|--|
| N.K. Power Sola Co., Ltd.          | NK     | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of NK for 49.00% stake. Shared directors between GUNKUL and GPS are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai. Shared directors with GCPG are Mr. Somboon Aueatchasai and Mr. Phongsakorn Damnoen. NK are controlled by GUNKUL.   |
| Gunkul Solar Community Co., Ltd.   | GSC    | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of GSC for 99.97% stake. Shared directors between GUNKUL and GSC are Miss Sopacha Dhumrongpiyawut, Miss Naruechon Dhumrongpiyawut and Mr. Somboon Aueatchasai holding 0.01% stake in GSC. Shared directors with GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai and shared directors with GNP is Miss Naruechon Dhumrongpiyawut. |
| Siam Gunkul Solar Energy Co., Ltd. | SGSE   | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of SGSE for 99.97% stake. Shared shareholder between GUNKUL and SGSE is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared director between SGSE and GUNKUL is Miss Sopacha Dhumrongpiyawut. Shared director with GCPG and GPS is Mr. Phongsakorn Damnoen.   |
| Gunkul and UCI Power Co., Ltd.     | GUCI   | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of GUCI for 74.999% stake. Shared shareholder between GUNKUL and GUCI is Miss Sopacha Dhumrongpiyawut holding 0.001% stake. Shared director between GUNKUL and GUCI is Miss Sopacha Dhumrongpiyawut.   |
| Gunkul LED Lighting Co., Ltd.      | GLED   | Generating LED Bulbs        | As of December 31, 2014, GUNKUL was a shareholder of GLED for 74.99% stake. Shared shareholder between GUNKUL and GLED is Miss Naruechon Dhumrongpiyawut holding 0.00001% stake. Shared director between GUNKUL and GUCI is Miss Naruechon Dhumrongpiyawut.  |
| Gunkul Solar Roof 1 Co., Ltd.      | GSR1   | Generating Electrical Power | As of December 31, 2014, GUNKUL was major shareholder of GSR1 for 99.99% stake. Shared shareholder between GUNKUL and GSR1 is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared directors between GSR1 and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai.   |

| Company                                    | Symbol | Type of Business                          | Relationship   |
|--|--------|---|--|
| Gunkul Solar Roof 2 Co., Ltd.              | GSR2   | Generating Electrical Power               | As of December 31, 2014, GUNKUL was major shareholder of GSR2 for 99.97% stake. Shared shareholder between GUNKUL and GSR2 is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared directors between GSR2 and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai. |
| Solar Energy Society Co., Ltd.             | SES    | Generating Electrical Power               | As of December 31, 2014, GUNKUL was major shareholder of SES for 99.97% stake.   |
| Bright Green Power Co., Ltd.               | BGP    | Generating Electric Power                 | As of December 31, 2014, GUNKUL was major shareholder of BGP for 99.97% stake.   |
| Gunkul Power Development Co., Ltd.         | GPD    | Contractors and Generating Electric Power | As of December 31, 2014, GUNKUL was major shareholder of GPD for 99.99% stake. Shared shareholder between GUNKUL and GPD is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared directors between GPD and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai.    |
| Gunkul Solar Power 1 Co., Ltd.             | GSP1   | Generating Electrical Power               | As of December 31, 2014, GUNKUL was major shareholder of GSP1 for 99.97% stake. Shared shareholder between GUNKUL and GSP1 is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared director between GSP1 and GUNKUL is Miss Sopacha Dhumrongpiyawut.                               |
| Gunkul Solar Power 2 Co., Ltd.             | GSP2   | Generating Electrical Power               | As of December 31, 2014, GUNKUL was major shareholder of GSP2 for 99.97% stake. Shared shareholder between GUNKUL and GSP2 is Miss Sopacha Dhumrongpiyawut holding 0.01% stake. Shared director between GSP2 and GUNKUL is Miss Sopacha Dhumrongpiyawut.                               |
| Gunkul International (Mauritius) Pte. Ltd. | GIM    | Overseas Investment                       | As of December 31, 2014, GUNKUL was major shareholder of GIM for 100% stake.   |
| Gunkul Investment (Singapore) Pte. Ltd.    | GIS    | Overseas Investment                       | As of December 31, 2014, GIM was major shareholder of GIS for 100% stake.  |
| Gunkul Myanmar Power (Hawga) Pte. Ltd.     | GMP    | Overseas Investment                       | As of December 31, 2014, GIS was major shareholder of GMP for 100% stake.  |
| Gunkul Myanmar Central Power 1 Pte. Ltd.   | GMCP1  | Overseas Investment                       | As of December 31, 2014, GMP was major shareholder of GMCP1 for 51.00% stake   |

| Company                                 | Symbol    | Type of Business            | Relationship  |
|---|-----------|-----------------------------|---|
| Sendai Okura Mega Solar Godo Kaisha     | GK Sendai | Generating Electrical Power | As of December 31, 2014, GIM was major shareholder of GK Sendai for 100% stake  |
| G-Power Source Co., Ltd.                | GPS       | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of GPS for 40.00% stake. Shared directors between GPS and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai.  |
| Gunkul Chubu Powergen Co., Ltd.         | GCPG      | Generating Electrical Power | As of December 31, 2014 GUNKUL was major shareholder of GCPG for 51% stake. Dhumrongpiyawut family holds 0.00005% stake in GCPG. Shared director between GCPG and GUNKUL are Mr. Somboon Aueatchasai. GUNKUL disposed the common shares in GCPG to Chubu Electric Power Gem B.V. at 49.00% on February 26, 2013. GCPG are not controlled by GUNKUL. As of February 26, 2013, Shareholder Meeting of GPG had passed a resolution to approve the company name's changing from "Gunkul Powergen Co., Ltd. (GPG) to be "Gunkul Chubu Powergen Co., Ltd. (GCPG). |
| Siam Wind Energy Co., Ltd.              | SWE       | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of SWE for 40.00% stake. Shared shareholder between GUNKUL and SWE is Miss Naruechon Dhumrongpiyawut holding 0.01% stake. Shared directors between SWE and GUNKUL are Miss. Sopacha Dhumrongpiyawut and Mr. Somboon Aueatchasai.  |
| WHA Gunkul Green Solar Roof 1 Co., Ltd. | WHA_GSR-1 | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-1 for 25.01% stake. Shared director between WHA_GSR-1 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.   |
| WHA Gunkul Green Solar Roof 2 Co., Ltd. | WHA_GSR-2 | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-2 for 25.01% stake. Shared director between WHA_GSR-2 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.   |
| WHA Gunkul Green Solar Roof 3 Co., Ltd. | WHA_GSR-3 | Generating Electrical Power | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-3 for 25.01% stake. Shared director between WHA_GSR-3 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.   |

| Company                                  | Symbol     | Type of Business               | Relationship   |
|--|------------|--------------------------------|--|
| WHA Gunkul Green Solar Roof 4 Co., Ltd.  | WHA_GSR-4  | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-4 for 25.01% stake. Shared director between WHA_GSR-4 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 5 Co., Ltd.  | WHA_GSR-5  | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-5 for 25.01% stake. Shared director between WHA_GSR-5 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 6 Co., Ltd.  | WHA_GSR-6  | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-6 for 25.01% stake. Shared director between WHA_GSR-6 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 8 Co., Ltd.  | WHA_GSR-8  | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-8 for 25.01% stake. Shared director between WHA_GSR-8 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 9 Co., Ltd.  | WHA_GSR-9  | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-9 for 25.01% stake. Shared director between WHA_GSR-9 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 10 Co., Ltd. | WHA_GSR-10 | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-10 for 25.01% stake. Shared director between WHA_GSR-10 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 16 Co., Ltd. | WHA_GSR-16 | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-16 for 25.01% stake. Shared director between WHA_GSR-16 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| WHA Gunkul Green Solar Roof 17 Co., Ltd. | WHA_GSR-17 | Generating Electrical Power    | As of December 31, 2014, GUNKUL was a shareholder of WHA_GSR-17 for 25.01% stake. Shared director between WHA_GSR-17 and GUNKUL is Miss. Sopacha Dhumrongpiyawut.  |
| Future Electrical Control Co., Ltd.      | FEC        | Contractor                     | FEC has jointed major shareholder with GUNKUL which is GKG Co., Ltd. and Dhumrongpiyawut family by holding 95.00% and 3.60% respectively. Shared directors between FEC and GUNKUL are Miss Sopacha Dhumrongpiyawut and Mr. Chaloepon Siricharoen. Previously, FEC was importer of transmission equipment to sell to GUNKUL. Now FEC has changed its business objective to contractor, while transmission equipment business was terminated since 2008. |
| Gunkul Trading & Agency Co., Ltd.        | GKT        | International Marine Transport | GKT is held by Dhumrongpiyawut family, major shareholding of GKG. Dhumrongpiyawut family holds 66.00% stake in GKT. Shared director between GUNKUL and GKT is Miss Sopacha Dhumrongpiyawut.  |

| Company   | Symbol       | Type of Business                 | Relationship  |
|---|--------------|----------------------------------|---|
| Kulhatee Co., Ltd.  | KNT          | Marine Transport in Asian Region | Major shareholder of KNT is Sricharoen family holding 97.93% stake. Sricharoen family is family of Miss Sopacha Dhumrongpiyawut.                  |
| Gunkul Marine Line Co., Ltd.                                    | GML          | Operating Closed                 | GML is held by Dhumrongpiyawut family for 97.00% stake. Shared director between GML and GUNKUL is Mr. Gunkul Dhumrongpiyawut.                     |
| Joint venture between Sri-U-Thong and Future Electrical Control | JV-Sri & FEC | Contractor                       | Joint venture between Sri-U-Thong and Future Electrical Control has FEC as partner to do contracting business.                                    |
| Gunkul Engineering (2000) Co., Ltd.                             | GK2000       | Rental                           | GK2000 has Dhumrongpiyawut family as major shareholder for 76.00% Stake. Shared director between GK2000 and GUNKUL is Mr. Gunkul Dhumrongpiyawut. |
| G.M. Supply & Construction Co., Ltd.                            | GMS          | Rental                           | GMS has Dhumrongpiyawut family as major shareholder for 98.00% stake. Shared director between GMS and GUNKUL is Mr. Gunkul Dhumrongpiyawut.       |
| Joint venture between FEC and SAC                               | JV-FEC & SAC | Contractor                       | Joint venture between FEC and SAC has FEC as partner to do contracting business.  |
| Mr. Gunkul Dhumrongpiyawut                                      | -            | Director                         | Mr. Gunkul Dhumrongpiyawut and family holds 59.97% stake in GKG which is major shareholder of GUNKUL. He is GUNKUL's president.                   |
| Miss Sopacha Dhumrongpiyawut                                    | -            | Director                         | Miss Sopacha Dhumrongpiyawut is Mr. Gunkul Dhumrongpiyawut's wife. She is President and CEO of GUNKUL.  |
| Miss Naruechon Dhumrongpiyawut                                  | -            | Director                         | Miss Naruechon Dhumrongpiyawut is Mr. Gunkul Dhumrongpiyawut's daughter. She is a director of GUNKUL.   |
| Mr. Pawich Dhumrongpiyawut                                      | -            | Mr. Gunkul Dhumrongpiyawut's son | Mr. Pawich Dhumrongpiyawut is Mr. Gunkul Dhumrongpiyawut's son.   |
| Mr. Chalomporn Sricharoen                                       | -            | Director                         | Mr. Chalomporn Sricharoen is Miss Sopacha Dhumrongpiyawut's brother. He is a director of GUNKUL.  |

## 24.2 Summary of related transactions in 2013 and 2014

### (1) Sales of goods and rendering of services

| Company | Related companies | Type of transaction          | Size                   |                        | Reason and necessity   |
|---------|-------------------|------------------------------|------------------------|------------------------|--|
|         |                   |                              | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GUNKUL  | GKA               | Sale of goods                | 1.56                   | 2.18                   | GUNKUL sold raw material to GKA on cost plus 5-30% profit, for production of finished goods.   |
|         |                   | Account receivables          | 1.25                   | 0.27                   |  |
|         | GKP               | Sale of goods                | -                      | 0.11                   | GUNKUL sold finished goods to public sector clients on cost plus 5-30% profit.   |
|         |                   | Account receivables          | -                      | 0.08                   |  |
|         | KNP               | Sale of goods                | 15.98                  | 75.70                  | GUNKUL sold raw material to GKA on cost plus 5-30% profit, for production of finished goods.   |
|         |                   | Account receivables          | 1.13                   | 0.65                   |  |
|         | FEC               | Sale of goods                | 0.05                   | 3.06                   | GUNKUL sold finished goods to FEC for use in contraction, FEC's core business, on cost plus 5-30% profit which is comparable to other clients.                           |
|         |                   | Account receivables          | 0.00                   | 1.88                   |  |
|         | KNT               | Sale of goods                | 0.01                   | 0.06                   | GUNKUL sold finished goods to KNT for use in marine transport on cost plus 5-30% which is comparable to other clients.   |
|         |                   | Account receivables          | 0.00                   | 0.02                   |  |
|         | GPS               | Construction of power plants | 58.04                  | -                      | GUNKUL signed the Engineering Procurement & Construction (EPC) contract agreement of solar power plant and other construction work to GPS on cost plus 5-16.27% profit.. |
|         |                   | Sale of goods                | 0.01                   | -                      |  |
|         |                   | Service revenue O&M          | 15.27                  | 21.90                  |  |
|         | GCPG              | Construction of power plants | 665.50                 | 19.70                  | GUNKUL signed the EPC contract for additional Bankluei sit amount 19.70 million baht to GCPG cost plus 5-16.27% profit.  |
|         |                   |                              |                        |                        |  |



| Company | Related companies | Type of transaction                     | Size                   |                        | Reason and necessity   |
|---------|-------------------|---|------------------------|------------------------|--|
|         |                   |   | 2013<br>(million baht) | 2014<br>(million baht) |  |
|         |                   | Account receivables - work guarantee    | 145.00                 | -                      | GUNKUL signed the O&M contract to maintain 4 solar for 5 years amount 40.80 million baht for Wichienburi site 8 MW, 40.80 million baht for Srithula site 8 MW, 25.50 million baht for Noen Por site 4.5 MW and 20.40 million baht for Buengsampan site 3 MW.         |
|         |                   | Account receivables - construction work | -                      | 21.08                  |  |
|         |                   | revenue                                 |                        |                        |  |
|         |                   | Service revenue O&M                     | 17.28                  | 25.01                  |  |
|         |                   | Unearned service revenue O&M            | 0.52                   | 0.67                   |  |
|         |                   | Advanced service revenue O&M            | 4.40                   | 4.39                   |  |
|         |                   | Service revenue S&A                     | 4.20                   | 4.37                   |  |
|         |                   | Unearned service revenue S&A            | 0.37                   | 0.39                   |  |
|         |                   | Construction of power plants            | 63.26                  | -                      |  |
|         |                   | Account receivables - construction work | 51.57                  | 33.05                  |  |
| NK      |                   | Sale of goods                           | -                      | 0.02                   | GUNKUL signed the EPC contract to construct solar power plant in the capacity of 0.94 MW to NK in amount of 53.55 million baht on cost plus 5.16-2.7% profit.  |
|         |                   | Service revenue O&M                     | 0.19                   | 1.50                   |  |
|         |                   | Unearned service revenue O&M            | 0.20                   | -                      |  |
|         |                   |   |                        |                        |  |
|         |                   |   |                        |                        | Gunkul sold finished goodsto NK in order to maintain equipment on cost plus 5-30%<br>Gunkul signed the O&M agreement with NK at Bo ploi branch, Kanchanaburi province capacity 0.94 MW amount 7.65 million baht for 5 years on November 16, 2013- November 15, 2018. |
|         |                   |   |                        |                        |  |
|         |                   |   |                        |                        |  |
|         |                   |   |                        |                        |  |

| Company | Related companies | Type of transaction       | Size                   |                        | Reason and necessity   |
|---------|-------------------|---------------------------|------------------------|------------------------|--|
|         |                   |                           | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GKA     | GPD               | Sale of goods             | 1.02                   | 4.80                   | GUNKUI sold finished goods to GPD for solar power plant construction on cost plus 5-30%  |
|         |                   | Account receivables       | 1.09                   | 0.55                   |  |
|         | GLED              | Sale of goods             | -                      | 0.01                   | GUNKUI sold finished goods to GLED for solar power plant construction on cost plus 5-30%   |
|         |                   | Sale of goods             | 26.70                  | 71.49                  |  |
|         | KNP               | Account receivables       | 5.07                   | 11.48                  | GKA sold finished goods to KNP and KNP resells the goods to public sector clients on cost plus 5.30%.  |
|         |                   | Sale of goods             | 52.40                  | 52.83                  |  |
|         | GKP               | Service Revenue           | 2.20                   | 2.55                   | GKA sold raw materials to GKP on cost plus 5.30%, for production of finished goods.  |
|         |                   | Account receivables       | 36.29                  | 17.62                  |  |
|         | GLED              | Sale of goods             | -                      | 0.91                   | GKA sold raw materials to GLED on cost plus 5.30%, for production of finished goods.   |
|         |                   | Sale of goods             | 6.14                   | 13.39                  |  |
| GLED    | FEC               | Service revenue           | 19.83                  | 3.46                   | GKA manufactures metal parts and render services to FEC on cost plus 15-35% with advanced deposit paid by FEC. FEC uses the goods for construction of steel structure of solar cell panels and EPC construction works. |
|         |                   | Account receivables       | 9.05                   | 9.64                   |  |
|         |                   | Deposit Accounts of goods | 1.20                   | 1.20                   |  |
|         |                   | Service revenue           | -                      | 0.39                   |  |
|         | GMS               | Sale of goods             | 0.06                   | -                      | GKA sold manhole cover sized 1200 x 440 mm to GM for drain system repairing  |
|         |                   | Sale of goods             | -                      | 1.07                   |  |
|         | FEC               | Account receivable        | -                      | 1.14                   | GLED sold LED Lighting bulbs for install street lamp on cost plus 5-30%  |
|         |                   | Sale of goods             | 25.20                  | 43.96                  |  |
| GKP     | KNP               | Account receivables       | 7.83                   | 6.63                   | GKP sold finished goods to KNP on cost plus 5-30%, KNP resells the goods to public sector clients.   |
|         |                   |                           |                        |                        |  |

| Company   | Related companies | Type of transaction                   | Size                   |                        | Reason and necessity   |
|-----------|-------------------|---------------------------------------|------------------------|------------------------|--|
|           |                   |                                       | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GPD       | GSR1              | Account receivables construction work | -                      | 18.66                  | GPD was hired by GSR1 to build the solar rooftop capacity 241.92 KW at GKA contract value 16.92 million baht.                                |
|           | GSP2              | Account receivables construction work | -                      | 35.41                  | GPD was hired by GSP2 to build the solar rooftop capacity 538.56 KW at Chonburi province, contract value 35.41 million baht.                 |
|           | WHA GSR-1         | Account receivables construction work | -                      | 40.28                  | GPD was hired by WHA GSR-1 to build the solar rooftop capacity 636.48 KW at Samutpakarn province, contract value 40.28 million baht.         |
|           |                   | Service revenue O&M                   | -                      | 0.23                   | GPD signed O&M contract with WHA GSR-1, WHA GSR-3, WHA GSR-6, and WHA GSR-17 for 5 years on July 16, 2014 contract value 14.13 million baht. |
| WHA GSR-3 |                   | Unearned service revenue O&M          | -                      | 0.04                   |  |
|           |                   | Advanced payment                      | -                      | 1.26                   | GPD advanced VAT fees for WHA GSR1 to import electrical equipment from oversea.  |
|           |                   | Account receivables construction work | -                      | 51.10                  | GPD was hired by WHA GSR-1 to build the solar rooftop capacity 832.32 KW at Samutpakarn province, contract value 51.10 million baht.         |
|           |                   | Service revenue O&M                   | -                      | 0.31                   | GPD signed O&M contract with WHA GSR-1, WHA GSR-3, WHA GSR-6, and WHA GSR-17 for 5 years on July 16, 2014 contract value 14.13 million baht. |
| WHA GSR-6 |                   | Unearned service revenue O&M          | -                      | 0.06                   |  |
|           |                   | Advanced payment                      | -                      | 1.66                   | GPD advanced VAT fees for WHA GSR3 to import electrical equipment from oversea.  |
|           |                   | Account receivables construction work | -                      | 51.10                  | GPD was hired by WHA GSR-1 to build the solar rooftop capacity 832.32 KW at Samutpakarn province, contract value 51.10 million baht.         |
|           |                   | Service revenue O&M                   | -                      | 0.31                   | GPD signed O&M contract with WHA GSR-1, WHA GSR-3, WHA GSR-6, and WHA GSR-17 for 5 years on July 16, 2014 contract value 14.13 million baht. |
|           |                   | Unearned service revenue O&M          | -                      | 0.06                   |  |
|           |                   | Advanced payment                      | -                      | 1.66                   | GPD advanced VAT fees for WHA GSR6 to import electrical equipment from oversea.  |

| Company | Related companies | Type of transaction                   | Size                   |                        | Reason and necessity   |
|---------|-------------------|---------------------------------------|------------------------|------------------------|--|
|         |                   |                                       | 2013<br>(million baht) | 2014<br>(million baht) |  |
|         | WHA<br>GSR-17     | Account receivables construction work | -                      | 56.53                  | GPD was hired by WHA GSR-1 to build the solar rooftop capacity 997,560 KW at Samutprakarn province, contract value 56.53 million baht.       |
|         |                   | Service revenue O&M                   | -                      | 0.37                   | GPD signed O&M contract with WHA GSR-1, WHA GSR-3, WHA GSR-6, and WHA GSR-17 for 5 years on July 16, 2014 contract value 14.13 million baht. |
|         |                   | Unearned service revenue O&M          | -                      | 0.07                   |  |
|         |                   | Advanced payment                      | -                      | 01.97                  | GPD advanced VAT fees for WHA GSR17 to import electrical equipment from oversea.   |

## (2) Purchase of goods and taking of services

| Company | Related companies | Type of transaction               | Size                   |                        | Reason and necessity  |
|---------|-------------------|-----------------------------------|------------------------|------------------------|---|
|         |                   |                                   | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GUNKUL  | GKP               | Purchase of goods                 | 346.01                 | 209.15                 | GUNKUL bought finished goods from GKP to sell to GUNKUL's clients. Prices of goods are based on cost plus 5-30% profit, and services fees by GKP are on cost plus 15-20% profit.  |
|         |                   | Account payables                  | 224.68                 | 92.98                  |   |
|         | GKA               | Purchase of goods                 | 195.56                 | 142.34                 | GUNKUL bought finished goods from GKA on cost plus 5-35% profit to sell to GUNKUL's clients.  |
|         |                   | Account payables                  | 22.23                  | 36.42                  |   |
|         | KNP               | Purchase of goods                 | 9.55                   | 27.62                  | GUNKUL bought finished goods from KNP on cost plus 5-30% profit to sell to GUNKUL's clients.  |
|         |                   | Account payables                  | 0.44                   | 23.52                  |   |
| FEC     |                   | Construction/service fee          | 352.74                 | 159.29                 | GUNKUL signed contracts with FEC to construct power stations and utilities systems for solar power plants, total contractual value is 773.74 million baht and signs 2 contracts for ground Srew about fence and utilities systems value 199.80 million baht, EPC contract to construct power station and utilities systems at Ban kuai phase 1, Petchaboon province capacity 0.609 MW contract value 6.99 million baht. |
|         |                   | Account payables                  | -                      | 1.02                   |   |
|         |                   | Retention payable from contractor | 85.51                  | 14.71                  |   |

| Company | Related companies | Type of transaction               | Size                   |                        | Reason and necessity  |
|---------|-------------------|-----------------------------------|------------------------|------------------------|---|
|         |                   |                                   | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GKA     |                   | Advanced payment for construction | 7.14                   | -                      | GUNKUL advanced for 30% to FEC about utilities system at srichula and Wiclenburi plant total cost 438.61 million baht.                      |
|         | GCPG              | Purchase of goods                 | 0.01                   | -                      | GUNKUL bought DC Solar Cable sized 1x6 sqmm. from GCPG for solar power plant construction on cost plus 5-30%                                |
|         | GPD               | Purchase of goods                 | -                      | 0.43                   | GUNKUL bought goods from GPD to resell to GUNKUL's clients.   |
|         |                   | Account payables                  | -                      | 0.04                   |   |
|         | GKP               | Purchase of goods                 | 0.81                   | 1.08                   | GKA bought prefabricated raw materials from GKP on cost plus 5-30% profit to produce finished goods.  |
|         |                   | Account payables                  | 0.41                   | 0.45                   |   |
| GKA     | FEC               | Purchase of goods                 | 0.07                   | 0.01                   | GKA purchases net hedge from FEC for border setting of the factory in purpose of material keeping on cost plus 5-30%                        |
|         |                   | Account payables                  | -                      | 0.01                   |   |
|         | GLED              | Purchase of goods                 | -                      | 0.01                   | GKA bought LED bulbs from GLED  |
|         |                   | Account payables                  | -                      | 0.01                   |   |
| WED     | FEC               | Fees                              | 0.56                   | -                      | WED hired FEC to survey land and density of Wind power at Huay bong , Nakomrachasirima province   |
|         |                   | Construction                      | -                      | 47.84                  | WED hired FEC to install High voltage power pole wiring 115 kV at Huay bong , Nakomrachasirima province contract value 147.07 million baht. |
| GPD     |                   | Account construction payables     | -                      | 12.32                  |   |
|         | FEC               | Fees                              | -                      | 7.31                   | GPD hired FEC to survey strength of rooftop structure, project management and electrical system before run power supply.                    |
|         | GKE               | Fees                              | -                      | 0.05                   | GPD provided GKE's officer to work in factory of solar power rooftop.   |
|         | KNP               | Fees                              | -                      | 0.01                   | GPD provided KNP's officer to work in factory of solar power rooftop.   |

| Company | Related companies | Type of transaction | Size                   |                        | Reason and necessity   |
|---------|-------------------|---------------------|------------------------|------------------------|--|
|         |                   |                     | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GKP     | GLED              | Purchase of goods   | -                      | 0.05                   | GKP bought LED bulbs from GLED   |
|         |                   | Account payables    | -                      | 0.05                   |  |
| SGSE    | FEC               | Fees                | -                      | 0.13                   | SGSE hired FEC to check strength of factory rooftop structure, project management and electrical system before run power supply. |
| SES     | FEC               | Fees                | -                      | 0.13                   | SES hired FEC to check strength of factory rooftop structure, project management and electrical system before run power supply.  |

### (3). Acquisition and divestment of assets and rental

| Company | Related companies | Type of transaction | Size                   |                        | Reason and necessity  |
|---------|-------------------|---------------------|------------------------|------------------------|---|
|         |                   |                     | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GUNKUL  | GK2000            | Rental              | 5.60                   | 5.60                   | GK2000 rented land and building from Mr. Gunkul Dhumrongpiyawut and then re-rent it to GUNKUL to use as warehouse (Ruamjit) and warehouse (Pichai) with three-year contract starting from July 1, 2012 to June 30, 2015, at average rental rate of 328,000 baht/month 79.43 baht/sq.m. for land and building (average rental calculated from average rental to premise space) and 139,000 baht/month or 249.10 baht/sq.wah for land. This rental rate is close to rate that is appraised by independent appraiser, Noble Property Company Limited, at 79.51 baht/sq.m. for Ruamjit and 248.33 baht/sq.wah for Pichai warehouse. |

| Company | Related companies | Type of transaction    | Size                   |                        | Reason and necessity  |
|---------|-------------------|------------------------|------------------------|------------------------|---|
|         |                   |                        | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GKA     | GMS               | Rental                 | 1.01                   | 1.43                   | GMS who leased 2 title deeds of land including building with Mr. Gunkul Dhurongpiyawut in the total of 0-3-31 Rai (331 squaremeters) at Soi Watsawadiwari Srmaram, Nakomchaisri Road, Nakomchaisri, Dusit, Bangkok and sublease to GUNKUL in the purpose of office and garage using during 17 <sup>th</sup> April 2013 - 31 <sup>st</sup> December 2015 by retel fee in amount of 119,000 baht per month which referred to the appraisal from independent appraiser, Thai Surveyor and Advisory Co., Ltd. |
|         | NK                | Rental Income          | 0.10                   | 0.18                   | NKP signed lease agreement with GUNKUL for title deed of land NorSor 3 no. 86 located at Nongkum, Borploi, Karachanaburi Province in the total area of 19-2-23 Rai for solar power plant construction in the capacity of 0.94 MW strating 12th June 2013 for 26 years in total rental amount of 6.06 million baht.  |
|         |                   | Advance Rental Revenue | 0.08                   | 0.08                   |   |
|         | GSR1              | Rental Income          | -                      | 0.01                   | GSR1 rents GKE's factory rooftop in order to install solar panel 600 Sq.m during 3 years , rental fees amount 1 Sq.m/3 baht (starting September, 3 2014)  |
|         | GKP               | Unrecieve Rental       | -                      | 0.00                   |   |
|         |                   | Rental Income          | 1.20                   | 1.20                   | GKA rented manufacturing building to GKP to use for goods assembly, with 3-year contract starting from 1 July 2012 - 30 July 2015 at rental rate of 100,000 baht/month in   |
|         | GLED              | Rental Income          | -                      | 0.29                   | GKA rented some part of factory area to GLED to manufacturing LED bulbs lighting amount 360 sq.m, agreement during 3 years starting July 1, 2014 - June 30, 2017 rental 48,000.00 baht/month  |
|         |                   | Rental Income          | -                      | 0.04                   | GKA rented factory rooftop area to GSR1 for install solar panels 3456 sq.m. agreement during 3 years rented per month is 3 baht /sq.m (staring September 2, 2014)   |
|         | Director          | Unrecieve Rental       | -                      | 0.01                   |   |
|         |                   | Rental                 | 0.69                   | 0.69                   | GKA signed a contract to rent land, 3,472 sq.m. on 2 title deeds of land, from Mr. Gunkul Dhurongpiyawut for use as supplies and goods storage in the rental fee of 57,800 baht per month during 1st January 2012 until 31st December 2014 where the land is located near GKA's factory.  |
|         |                   | Unpaid rental          | 0.69                   | -                      |   |

| Company | Related companies | Type of transaction | Size                   |                        | Reason and necessity   |
|---------|-------------------|---------------------|------------------------|------------------------|--|
|         |                   |                     | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GKP     | GMS               | Rental              | 0.50                   | 0.50                   | GMS rented land and building from Mr. Gunkul Dhumrongpiyawut and re-lets them to GKP for use as office, testing building and warehouse. The term of rent agreement is 3 years starting from 1 July 2012 - 30 June 2015 at rental rate of 42,000 baht/month or 49.41 baht/sq.m., which is close to rental rate as appraised by Noble Property, an independent appraiser, at 49.75 baht/sq.m   |
| KNP     | GK 2000           | Rental              | 1.06                   | 1.06                   | GK2000 who rented land and warehouse (Ratchaneekorn) from Mr. Gunkul Dhumrongpiyawut re-lets the land and warehouse (Ratchaneekorn) to KNP for use as office, testing building and warehouse. The term of contract is 3 years from 1 July 2012 - 30 June 2015 at total rental rate of 88,500 baht/month. When calculating only rental for head office building, the rental rate is 83.33 baht/month and the rental rate for warehouse (Ratchaneekorn) is 135.71 baht/sq.m. which are close to rental rates as appraised by Noble Property, an independent appraiser, at 82.75 baht/sq.m. and 135.89 baht/sq.m. respectively. |
| GNP     | Director          | Purchase of Land    | -                      | 13.34                  | GNP bought Land 223.31 Rai at Huay Bong, Nakornachasirima province from Miss Naruechon Dhumrongpiyawut, Gunkul's director, 59,700 baht/ Rai and total amount 13.34 million baht, which is lower than cost appraisal by Noble Property Co., Ltd. that is 40.70 million baht.  |



## (4) Financial Support

| Company | Related companies | Type of transaction         | Size                   |                        | Reason and necessity  |
|---------|-------------------|-----------------------------|------------------------|------------------------|---|
|         |                   |                             | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GUNKUL  | KNP               | <u>Short term Borrowing</u> |                        |                        | GUNKUL borrowed money from KNP for working capital by issuing promissory notes with 3.00-4.60% p.a. interest. (2013: 3.00-6.1813% per year) The interest rates are mutually agreed. |
|         |                   | Borrowing                   | 29.15                  | 20.61                  |   |
|         |                   | Payment                     | (8.54)                 | (20.61)                |   |
|         |                   | Balance                     | 20.61                  | -                      |   |
|         |                   | Interest expense            | 0.86                   | 0.30                   |   |
|         |                   | Unpaid interest             | 0.06                   | -                      |   |
|         | GPS               | <u>Short term Borrowing</u> |                        |                        | GUNKUL lent money to GPS for working capital by issuing promissory notes with 5.7563-6.1813% p.a. interest. The interest rates are mutually agreed                                  |
|         |                   | lending                     | 29.24                  | -                      |   |
|         |                   | Payment                     | (29.24)                | -                      |   |
|         |                   | Balance                     | -                      | -                      |   |
|         |                   | Interest expense            | 1.17                   | -                      |   |
|         |                   | Unpaid interest             | 6.19                   | -                      |   |
|         | WED               | <u>Short term borrowing</u> |                        |                        | GUNKUL borrowed money from WED for working capital by issuing promissory note with 3.00-4.60% p.a.(2013: 3.00-6.1813% per year) The interest rates are mutually agreed.             |
|         |                   | Borrowing                   | 105                    | -                      |   |
|         |                   | Payment                     | (80.00)                | (155.50)               |   |
|         |                   | Balance                     | 25.00                  | 180.50                 |   |
|         |                   | Interest expense            | 0.69                   | 7.09                   |   |
|         |                   | Unpaid Interest             | 0.28                   | 1.25                   |   |

| Company  | Related companies | Type of transaction  | Size                   |                        | Reason and necessity  |
|----------|-------------------|----------------------|------------------------|------------------------|---|
|          |                   |                      | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GNP      |                   | Short term borrowing |                        |                        | GUNKUL borrowed money from GNP for working capital by issuing promissory note with 3.00-4.60% p.a.(2013: 3.00-6.1813% per year) The interest rates are mutually agreed. |
|          |                   | Borrowing            | -                      | 50.00                  |   |
|          |                   | Payment              | -                      | -                      |   |
|          |                   | Balance              | -                      | 50.00                  |   |
|          |                   | Interest expense     | -                      | 0.23                   |   |
| GPD      |                   | Unpaid Interest      | -                      | 0.23                   | GUNKUL lent money to GPD for working capital by issuing promissory note with 3.00-4.60% p.a.(2013: 3.00-6.1813% per year) The interest rates are mutually agreed.       |
|          |                   | Short term borrowing |                        |                        |   |
|          |                   | lending              | -                      | 22.00                  |   |
|          |                   | Payment              | -                      | (22.00)                |   |
|          |                   | Balance              | -                      | -                      |   |
| GLED     |                   | Interest received    | -                      | 0.19                   | GUNKUL advanced payment for establishment GPD.  |
|          |                   | Advanced Account     | 0.02                   | -                      |   |
|          |                   | Receivable           |                        |                        |   |
|          |                   | Short term borrowing |                        |                        |   |
|          |                   | lending              | -                      | 7.00                   |   |
| GLED     |                   | Payment              | -                      | -                      | GUNKUL lent money to GPD for working capital by issuing promissory note with 3.00-4.60% p.a.(2013: 3.00-6.1813% per year) The interest rates are mutually agreed.       |
|          |                   | Balance              | -                      | 7.00                   |   |
|          |                   | Interest received    | -                      | 0.00                   |   |
|          |                   | Unrecieve Interest   | -                      | 0.00                   |   |
|          |                   | Short term borrowing |                        |                        |   |
| WHA GSR1 |                   | lending              | -                      | 9.00                   | GUNKUL lent money to WHA GSR1 for Short term by issuing promissory note with 5.975% p.a. The interest rates are mutually agreed.  |
|          |                   | Payment              | -                      | (9.00)                 |   |
|          |                   | Balance              | -                      | -                      |   |
|          |                   | Interest received    | -                      | 0.09                   |   |

| Company | Related companies | Type of transaction           | Size                   |                        | Reason and necessity   |
|---------|-------------------|-------------------------------|------------------------|------------------------|--|
|         |                   |                               | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GKA     | WHA GSR3          | Short term borrowing          |                        |                        | GUNKUL lent money to WHA GSR3 for Short term by issuing promissory note with 5.975% p.a. The interest rates are mutually agreed.                       |
|         |                   | lending                       | -                      | 12.00                  |  |
|         |                   | Payment                       | -                      | (12.00)                |  |
|         |                   | Balance                       | -                      | -                      |  |
|         | WHA GSR6          | Interest received             | -                      | 0.12                   | GUNKUL lent money to WHA GSR6 for Short term by issuing promissory note with 5.975% p.a. The interest rates are mutually agreed.                       |
|         |                   | Short term borrowing          |                        |                        |  |
|         |                   | lending                       | -                      | 12.00                  |  |
|         |                   | Payment                       | -                      | (12.00)                |  |
|         | WHA GSR17         | Balance                       | -                      | -                      | GUNKUL lent money to WHA GSR17 for Short term by issuing promissory note with 5.975% p.a. The interest rates are mutually agreed.                      |
|         |                   | Interest received             | -                      | 0.12                   |  |
|         |                   | Short term borrowing          |                        |                        |  |
|         |                   | lending                       | -                      | 13.00                  |  |
| GKA     | GIM               | Payment                       | -                      | (13.00)                | GUNKUL advanced payment for GIM to be share deposit in Sendai Okura Mega Solar Godo Kaisha, Japan  |
|         |                   | Balance                       | -                      | -                      |  |
|         |                   | Interest received             | -                      | 0.13                   |  |
|         |                   | Advanced Account Receivable   | -                      | 13.56                  |  |
|         | GKP               | Borrowing from related person |                        |                        | GKA borrowed money from GKP on short term for working capital by issuing promissory notes with 3% p.a. interest. The interest rate is mutually agreed. |
|         |                   | Borrowing                     | 32.16                  | -                      |  |
|         |                   | Payment                       | (32.16)                | -                      |  |
|         |                   | Balance                       | -                      | -                      |  |
|         | GKA               | Interest expense              | 0.43                   | -                      |  |
|         |                   |                               |                        |                        |  |
|         |                   |                               |                        |                        |  |
|         |                   |                               |                        |                        |  |

| Company   | Related companies | Type of transaction           | Size                   |                        | Reason and necessity  |
|-----------|-------------------|-------------------------------|------------------------|------------------------|---|
|           |                   |                               | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GK Sendai | GKG               | Borrowing from related person |                        |                        | Sendai Okura Mega Solar Godo Kaisha borrowed money from GKG on short term to be circulating fund by unpaid interest.  |
|           |                   | Borrowing                     | -                      | 4.93                   |   |
|           |                   | Payment                       | -                      | -                      |   |
|           |                   | Balance                       | -                      | 4.93                   |   |
| GIM       | Directors         | Borrowing from related person |                        |                        | GIM borrowed money from Mr.Gunkul Dhumrongphiyawut on short term in order to pay share premium for investment in Sendai Okura Mega Solar Godo Kaisha, Japan by unpaid interest. |
|           |                   | Borrowing                     | -                      | 18.27                  |   |
|           |                   | Payment                       | -                      | (18.27)                |   |
|           |                   | Balance                       | -                      | -                      |   |

#### 5) Other items

| Company | Related companies | Type of transaction        | Size                   |                        | Reason and necessity  |
|---------|-------------------|----------------------------|------------------------|------------------------|---|
|         |                   |                            | 2013<br>(million baht) | 2014<br>(million baht) |   |
| GUNKUL  | GKA               | Dividend income            | -                      | 80.00                  | GUNKUL got dividend from GKA approved by Board of director meeting no.1/2014 on February 11, 2014. Dividend payment was approved by year ending December 31, 2012, from unappropriated net profit 25 baht/share for 1,999,998 shares held (par value 100.00 baht each), dividend totaling 50 million baht in February 2014.<br><br>As resolution of Board of director Meeting no.2/2014 on September 11, 2014 interim dividend payment was approved ending December 31, 2014 from 2 periods that unappropriated retained earnings 15 baht/share for 1,999,998 shares held (par value 100.00 baht each), dividend totally 30 million baht and expected to pay in September 2014. |
|         |                   | Unreceived dividend income | -                      | -                      |   |

| Company | Related companies | Type of transaction        | Size                   |                        | Reason and necessity   |
|---------|-------------------|----------------------------|------------------------|------------------------|--|
|         |                   |                            | 2013<br>(million baht) | 2014<br>(million baht) |  |
| GKP     |                   | Dividend income            | 56.15                  | 50.00                  | GUNKUL got dividend from GKP approved by Board of director meeting no.2/2014 on September 11, 2014. Interim dividend payment was approved ending June 30, 2014 rate of 500 baht/share for 99,998 shares held (par value 100.00 baht each), dividend totally 50 million baht and expected to pay in September 2014.   |
|         |                   | Unreceived dividend income | -                      | -                      |  |
| KNP     |                   | Dividend income            | 36.50                  | 29.00                  | GUNKUL got dividend, from KNP approved by Board of director meeting no.1/2014 on January 22, 2014. Interim dividend payment was approved ending December 31, 2014 and unappropriated retained earnings ending June 30, 2014 rate of 18 baht/share for 499,998 shares held (par value 100.00 baht each), dividend totally 9 million baht. Payment will be done before January 2014. |
|         |                   | Unreceived dividend income | -                      | -                      |  |
| GPS     |                   | Dividend income            | 76.40                  | 93.27                  | As resolution of the Board of Directors no.2/2014 on August 21, 2014 had approved for interim dividend payment as performance as of June 30, 2014 from retained earnings. THB 40.00 per share (par value 1,000 baht each) in the total amount of 20 million baht for 499,998 shares held and expected to pay in August 26, 2014.   |
|         |                   | Unreceived dividend income | 28.40                  | 56.07                  |  |
|         |                   |                            |                        |                        | As a resolution of Annual General shareholders meeting on April 1, 2014 had approved for interim dividend payment. THB 11.17 per share (par value 100 baht each) the dividend total amount 41.56 million baht for 3,719,998 shares held.   |
|         |                   |                            |                        |                        | As resolution of the Board of Directors no.4/2557 on September 23, 2014 had approved for interim dividend payment to GPS as performance as of June 30, 2014 from unappropriated retained earnings 13.90 per share (par value 100 baht each) in the total amount of 51.71 million baht for 3,719,998 shares held.   |

| Company | Related companies | Type of transaction        | Size                   |                        | Reason and necessity  |
|---------|-------------------|----------------------------|------------------------|------------------------|---|
|         |                   |                            | 2013<br>(million baht) | 2014<br>(million baht) |   |
|         | GCPG              | Dividend income            | 56.11                  | 91.32                  | GUNKUL got dividend by resolution of the Board of Directors no.2/2014 on May 9, 2014 from GCPG had approved for interim dividend payment to GCPG as performance as of March 31, 2014. THB 7.05 baht per total amount 69.94 million baht to shareholders as of April 21, 2014. GUNKUL has 5,509,195 shares held (par value 100 baht each) in the total of divided amount of 36.67 million baht and expected to pay by June 2014. |
|         |                   | Unreceived dividend income | -                      | -                      |   |
|         |                   |                            |                        |                        | As resolution of the Board of Directors no.3/2014 on August 6, 2014 had approved for interim dividend payment to GCPG as performance as of January - June 2014 from rate of 11.00 baht per share (par value 100 baht each) in the total amount of 55.65 million baht for 5,059,195 shares held.   |
|         | GPD               | Dividend income            | -                      | 50.10                  | GUNKUL got dividend by resolution of the Board of Directors no.2/2014 on August 14, 2014 from GPD had approved for dividend payment to GCPG as performance as of March 31, 2014 from retain earning as below  |
|         |                   | Unreceived dividend income | -                      | -                      |   |
|         |                   |                            |                        |                        | 1. As of August 20, 2014 rate of 167.00 baht per share (par value 100 baht each) in the total amount of 25.05 million baht for 149,997 shares held.   |
|         |                   |                            |                        |                        | 2. As of September 29, 2014 rate of 167.00 baht per share (par value 100 baht each) in the total amount of 25.05 million baht for 149,997 shares held. Expected to pay within August and September 2014.  |

## Opinions of audit committee on related transactions between the Company and subsidiaries

- Transactions between GUNKUL and subsidiaries and associated companies take place as normal business practice and benefit the Company's operations. GUNKUL has stock holding of subsidiaries and associated companies as below:
  - Subsidiaries companies are GKA, GKP, KNP, GNP, WED 99.99% respectively.
  - Subsidiaries companies are GSR1, GSR2, SES, BGP, GPD, GSP1, GSP2, GSC and SGSE 99.97% respectively.
  - Subsidiaries companies are GLED and GUCI 75% and GMCP1 51%
  - Subsidiaries companies are SGSE, GIM, GIS, GMP and GK Sendai 100% respectively.
  - Associated company and joint controlled is GCPG 51%
  - Associated company and controlling is NK 49%
  - Associated companies are GPS are SWE 40%
  - And associated companies WHA GSR1, WHA GSR2, WHA GSR3, WHA GSR4, WHA GSR5, WHA GSR6, WHA GSR8, WHA GSR9, WHA GSR10, WHA GSR16, WHA GSR17 25.01% respectively as of December 31, 2014. However, these transactions do not pose any conflict of interest in the future.

## Opinions of audit committee on related transactions between the Company and subsidiaries, associated companies, and related persons and companies

- Buy/sell transactions benefit the Company's operations, are reasonable and have normal trade conditions.
- Rental contracts between the Company and subsidiaries and related persons are made under rental contracts and re-let contracts to match with rates appraised by independent appraiser, Noble Property Valuation Co., Ltd and Thai Surveyer Advisory Co., Ltd. Hence, these rental and re-let contracts by the Company's group have conditions and rental rates which are comparable to others and are reasonable and necessary.
- Service of O&M and Management between the Group are made under both agreed on service fee which are useful for the Company's operation and are reasonable.
- The Group made solar power plant construction contracts, on part of civil works and steel structure for solar cell panels, with related companies at prices lower than those of solar power plant construction in the initial phase, and comparable to construction contract made with a company on the same site
- Subsidiaries and associated companies sign solar rooftop power plant construction contracts which are useful for the Company's operation and are reasonable

- Asset acquisitions from related persons and companies to use for operation are necessary for and benefit the Company's operation. Conditions and prices of these acquisitions are comparable to acquisitions from a third party.
- All lending transactions between the Group companies and related companies are based on 3.00 - 4.60 p.a. interest charges. Such interest rates are averagely close to or slightly higher than interest rates of financial institutions. These lendings are necessary and reasonable and benefit the Company's operations.

As of 31 December 2014, the Company got credit lines from 4 commercial banks for total amount of 5,630.00 million baht. Details are as follows:-

- Overdraft of 20.00 million baht,
- Letter of credit/trust receipt of 665.00 million, in which GKA can share for 130.00 million baht and GKP can share for 170.00 million baht respectively,
- Bank guarantee of 345.00 million baht, in which KNP can share for 50 million baht and GKA can share 180 million baht respectively,
- Letter of guarantee and letter of credit/trust receipt (Multi) of 1,660 million baht, in which GKA, GKP, KNP, GCPG and GPS can share for 1,660 million baht,
- Short term credit line of 1,175 million baht.
- Credit line for foreign exchange forward contracts of 1,765.00 million baht, in which GKA and GKP can share for 5.00 million baht and 14.00 million baht respectively.

All these credit lines are guaranteed by the right to claim the Company's deposit, mortgages of land and buildings of the Company's and subsidiaries' directors (details in 5.1 Operating fixed assets), collaterals by the Company's subsidiaries, and collaterals by the Company's directors - Mr. Gunkul Dhumrongpiyawut and Ms. Sopacha Dhumrongpiyawut, and pledge of GUNKUL shares held by GKG.



| Related companies/<br>persons       | Relationship                                     | Summary   | Reason and necessity  |
|-------------------------------------|--|---|---|
| 1. Mr. Gunkul<br>Dhumrongpiyawut    | Chairman of the<br>Board of Directors            | Borrowing collaterals,<br>total value of 1,135.00<br>million baht | - Banks asked Mr. Gunkul<br>Dhumrongpiyawut to place collateral<br>for borrowings as he is a major<br>shareholder and director.                     |
| 2. Ms. Sopacha<br>Dhumrongpiyawut   | President,<br>Chairman of Executive<br>Directors | Borrowing collaterals,<br>total value of 900.00<br>million baht   | - Banks asked Ms. Sopacha<br>Dhumrongpiyawut to place collateral<br>for borrowings as she is a major<br>shareholder and director.                   |
| 3. G.K. Assembly<br>Co., Ltd.       | Subsidiary                                       | Borrowing collaterals, total<br>value of 410.00 million baht      | - for borrowings as it is a subsidiary<br>and an owner of collateral assets.  |
| 4. K.N.P. Supply Co., Ltd.          | Subsidiary                                       | Borrowing collaterals, total<br>value of 410.00 million baht      | - Banks asks KNP to place collateral<br>for borrowings as it is a subsidiary,<br>an owner of collateral assets, and<br>shares the borrowing amount. |
| 5. G.K. Power Products<br>Co., Ltd. | Subsidiary                                       | Borrowing collaterals, total<br>value of 490.00 million baht      | - Banks asks GKP to place collateral<br>for borrowings as it is a subsidiary,<br>shares the borrowing amount.                                       |

**Notes:** Including credit line for foreign exchange forward contracts.

**Opinion of audit committee:** These transactions benefit the Company, and the persons and subsidiaries have placed their assets as collaterals without asking for any return.

As of 31 December 2014, K.N.P. Supply Co., Ltd., a subsidiary, got credit lines from 3 commercial banks, for total amount of 1,711.72 million baht. (The total credit 1,710 million baht) Details are as follows:-

- Letter of guarantee of 1,715.00 million baht, 1,710.00 million of which is a part of the 1,804.00 million-baht credit line given to GUNKUL.

All these credit lines are guaranteed by pledges of the subsidiary's deposit and promissory notes, collaterals by the parent company and its subsidiaries, and collaterals by the company's directors - Mr. Gunkul Dhumrongpiyawut and Ms. Sopacha Dhumrongpiyawut.



**Opinion of audit committee: These transactions are reasonable as they are guarantees for a subsidiary, and the persons have placed collaterals for the subsidiary's borrowing without asking for any return.**

As of 31 December 2014, Gunkul Chubu Powergen Co., Ltd., a subsidiary, got credit lines from 1 commercial banks, for total amount of 4,007.10 million baht. Details are as follows:-

- Long term credit line of 2,347.10 million baht,
- Currency hedge contract of 784.00 million baht.
- Letter of guarantee of 1,660.00 million baht which is a part of the 1,624.50 million-baht credit line given to GUNKUL.

All these credit lines are guaranteed by the right to claim the subsidiary's deposit, pledges of deposit account of the subsidiary, mortgages of land, buildings and equipment of the subsidiary, and pledge of GUNKUL shares held by GKG.

**Note:** Including foreign exchange forward contract and excluding currency hedge contract.

**Opinion of audit committee: These transactions are reasonable as they are guarantees for a subsidiary, and the said company has placed collaterals for the subsidiary's borrowing without asking for any return.**

As of 31 December 2014, G.K. Power Products Co., Ltd., a subsidiary, got credit lines from 3 commercial banks, which are joint credit lines with the parent company. Details are as follows:-

- Letter of credit/trust receipt of 170.00 million baht, which is a part of 340 million-baht credit line given to GUNKUL,
- Letter of guarantee of 1,660.00 million baht, which is the same as 1,660.00 million-baht credit line given to GUNKUL,
- Foreign exchange forward contracts of 14.00 million baht, which is a part of 30.00 million-baht foreign exchange forward contracts given to GUNKUL.

All these credit lines are guaranteed by the parent company, and Mr. Gunkul Dhumrongpiyawut and Ms. Sopacha Dhumrongpiyawut, the company's directors.

**Opinion of audit committee: These transactions are reasonable as they are guarantees for a subsidiary by the parent company and persons without asking for any return.**

As of 31 December 2014, G.K. Assembly Co., Ltd., a subsidiary, got credit lines from 2 commercial banks, which are joint credit lines with the parent company. Details are as follows:-

- Letter of credit/trust receipt of 130.00 million baht, which is a part of 1,840 million baht credit line given to GUNKUL,
- Letter of guarantee of 1,840.00 million baht, which is the same as 1,840.00 million baht credit line given to GUNKUL,
- Foreign exchange forward contracts of 5.00 million baht, which is a part of 20.00 million baht foreign exchange forward contracts given to GUNKUL.

All these credit lines are guaranteed by the parent company, and Mr. Gunkul Dhumrongpiyawut and Ms. Sopacha Dhumrongpiyawut, the company's directors.

**Opinion of audit committee: These transactions are reasonable as they are guarantees for a subsidiary by the parent company and persons without asking for any return.**

As of 31 December 2014, Wind Energy Development Co., Ltd., a subsidiary, got a credit line from 1 commercial bank in the form of borrowing of 348.00 million baht. Details are as follows:-

- Short term credit line of 348.00 million baht for purchase of land.

This credit line is guaranteed by the mortgage of land, pledge of share certificate of the company, and pledge of GUNKUL's shares held by GKG.

**Opinion of audit committee: This transaction is reasonable as its guarantees are made by placing the company's assets as collaterals.**

As of 31 December 2014, G-Power Source Co., Ltd., an associated company, got credit lines from 2 commercial banks, in the form of borrowings of 4,591.00 million baht in total. Details are as follows:-

- Letter of guarantee of 1,660.00 million baht, which is a part of 1,660.00 million baht credit line given to GUNKUL,
- Long term credit line of 243.14 million baht for purchase of land and project reserve,
- Long term credit line of 2,687.86 million baht for power plant construction.

All these credit lines are guaranteed by mortgages of the company's land and buildings, pledges of machinery and equipment, pledges of the company's share certificate and pledges of the company's deposit.

**Opinion of audit committee: This transaction is reasonable as the guarantees are made by placing the company's assets as collaterals.**

## 24.3 Policy and procedure of related transaction approval

Related transactions between the Company and its subsidiaries and related companies/ persons depend on reason, necessity and benefit to the Company as a whole. Price has to be fair or equivalent to normal business condition and in compliance with rules and regulations. The Company sets procedures and steps of approving such related transactions by not allowing management or related persons who have conflict of interest in that transaction to participate in the approval process. In case this transaction involves related person who may have conflict of interest, the Company will propose it to the audit committee for consideration. In case that the audit committee has no experience in that field, the Company may hire an independent expert or the Company's auditor to give opinions on that deal and then propose the transaction to the board of directors or shareholders meeting for approval.

The Company's board of directors has complied with Securities and Exchange Act and other related rules and regulations, including criteria on related transactions and acquisition and disposal of material assets of the Company and its subsidiaries, in order to avoid any conflict of interest and to create maximum benefit to all shareholders.

## 24.4 Policy and trend to do related transactions in the future

### 1. Trend of related transactions with persons with possible conflict of interest

- K.N.P. Supply Co., Ltd., G.K. Assembly Co., Ltd. G.K. Power Products Co., Ltd. and Gunkul LED Lighting Co.,Ltd: The Company will continue to have related transactions with these subsidiaries, which are purchase/sale of goods, purchase/sell of assets, lending/borrowing including guarantees of loans, and taking pledges of the subsidiaries' assets for the Company's loans.
- Wind Energy Development Co., Ltd., N.K. Power Sola Co., Ltd., Gunkul Solar Roof 1 Co., Ltd. and Gunkul and UCI Power Co.,Ltd. : operate electricity power production and generating business. Therefore, the Company and the subsidiaries may have related transactions constantly, which are sale of goods, purchase/sale of assets, lending/borrowing including guarantees of loans, and taking pledges of the subsidiaries' assets for the Company's loans.
- Gunkul International (Mauritius), Gunkul Investment(Singapore) Pte. Ltd., and Gunkul Myanmar Power(Hlawga) Ple,Ltd. : Operating oversea investment Therefore, the Company may have related transactions constantly, which are

lending/borrowing including guarantees of loans, and taking pledges for the Company's loans.

- Gunkul Power Development Co.,Ltd operate solar rooftop construction and electricity power production and generating business. Therefore, the Company and the associated company may have related transactions constantly, which are sale of goods, purchase/sale of assets, lending/borrowing including guarantees of loans, and taking pledges of the subsidiaries' assets for the Company's loans.
- Gunkul Chubu Powergen Co., Ltd.: operate electricity power production and generating business. Therefore, the Company and the associated company may have related transactions constantly, which are sale of goods, purchase/sale of assets, lending/borrowing including guarantees of loans, and taking pledges of the subsidiaries' assets for the Company's loans.
- G-Power Source Co., Ltd. : operates electricity power production and generating business. Therefore, the Company and the associated company may have related transactions constantly, which are sale of goods, purchase/sale of assets, lending/borrowing, all of which would be done according to necessity and on a normal business practice.
- Gunkul Group Co., Ltd. : Being the major shareholder of the Company, it has given the Company some financial supports such as loans and credit guarantees. After the successful debt restructuring, GUNKUL will seek less financial support from this company.
- Future Electrical Control Co., Ltd., JV Sri-U-Thong & FEC, and JV FEC & SAC : As the Company and those JVs are in construction business for civil and system works, related transactions happens as usual like purchase of goods or hire to produce finished goods etc. Such related transactions are necessary and based on normal business practice to support the Company's operations. The Company, however, has no policy to sell its products to JVs for any other purpose, such as for re-reselling, except for its core business. The Company also has no policy to give financial aids or guarantee/pledge to JVs.
- Gunkul Marine Line Co., Ltd. : GUNKUL will no long give financial aids to this company.



- Kulnatee Co., Ltd., and Gunkul Trading & Agency Co., Ltd. : After successful debt restructuring with financial institutions, it is expected that the Company will no longer borrow money from these company.
- Gunkul Engineering (2000) Co., Ltd., and G.M. Supply and Construction Co., Ltd. : As these two companies rent land and buildings which belong to Mr. Gunkul Dhumrongpiyawut during 1 July 2009 - 30 June 2012 and extend the rental for another 3 years from 1 July 2012 - 30 June 2015. So the Company has to sub-rent such land and buildings from these companies for use in business operations.
- Mr. Gunkul Dhumrongpiyawut and Ms. Sopacha Dhumrongpiyawut : One subsidiary has signed a land lease contract with Mr. Gunkul Dhumrongpiyawut for use as goods and equipment storage. Guarantees of credit line and use of the directors' assets for loan collateral will continue.

## 2. Policy on related transactions in the future

If the Company has to do related transactions between persons who may have conflict of interest, the Company has policy to request the audit committee to give opinions on necessity and suitability of the transaction. In case the audit committee has no experience on that field, the Company will hire independent expert or internal auditor to give opinions on that transaction and then propose this to board of directors or shareholders.

Policy on related transactions is classified as follows:-

- Normal practice transactions and transactions in support of normal business include buy/sell goods and/or hiring to produce finished goods. The Company has policy to let audit committee to consider and give opinions on reason and necessity of transaction. Pricing & trade conditions should be fair and have no conflict of interest involved. The Company has policy to let audit committee to consider and give opinions on that transaction on reason and necessity on quarterly basis and to comply with Securities and Exchange Act and related rules and regulations including disclosure of related transaction.
- Other transactions apart from normal transactions and transactions in support of normal business included sell/buy other assets or other services or giving/taking financial aids. The Company has policy to request the audit committee to consider and give opinions on reason and necessity of that transaction and comply with Securities and Exchange Act and other related rules and regulations including

disclosure of related transaction as well as the acquisition and disposal of material of the Company and subsidiaries. The Company, however, has no policy to lend money to person with conflict of interest for use in doing business for the Company

The Company's board of directors will comply with Securities and Exchange Act and other related rules and regulations including disclosure of related transactions as well as the acquisition and disposal of material assets of the Company or subsidiaries, in order to prevent such transactions from posing any conflict of interest and to create maximum wealth to shareholders. The Company discloses related transactions in its annual report and in the notes to the audited financial statements.

## 25. Board of Directors' Responsibility for Financial Reporting

According to the Public Company Act B.E. 2535 (1992), Accounting Act, B.E. 2543 (2000) Securities, the Exchange Act BE 2535 (1992) and the Notification of Capital Market by the subject of criteria, conditions, and procedures for disclosing information in financial status and performance of a securities issuing company stated that the board of directors should prepare the financial statement to present their financial status, operational performance, the change of shareholder's equity, and statement of cash flows of the previous fiscal year which is true and reasonable.

Since the board of directors becomes aware of obligations and responsibilities of overseeing the financial reports preparation to ensure efficient operational processes, the audit committee has been appointed to response for auditing the accounting policy and quality of the financial report, reviewing the internal control system, internal auditing to an organization's overall risk management framework, developing appropriate and efficiency internal controls ensuring accurate, complete, reasonably and consistent accounting data and must be sufficient to maintain the property and to significantly prevent fraud or unusual operations, disclosure transparent information related to all transactions between each other and financial information contained in the annual report. The financial statements prepared in accordance with a generally accepted accounting standard by selecting the most appropriate policy, practice consistently, very careful in the judgments, preparing a good estimate, and adequate disclosure of important information in notes to the financial statement for benefit of shareholders and general investors with transparency.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries for the year ended December 31, 2014 have been examined by an external auditor, SP Auditor Co., Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Gunkul Engineering Public Company Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principle and related regulations.



(Mr. Gunkul Dhurongpiyawut)

Chairman of the Board

21<sup>st</sup> February 2015



## 26. Summary of Financial Statements

### Financial Statements

#### (1) Accounting Audit Report

- The report of the accounting auditor for the company's financial statements and the consolidated financial statements for the company and its subsidiaries on 31 December 2012, which were audited by Miss Susan Eiamvanicha, Certified Public Accountant (Thailand) No.4306 from SP Audit Company Limited, who expressed her unbiased opinion that the above financial statements show the company's consolidated financial status on 31 December 2012; the consolidated business performance and consolidated cash flow of the company and its subsidiaries for the years ending 31 December 2012; the separate financial statements showing the financial status on 31 December 2012; the company's business performance for cash flow for the years then ended as being properly accurate in terms of relevant content and in compliance with generally accepted accounting principles.
- The report of the accounting auditor for the company's financial statements and the consolidated financial statements for the company and its subsidiaries on 31 December 2013, which were audited by Miss Susan Eiamvanicha, Certified Public Accountant (Thailand) No.4306 from SP Audit Company Limited, who expressed her unbiased opinion that the above financial statements show the company's consolidated financial status on 31 December 2013; the consolidated business performance and consolidated cash flow of the company and its subsidiaries for the years ending 31 December 2013; the separate financial statements showing the financial status on 31 December 2013; the company's business performance for cash flow for the years then ended as being properly accurate in terms of relevant content and in compliance with generally accepted accounting principles.
- The report of the accounting auditor for the company's financial statements and the consolidated financial statements for the company and its subsidiaries on 31 December 2014, which were audited by Miss Susan Eiamvanicha, Certified Public Accountant (Thailand) No.4306 from SP Audit Company Limited, who expressed her unbiased opinion that the above financial statements show the company's consolidated financial status on 31 December 2014; the consolidated business performance and consolidated cash flow of the company and its subsidiaries for the years ending 31 December 2014; the separate financial statements showing the financial status on 31 December 2014; the company's business performance for cash flow for the years then ended as being properly accurate in terms of relevant content and in compliance with generally accepted accounting principles.

## (2) Table Summary of Financial Statements

### Gunkul Engineering Public Company Limited & Subsidiaries

#### Financial Statements for 31 December 2012 - 2014

| Description   | Consolidated        |                     |                     | Separate Financial Statements |                 |                 |
|---|---------------------|---------------------|---------------------|-------------------------------|-----------------|-----------------|
|   | 2014 <sup>(1)</sup> | 2013 <sup>(1)</sup> | 2012 <sup>(2)</sup> | 2014                          | 2013            | 2012            |
| (Unit : Million Baht)                                     |                     |                     |                     |                               |                 |                 |
| <b>Current Assets</b>                                     |                     |                     |                     |                               |                 |                 |
| Cash & Cash Equivalents                                   | 1,508.78            | 224.89              | 581.93              | 1,205.91                      | 125.93          | 396.92          |
| Trade and Other Account Receivables - Net                 | 718.89              | 496.60              | 1,254.79            | 654.43                        | 386.12          | 1,191.29        |
| Unbilled Receivables - Related Parties                    | 41.37               | 35.25               | 17.06               | 26.64                         | 35.25           | 17.09           |
| Inventories   | 9.46                | 15.11               | 10.67               | 6.74                          | 7.90            | 5.88            |
| Construction in Progress                                  | -                   | 13.43               | 146.96              | -                             | 13.42           | 146.96          |
| Receivable from Revenue Department                        | 17.53               | 16.75               | 37.71               | -                             | 5.42            | -               |
| Deposit for Purchase of Goods                             | 304.01              | 350.84              | 412.59              | 198.36                        | 225.64          | 234.70          |
| Advance payments to subcontractor                         | 4.83                | 96.67               | 55.82               | -                             | 81.83           | 55.82           |
| Short - Term Loans to Related Parties                     | -                   | -                   | 29.25               | 7.00                          | -               | 29.25           |
| Other Current Assets                                      | 0.61                | 73.10               | -                   | -                             | 72.50           | -               |
| <b>Total Current Assets</b>                               | <b>2,605.48</b>     | <b>1,322.84</b>     | <b>2,546.78</b>     | <b>2,099.08</b>               | <b>954.01</b>   | <b>2,077.91</b> |
| <b>Non-Current Assets</b>                                 |                     |                     |                     |                               |                 |                 |
| Fixed deposits and bill of exchange pledged as collateral | 47.58               | 61.94               | 605.17              | 45.71                         | 45.54           | 259.18          |
| Investments in associate                                  | 350.63              | 340.5               | 321.41              | 397.69                        | 397.69          | 383.19          |
| Investments in subsidiaries                               | 822.42              | 867.07              | -                   | 3,280.84                      | 1,682.44        | 1,816.85        |
| Machinery for investment in advance                       | 268.35              | 268.34              | -                   | 268.35                        | 268.35          | -               |
| Investment property                                       | -                   | -                   | 31.19               | -                             | -               | -               |
| Property, Plant and Equipment - Net                       | 913.20              | 657.67              | 2,763.89            | 57.74                         | 60.19           | 46.53           |
| Intangible Assets - Net                                   | 2,214.18            | 967.42              | 681.50              | 4.47                          | 7.85            | 0.07            |
| Retention receivables                                     | 2.08                | 73.10               | -                   | 1.48                          | 72.50           | 68.83           |
| Other Non - Current Assets                                | 35.28               | 20.93               | 8.33                | 20.47                         | 9.44            | 0.65            |
| <b>Total Non - Current Assets</b>                         | <b>4,653.72</b>     | <b>3,256.97</b>     | <b>4,411.49</b>     | <b>4,076.75</b>               | <b>2,544.00</b> | <b>2,575.30</b> |
| <b>Total Assets</b>                                       | <b>7,259.20</b>     | <b>4,579.61</b>     | <b>6,958.27</b>     | <b>6,175.83</b>               | <b>3,498.01</b> | <b>4,653.21</b> |

(Unit : Million Baht)

| Description  | Consolidated       |                    | Separate Financial Statements |                 |                |                 |
|--|--------------------|--------------------|-------------------------------|-----------------|----------------|-----------------|
|  | 2014 <sup>1)</sup> | 2013 <sup>1)</sup> | 2012 <sup>2)</sup>            | 2014            | 2013           | 2012            |
| <b>Liabilities and Equity</b>  |                    |                    |                               |                 |                |                 |
| <b>Current Liabilities</b>   |                    |                    |                               |                 |                |                 |
| Short - term loans from financial institutions                       | 2,109.95           | 241.61             | 1,686.25                      |                 | 122.26         | 1,231.78        |
| Trade and Other Accounts Payable - Net                               | 363.32             | 269.93             | 879.21                        | 2,050.54        | 426.79         | 1,028.14        |
| Advances Received from Employers and Construction Revenue in Advance | -                  | 70.05              | 3.45                          | -               | 70.05          | 3.45            |
| Payable for purchase shares of subsidiary                            | 713.44             | 199.44             | 92.36                         | 371.45          | 199.44         | 92.36           |
| Payable for purchase of assets                                       | 0.74               | 1.55               | 246.09                        | 0.17            | 0.55           | -               |
| Revenue Department payable   | 8.13               | 9.16               | 10.84                         | 6.02            | -              | 6.30            |
| Accrued income tax payable   | 34.88              | 9.87               | 114.11                        | 11.82           | -              | 101.36          |
| Current portion of obligation under finance lease                    | 8.68               | 7.17               | 4.79                          | 6.78            | 5.51           | 3.97            |
| Current portion of long-term loans                                   | 156.50             | 156.50             | 122.17                        | -               | -              | -               |
| Provision for sales return   | -                  | -                  | 19.41                         | -               | -              | 19.41           |
| Provision for Warranty   | -                  | -                  | 2.17                          | -               | -              | 1.63            |
| Short - term loans from related parties                              | 4.92               | -                  | -                             | 230.50          | 45.61          | 29.15           |
| Retention payables   | 32.32              | 103.26             | -                             | 32.14           | 103.13         | -               |
| Other Current Liabilities  | -                  | -                  | -                             | -               | -              | -               |
| <b>Total Current Liabilities</b>                                     | <b>3,432.88</b>    | <b>1,068.54</b>    | <b>3,180.85</b>               | <b>3,155.96</b> | <b>973.34</b>  | <b>2,517.55</b> |
| <b>Non - Current Liabilities</b>                                     |                    |                    |                               |                 |                |                 |
| Payable for purchase shares of subsidiary                            | -                  | -                  | 172.50                        | -               | -              | 172.50          |
| Obligation under finance lease                                       | 19.58              | 21.80              | 16.10                         | 15.95           | 16.81          | 12.41           |
| Long-term loans from financial institutions                          |                    | 156.50             | 1,363.69                      |                 | -              | -               |
| Provision for Warranty   |                    |                    | 0.23                          |                 | -              | 0.08            |
| Employee benefit obligation  | 14.41              | 12.56              | 7.29                          | 10.14           | 8.88           | 5.14            |
| Retention payables   | 19.72              | 23.34              | 69.28                         | 10.40           | 22.45          | 69.28           |
| Other Non - Current Liabilities                                      | 412.91             | 176.14             | 3.77                          | 0.95            | .92            | 0.62            |
| <b>Total Non - Current Liabilities</b>                               | <b>466.82</b>      | <b>390.34</b>      | <b>1,632.86</b>               | <b>37.44</b>    | <b>49.06</b>   | <b>260.03</b>   |
| <b>Total Liabilities</b>   | <b>3,899.50</b>    | <b>1,458.88</b>    | <b>4,813.71</b>               | <b>3,193.40</b> | <b>1,022.4</b> | <b>2,777.58</b> |

(Unit : Million Baht)

| Description                                      | Consolidated         |                    |                      | Separate Financial Statements |                 |                 |
|--|----------------------|--------------------|----------------------|-------------------------------|-----------------|-----------------|
|  | 2014 <sup>1)</sup>   | 2013 <sup>1)</sup> | 2012 <sup>2)</sup>   | 2014                          | 2013            | 2012            |
| <b>Equity</b>                                    |                      |                    |                      |                               |                 |                 |
| Authorized share capital                         | 880.00               | 660.00             | 440.00               | 880.00                        | 660.00          | 440.00          |
| Issued and paid up share capital                 | 880.00 <sup>1)</sup> | 660.00             | 440.00 <sup>2)</sup> | 880.00                        | 660.00          | 440.00          |
| Premium on share capital                         | 425.12               | 425.12             | 425.12               | 425.12                        | 425.12          | 425.12          |
| Surplus from reorganization under common control | 93.61                | 93.62              | 93.62                | -                             | -               | -               |
| Retained earnings                                | 1,958.40             | 1,669.95           | 964.42               | 1,677.31                      | 1,390.49        | 1,010.52        |
| Non-controlling interests of the subsidiary      | 2.57                 | 272.04             | 221.40               | -                             | -               | -               |
| <b>Total Shareholders' Equity</b>                | <b>3,359.70</b>      | <b>3,120.73</b>    | <b>2,144.56</b>      | <b>2,982.44</b>               | <b>2,475.61</b> | <b>1,875.64</b> |
| <b>Total Liabilities and Equity</b>              | <b>7,259.20</b>      | <b>4,579.61</b>    | <b>6,958.27</b>      | <b>6,175.84</b>               | <b>3,498.01</b> | <b>4,653.22</b> |

## Gunkul Engineering Public Company Limited &amp; Subsidiaries

## Profit-Loss Statements for the Years Ending 31 December 2012 - 2014

(Unit : Million Baht)

| Description   | Consolidated       |                    |                    | Separate Financial Statements |                 |                 |
|---|--------------------|--------------------|--------------------|-------------------------------|-----------------|-----------------|
|   | 2014 <sup>1)</sup> | 2013 <sup>1)</sup> | 2012 <sup>2)</sup> | 2014                          | 2013            | 2012            |
| Revenues from Sales and services  | 2,976.55           | 2,044.60           | 4,305.52           | 2,343.92                      | 1,843.98        | 4,646.97        |
| Other income  | 85.00              | 811.12             | 458.36             | 450.90                        | 587.53          | 189.75          |
| <b>Total revenues</b>   | <b>3,061.55</b>    | <b>2,855.72</b>    | <b>4,763.88</b>    | <b>2,794.82</b>               | <b>2,431.51</b> | <b>4,836.72</b> |
| Cost of sales and services  | 2,253.46           | 1,586.26           | 3,235.96           | 1,894.15                      | 1,454.76        | 3,689.02        |
| Selling and Administrative expenses   | 336.74             | 283.39             | 339.98             | 233.90                        | 203.90          | 228.46          |
| Finance cost  | 57.84              | 47.38              | 103.77             | 46.52                         | 21.53           | 47.52           |
| Management benefit expense  | 58.38              | 46.43              | 37.97              | 50.60                         | 38.56           | 31.70           |
| Share of profit (loss) from investments in associates and jointly controlled entity |                    |                    |                    |                               |                 |                 |
| Income tax expense  | 269.27             | 150.01             | 48.67              | -                             | -               | -               |
|   | 83.08              | 174.30             | 227.92             | 37.74                         | 98.11           | 196.85          |
| <b>Profit for the year</b>  | <b>541.32</b>      | <b>867.97</b>      | <b>769.61</b>      | <b>531.91</b>                 | <b>614.62</b>   | <b>643.17</b>   |
| Equity holders of the Company   | 545.27             | 882.90             | 779.56             | 531.91                        | 614.62          | 643.17          |
| Non - controlling interests of the subsidiary                                       | (3.95)             | (15.08)            | (9.95)             | -                             | -               | -               |
| Number of weighted average ordinary shares  |                    |                    |                    |                               |                 |                 |
| (Unit : Million share) *  | 880.00             | 660.00             | 440.00             | 880.00                        | 660.00          | 440.00          |

<sup>1)</sup> As consolidated financial statements as of 31<sup>st</sup> December 2012, the percentage of shares holding in subsidiaries has been mentioned in topic 14. General Information.

<sup>2)</sup> As consolidated financial statements as of 31<sup>st</sup> December 2012, Gunkul Engineering Public Company Limited holds of 99.99% shares in G.K. Assembly Co., Ltd., G.K. Power Products Co., Ltd., K.N.P. Supply Co., Ltd. and Gunkul Powergen Co., Ltd. and also holds of 70.00% shares in Wind Energy Development Co., Ltd. The Company disposed the common shares in G-Power Source Co., Ltd. ("GPS") at 60.00% shares to Electricity Generating Public Co., Ltd. Therefore, the operation of GPS was not included in the consolidated financial statements.

<sup>3)</sup> As consolidated financial statements as of 31<sup>st</sup> December 2011, Gunkul Engineering Public Company Limited holds of 99.99% shares in G.K. Assembly Co., Ltd., G.K. Power Products Co., Ltd., K.N.P. Supply Co., Ltd. and Gunkul Powergen Co., Ltd. and also holds of 98.98% shares in G-Power Source Co., Ltd. ("GPS").

<sup>4)</sup> Registered Capital and Paid -up is 879,990,265 baht

**Gunkul Engineering Public Company Limited & Subsidiaries**  
**Statements of Cash Flow for the Years Ending 31 December 2012 - 2014**

(Unit : Million Baht)

| Description   | Consolidated |                    | Separate Financial Statements |          |          |
|---|--------------|--------------------|-------------------------------|----------|----------|
|   | 2014         | 2013 <sup>1)</sup> | 2012 <sup>2)</sup>            | 2014     | 2013     |
| <b>Cash Flow from Operating Activities</b>  |              |                    |                               |          |          |
| Net profit before income tax <sup>1)</sup>  | 628.34       | 1,057.20           | 1,007.48                      | 628.34   | 712.73   |
| Adjustments to reconcile net profit for cash from operations                        |              |                    |                               |          |          |
| Bad debts and doubtful debts (reversal)   | (0.31)       | (1.74)             | 1.90                          | (0.31)   | (0.82)   |
| Unrealized (gain) loss on exchange rate   | (3.96)       | 2.00               | 6.91                          | (3.96)   | (1.38)   |
| Loss on decline in the value of inventories (reversal)                              | (9.62)       | (5.03)             | 25.55                         | (9.62)   | 1.96     |
| Loss on impairment  |              | -                  | 1.38                          | -        | -        |
| Written off expense   |              | -                  | 6.62                          | -        | -        |
| Dividend income   |              |                    | -                             | (393.68) | (225.16) |
| Depreciation and amortization   | 26.34        | 17.59              | 47.99                         | 9.98     | 7.66     |
| Gain from disposal of fixed assets  | (0.23)       | (1.07)             | (0.97)                        | 1.31     | -        |
| Benefit from machinery for investment in advance                                    | (34.92)      | -                  | -                             | (34.92)  | -        |
| <b>ขาดทุนจากการด้อยค่าสินทรัพย์</b>   | 0.03         | -                  | -                             | -        | -        |
| Provision for warranty (reversal)   | 0.07         | (1.72)             | (0.83)                        | 0.007    | (1.15)   |
| Provision for sales return (reversal)   |              | (19.41)            | 19.42                         |          | (19.41)  |
| Provisions for delivery delay   | 0.06         | 0.61               | -                             | 0.24     | 0.43     |
| Provisions for employee benefits  | 1.84         | 5.59               | 1.03                          | 1.25     | 4.06     |
| Gain on disposal of investments in subsidiary                                       |              | (775.04)           | (416.22)                      |          | (337.92) |
| Share of (profit) loss from investments in associates and jointly controlled entity | (269.28)     | (150.01)           | 48.67                         |          | -        |
| Share of loss of uncontrolled interest  | (3.94)       | (15.08)            | (9.94)                        |          | -        |
| Intragroup profit recognized in fixed assets  |              | -                  | (8.32)                        |          | -        |
| Interest income   | (6.60)       | (10.39)            | (15.93)                       | (7.67)   | (9.07)   |
| Interest expenses   | 57.84        | 47.38              | 103.77                        | 46.52    | 21.53    |
|   |              |                    |                               |          | 17.82    |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | (25.57)  |
|   |              |                    |                               |          | 4.76     |
|   |              |                    |                               |          | (0.81)   |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | 0.63     |
|   |              |                    |                               |          | (141.53) |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | -        |
|   |              |                    |                               |          | (11.12)  |
|   |              |                    |                               |          | 47.52    |

(Unit : Million Baht)

| Description   | Consolidated  |                    |                    | Separate Financial Statements |               |                 |
|---|---------------|--------------------|--------------------|-------------------------------|---------------|-----------------|
|   | 2014          | 2013 <sup>1)</sup> | 2012 <sup>2)</sup> | 2014                          | 2013          | 2012            |
| Net profit before changes in operating assets and liabilities                                       | 399.60        | 150.89             | 818.48             |                               |               |                 |
| (Increase) decrease in trade and other receivable   | (183.74)      | 743.61             | 769.08             | 190.76                        | 153.46        | 759.43          |
| (Increase) decrease in unbilled receivable  | (6.11)        | (18.17)            | -                  | (232.02)                      | 840.52        | 414.79          |
| (Increase) decrease in deposit for purchase of goods  |               |                    |                    | 8.61                          | (18.17)       | -               |
| (Increase) decrease in advances payment to subcontractors   | 5.64          | (4.19)             | 49.78              | 1.17                          | (1.78)        | 54.57           |
| (Increase) decrease in Revenue Department   | 13.42         | 133.53             | (123.72)           | 13.42                         | 133.53        | (123.72)        |
| (Increase) decrease in inventories  | (0.19)        | (32.45)            | (15.27)            | 5.42                          | (5.42)        | -               |
| (Increase) decrease in construction in progress   | 56.50         | 66.78              | (56.32)            | 34.77                         | 7.11          | (72.45)         |
| (Increase) decrease in retention receivables  | 91.83         | (40.85)            | 358.23             | 81.82                         | (26.00)       | 752.72          |
| (Increase) decrease in other non-current assets   | 143.51        | (146.20)           | 66.13              | 143.51                        | (76.17)       | 0.45            |
| (Increase) decrease in trade payable  | 1.43          | 3.90               | 0.88               | 0.08                          | 0.01          | (0.19)          |
| Increase (decrease) in trade payable  | 67.73         | (575.60)           | 426.70             | 11.06                         | (528.41)      | 491.35          |
| <b>Cash Flow from Operating Activities (continued)</b>  |               |                    |                    |                               |               |                 |
| Increase(decrease) in non - current liabilities   |               |                    | 3.15               |                               |               | -               |
| Increase(decrease) in advances received from employers and construction revenue received in advance |               |                    |                    |                               |               |                 |
| (70.05)   | 62.99         |                    |                    | (70.05)                       | (3.57)        |                 |
| Increase(decrease) in Revenue Department  | (1.03)        | (1.68)             | (1.46)             | 6.01                          | (6.30)        | (3.79)          |
| Increase(decrease) in retention payables  | (74.54)       | 162.12             | -                  | (83.02)                       | 56.29         | -               |
| Increase(decrease) in advances received from construction   |               |                    | (221.88)           |                               |               | (221.88)        |
| (Increase) decrease in other current assets   |               | -                  | -                  |                               | -             | -               |
| Cash paid for employee benefits   |               | (0.32)             | (0.36)             |                               | (0.32)        | -               |
| Cash received for interest income   | 12.83         | 11.82              | 8.28               | 13.83                         | 10.70         | 6.31            |
| Cash paid for interest expense  | (74.72)       | (53.57)            | (94.18)            | (62.62)                       | (24.01)       | (43.68)         |
| Cash received for income tax  | 6.15          | -                  | -                  | 6.15                          | -             | -               |
| Cash paid for income tax <sup>1)</sup>  | (74.46)       | (225.67)           | (167.22)           | (37.02)                       | (220.66)      | (136.24)        |
| <b>Net Cash Provided from Operating Activities</b>  | <b>313.75</b> | <b>236.91</b>      | <b>1,820.09</b>    | <b>31.91</b>                  | <b>308.81</b> | <b>1,877.67</b> |

(Unit : Million Baht)

| Description   | Consolidated       |                    | Separate Financial Statements |                   |               |                 |
|---|--------------------|--------------------|-------------------------------|-------------------|---------------|-----------------|
|   | 2014 <sup>1)</sup> | 2013 <sup>1)</sup> | 2012 <sup>2)</sup>            | 2014              | 2013          | 2012            |
| <b>Cash Flow from Investing Activities</b>  |                    |                    |                               |                   |               |                 |
| Cash paid for shares subscription   | (146.47)           | (195.02)           | -                             | (146.47)          | (129.60)      | (195.02)        |
| Cash paid for investments in associate  | (10.65)            | (19.58)            | (57.60)                       | (10.65)           | (19.58)       | (57.60)         |
| Cash paid for investments in subsidiaries   | -                  | (17.00)            | (218.41)                      | (747.17)          | (216.98)      | (979.98)        |
| Cash received from disposal of investment in subsidiary   | 0.18               | 754.16             | 594.82                        | -                 | 824           | 594.92          |
| Dividend income   | -                  | 104.11             | -                             | -                 | 196.76        | 28.33           |
| (Increase) decrease in short - term loans to related parties  | 156.91             | 29.25              | (29.25)                       | 366.01            | 29.25         | 146.91          |
| Cash paid for investment property   |                    | (268.34)           | (32.57)                       | -                 | (268.34)      | -               |
| Benefit from machinery for investment in advance  | 34.92              |                    |                               | 34.92             |               |                 |
| (Increase) decrease in short - term loans to related parties  | -                  | -                  |                               | (7.00)            | -             | -               |
| Cash paid for purchase of property, plant and equipment and payable for purchase of assets                                    | (269.07)           | (570.08)           | (1,194.03)                    | (3.24)            | (10.51)       | (15.43)         |
| Proceed from disposal of property, plant and (Increase) decrease in fixed deposits and bill of exchange pledged as collateral | 2.32               | 1.08               | 2.81                          | 0.68              | .01           | 1.27            |
| Cash paid for purchase of intangible assets   | 14.36              | 320.88             | (419.98)                      | (0.18)            | 213.64        | (116.11)        |
|   | (52.90)            | (94.92)            | (0.23)                        | (0.45)            | (7.85)        | -               |
| <b>Net Cash Provided (used) from Investing Activities</b>   | <b>(792.49)</b>    | <b>44.52</b>       | <b>(1,354.43)</b>             | <b>(1,035.65)</b> | <b>545.38</b> | <b>(405.34)</b> |



(Unit : Million Baht)

| Description  | Consolidated       |                    | Separate Financial Statements |                 |                   |
|--|--------------------|--------------------|-------------------------------|-----------------|-------------------|
|  | 2014 <sup>1)</sup> | 2013 <sup>1)</sup> | 2012 <sup>2)</sup>            | 2014            | 2013              |
| <b>Cash Flow from Financing Activities</b>   |                    |                    |                               |                 |                   |
| Cash received from capital increment of non-controlling interest in subsidiary           | 96.63              | 65.72              | -                             |                 | -                 |
| Increase(decrease) in bank overdrafts and short - term loans from financial institutions | (1,871.17)         | (1,085.47)         | (1,237.89)                    |                 | (1,109.77)        |
| Proceeds from long - term loans from banks   |                    |                    | 414.60                        | 937.53          | -                 |
| Cash paid for long - term loans from banks   | (156.50)           | -                  | -                             | -               | -                 |
| Increase(decrease) in short-term loans from related parties                              | (13.33)            | -                  | 157.08                        | 184.89          | 16.46             |
| Repayment of obligation under finance lease  | (7.88)             | (5.41)             | (5.46)                        | (6.19)          | (4.27)            |
| Repayment of interest-obligation under finance lease                                     | (2.22)             | (1.72)             | (1.35)                        | (1.69)          | (1.19)            |
| Dividend paid  | (25.07)            | (26.40)            | (48.61)                       | (25.07)         | (26.40)           |
| Effect of exchange rate changes on cash and cash equivalent                              | (0.15)             | 0.20               | -                             | -               | -                 |
| <b>Net Cash Provided (used) from Financing</b>   | <b>1,762.62</b>    | <b>(638.48)</b>    | <b>(198.70)</b>               | <b>2,083.71</b> | <b>(1,125.17)</b> |
| Net Increase (Decrease) in Cash and Cash   | 1,283.88           | (357.04)           | 266.96                        | 1,079.97        | (270.98)          |
| Cash and Cash Equivalent at the Beginning of the Year                                    | 224.89             | 581.93             | 314.97                        | 125.93          | 396.92            |
| Cash and Cash Equivalent at the End of the Year  | 1,508.77           | 224.89             | 581.93                        | 1,205.91        | 125.93            |

**Remarks** <sup>1)</sup> As Thai Accounting Standard effective after 1st January 2008 determined to use profit before income tax for calculation of cash flow of operating activities.

(3) Table Showing Key Financial Ratios

| Description                               | Consolidated        |                     |                     | Separate Financial Statements |          |          |
|---|---------------------|---------------------|---------------------|-------------------------------|----------|----------|
|   | 2014 <sup>(1)</sup> | 2013 <sup>(1)</sup> | 2012 <sup>(2)</sup> | 2014                          | 2013     | 2012     |
| <b>Liquidity Ratios</b>                   |                     |                     |                     |                               |          |          |
| Liquidity Ratio (Time)                    | 0.76                | 1.24                | 0.80                | 1.24                          | 0.98     | 0.83     |
| Quick Liquidity Ratio (Time)              | 0.67                | 0.91                | 0.65                | 0.60                          | 0.75     | 0.55     |
| Cash Flow Liquidity Ratio (Time)          | 0.44                | 0.21                | 0.18                | 0.38                          | 0.13     | 0.16     |
| Trade Accounts Receivable Turnover (Time) | 4.90                | 2.34                | 4.49                | 4.51                          | 2.34     | 3.32     |
| Average Collection Period (days)          | 74.52               | 156.15              | 81.21               | 81.02                         | 156.07   | 109.90   |
| Inventory Turnover (Time)                 | 7.41                | 4.52                | 6.46                | 9.55                          | 6.45     | 7.27     |
| Average Sales Period (days)               | 49.24               | 80.73               | 56.47               | 38.22                         | 56.61    | 50.24    |
| Payable Turnover (Time)                   | 7.37                | 2.76                | 4.78                | 4.45                          | 2.00     | 3.83     |
| Credit (days)                             | 49.54               | 132.04              | 76.30               | 82.07                         | 182.27   | 95.28    |
| Cash Cycle (days)                         | 74.23               | 104.83              | 61.38               | 37.17                         | 30.41    | 64.86    |
| <b>Profitability Ratios</b>               |                     |                     |                     |                               |          |          |
| Gross Profit Margin (%)                   | 24.29               | 22.42               | 24.84               | 21.48                         | 21.11    | 20.61    |
| Operating Profit Margin (%)               | 11.93               | 43.63               | 23.33               | 27.86                         | 38.65    | 18.35    |
| Net Profit Margin (%)                     | 18.19               | 42.44               | 16.36               | 26.02                         | 33.33    | 13.30    |
| Return on Equity (%)                      | 16.11               | 27.81               | 36.35               | 17.83                         | 24.83    | 34.29    |
| <b>Efficiency Ratios</b>                  |                     |                     |                     |                               |          |          |
| Return on Assets (%)                      | 7.46                | 18.95               | 11.20               | 18.95                         | 17.57    | 13.82    |
| Return of Fixed Assets (%)                | 59.28               | 131.95              | 27.84               | 131.95                        | 1,021.13 | 1,382.36 |
| Asset Turnover (Time)                     | 0.41                | 0.45                | 1.72                | 0.45                          | 0.53     | 103.95   |

| Description                                   | Consolidated       |                    |                    | Separate Financial Statements |       |       |
|---|--------------------|--------------------|--------------------|-------------------------------|-------|-------|
|   | 2014 <sup>1)</sup> | 2013 <sup>1)</sup> | 2012 <sup>2)</sup> | 2014                          | 2013  | 2012  |
| <b>Financial Ratios</b>                       |                    |                    |                    |                               |       |       |
| Debt to Equity Ratio (Time)                   | 1.16               | 0.47               | 2.24               | 1.07                          | 0.41  | 1.48  |
| Interest Coverage Ratio (Time)                | 9.80               | 20.99              | 8.71               | 11.25                         | 32.10 | 16.68 |
| Dividend Payout (%)                           | 45.19              | 0.25               |                    | 45.99                         | 0.35  |       |
| <b>Other Ratios</b>                           |                    |                    |                    |                               |       |       |
| Earnings Per Share (baht) <sup>1)</sup>       | 0.62               | 1.31               | 1.77               | 0.60                          | 0.93  | 1.46  |
| Basic Earnings Per Share (baht) <sup>2)</sup> | 0.62               | 1.64               | 1.77               | 0.60                          | 0.93  | 1.46  |
| Book Value Per Share (baht) <sup>2)</sup>     | 3.82               | 4.73               | 4.87               | 4.52                          | 3.75  | 4.26  |

**Remarks:** <sup>1)</sup> Earnings Per Share: Calculate with the number of all average weighted common shares which have been paid up.

<sup>2)</sup> Basic Earnings Per Share and Book Value Per Share: Calculate with the total number of all paid up common stocks at the end of the period by using the par value of the shares at 1 baht/share to be used for comparison.

## 27. Management Discussion and Analysis

### PERFORMANCE

#### Revenue

The main revenue of the Group during 2012-2014 were from 3 major types of income including the income from manufacturing, supplying and distributing the equipment for the electrical system, renewable energy systems, building renewable energy power plants and income from services provided in 2013 and 2014. Supplying and manufacturing was approximately 11.48%, manufacturing for selling was approximately 37.51%; production and distribution of electricity from renewable energy was 0.78%, construction the renewable power plant energy was 45.99%, services business was 1.81%, and other income such as dividend and interest was 2.43% of the Group's consolidated revenue in 2014.

In 2014, the Group's consolidated sales revenue was 2,976.55 million baht, increased by 45.58% when compared to 4,305.52 million baht in 2013. The revenue increase derived from construction and equipments in relevant with the alternative energy plant for a non-associated company or subsidiary at 931.95 million baht which resulted from 196.13 million baht from production and sales of electrical equipments and 726.54 million baht from construction business.

In 2014, the Company realized the revenue in procurement policies in expanding project of the electricity transmission stations by adjusting to the Union of Myanmar's currency of 491.65 million baht, as reported to the Stock Exchange of Thailand in the beginning of 2014.

#### Revenue structure by product line

| Revenue Type  | 2012            |              | 2013            |              | 2014          |              |
|---|-----------------|--------------|-----------------|--------------|---------------|--------------|
|   | MB              | %            | MB              | %            | MB            | %            |
| 1. Revenue from generation, procurement and sales of equipment for electrical system and renewable power system |                 |              |                 |              |               |              |
| 1.1 Procurement for sales   |                 |              |                 |              |               |              |
| - Safety and control equipment  | 75.19           | 1.75         | 65.52           | 3.20         | 237.36        | 7.97         |
| - Accessory equipment   | 986.15          | 22.97        | 265.87          | 13.00        | 109.54        | 3.68         |
| - Equipment and instrument  | 28.22           | 0.65         | 127.15          | 6.22         | 3.35          | 0.11         |
| - Street light equipment  | 10.10           | 0.24         | 1.78            | 0.09         | 75.25         | 2.53         |
| - Wind turbine equipment  | -               | -            | -               | -            | -             | -            |
| <b>Total</b>  | <b>1,763.88</b> | <b>66.52</b> | <b>1,099.66</b> | <b>25.61</b> | <b>425.50</b> | <b>14.30</b> |

| Revenue Type  | 2012            |               | 2013            |               | 2014            |               |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | MB              | %             | MB              | %             | MB              | %             |
| 1.2 Generation for sales  |                 |               |                 |               |                 |               |
| - Safety and control equipment                                      | 353.16          | 8.23          | 413.07          | 20.20         | 87.47           | 2.94          |
| - Accessory equipment   | 298.93          | 6.97          | 228.12          | 11.16         | 948.07          | 31.85         |
| - Equipment and instrument  | 3.17            | 0.08          | 153.35          | 7.50          | 25.94           | 0.87          |
| - Street light equipment  | 50.98           | 1.18          | 47.54           | 2.33          | 2.51            | 0.08          |
| <b>Total</b>  | <b>706.24</b>   | <b>16.46</b>  | <b>842.08</b>   | <b>41.19</b>  | <b>1,063.99</b> | <b>35.74</b>  |
| 2. Revenue from generation and sales of power from renewable energy |                 |               |                 |               |                 |               |
| - Generation and sales of solar-based power                         | 168.81          | 3.94          | 19.21           | 0.94          | 23.82           | 0.80          |
| 3. Revenue from construction or renewable energy power plant        | 2,318.06        | 53.99         | 681.39          | 33.33         | 1,407.91        | 47.30         |
| 4. Revenue from services  | -               | -             | 41.59           | 2.03          | 55.32           | 1.86          |
| <b>Total revenue</b>  | <b>4,292.77</b> | <b>100.00</b> | <b>2,044.60</b> | <b>100.00</b> | <b>2,976.55</b> | <b>100.00</b> |

During 2012-2014, 80% of the Group's consolidated sales revenue derived from domestic market. The Group's major customers include government sectors, both domestic and international customers as well as customers from renewable energy power plant.

#### Revenue structure by customer segment

| Revenue  | 2012            |               | 2013            |               | 2014            |               |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|  | MB              | %             | MB              | %             | MB              | %             |
| Governmental sectors   |                 |               |                 |               |                 |               |
| - Revenue from sales of equipment for electrical systems and renewable power systems | 413.03          | 9.63          | 472.31          | 23.10         | 745.12          | 25.03         |
| - Revenue from sales of power  | 168.81          | 3.94          | 19.21           | 0.94          | 23.82           | 0.80          |
| Private sectors  |                 |               |                 |               |                 |               |
| - Revenue from sales of equipment for electrical systems and renewable power systems | 789.00          | 18.38         | 859.60          | 42.04         | 308.04          | 10.35         |
| - Revenue from power plant construction  | 2318.06         | 53.99         | 681.39          | 33.33         | 1,407.93        | 37.41         |
| Foreign customers  | 603.87          | 14.06         | 12.09           | 0.59          | 491.65          | 16.06         |
| <b>Total revenue</b>   | <b>4,292.77</b> | <b>100.00</b> | <b>2,044.60</b> | <b>100.00</b> | <b>2,976.55</b> | <b>100.00</b> |



### **Cost of sales and gross profit**

The group's consolidated financial statements showed a gross profit of 24.84% in 2012, 22.42% in 2013 and 24.29% in 2014. The trend of the gross profit was in the same direction with the increase in revenue from outsourced manufacturing and procurement for sales and from renewable energy business, in response to changing market demands.

### **Sales and administrative expenses**

The Company's sales and administrative expenses was approximately 10-13% of the group's consolidated revenue and were according to the higher revenue as well as number of increasing executives.

The Group's sales and administrative expenses was 377.95 million baht in 2012, 329.82 million baht in 2013 and 395.13 million baht in 2014 which was considered 8.78%, 16.13% and 12.91% of the sales and services revenue respectively. Such ratios varied according to sales volumes, business expansion expenses, and accounting standards.

### **Net profit**

The Company's net consolidated profit for 2014 was 541.32 million baht, increased by 98.36 million baht when compared to 867.81 million baht in 2013. Revenue from sales of investment in 2013 was 775.04 million baht from normal business operation. The increase in net profit in 2014 derived from the higher in financial costs of current liabilities and short-term loans from financial institutions.

## **Financial status**

### **Total assets**

According to the consolidated financial statements, the Company's total assets were 6,958.27 million baht in 2012, 4,579.61 million baht in 2013 and 7,259.20 million baht in 2014. Main current assets were trade receivables and inventory which varied according to sales volumes, construction of renewable energy power plants for third parties, collection period, investment increase in subsidiaries as well as cash flow reserved for investment, operations and dividend payment. Main non-current assets were buildings and equipment invested for higher generation productivity.

For fundraising to be used as revolving capital and investment in fixed assets, the Group obtained the funding from registered capital increase, loan acquisition from financial institutions, and disposal of investments. As a result, the Group's debt to equity ratio according to the consolidated financial statements decreased to 1.16 times, 0.47 times and 2.24 times at ending of 2014, 2013 and 2012 respectively.

### Trade receivables

The Company and its subsidiaries established a policy to grant credit to customers by considering their financial status, payment history, order frequency and order volume. Average credit terms are 60 days for private and governmental sectors while 90-120 days are allowed for international customers.

According to the consolidated financial statements, the Group's trade receivables (excluding other receivables) were 1,169.76 million baht in 2012, 431.70 million baht in 2013 and 760.27 million baht in 2014. The average collection period during 2012 - 2014 was 81 days, 156 days and 75 days respectively. In 2014, the Company had higher outstanding of trade receivables due to 161 million baht trade receivables-construction of TPI Polene (Public) Co., Ltd. was not yet due, plus other trade receivables-construction of 167.57 million baht.

Terms of the Group's trade receivables are as follows:-

### Trade receivables for related businesses

|                                | 2012          |               | 2013        |               | 2014         |               |
|--------------------------------|---------------|---------------|-------------|---------------|--------------|---------------|
|                                | MB            | %             | MB          | %             | MB           | %             |
| Not yet due                    | 400.88        |               | 5.67        | 97.69         | 3.06         | 8.87          |
| Overdue                        |               |               |             |               |              |               |
| - 3 months or less             | 9.45          |               | 3.63        | 2.31          | 13.99        | 40.55         |
| - 3-6 months                   | -             | -             | 0.29        | -             | 17.45        | 50.58         |
| - 6-12 months                  | -             | -             | -           | -             | -            | -             |
| - Over 12 months               | -             | -             | -           | -             | -            | -             |
| <b>Total trade receivables</b> | <b>410.33</b> | <b>100.00</b> | <b>9.59</b> | <b>100.00</b> | <b>34.50</b> | <b>100.00</b> |
| Less Bad debt allowance        | -             | -             | -           | -             | -            | -             |
| <b>Total trade receivables</b> | <b>410.33</b> | <b>100.00</b> | <b>9.59</b> | <b>100.00</b> | <b>34.50</b> | <b>100.00</b> |

### Trade receivables for other companies

|                                | 2012          |               | 2013          |               | 2014          |               |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                | MB            | %             | MB            | %             | MB            | %             |
| Not yet due                    | 533.53        | 70.57         | 292.39        | 69.51         | 356.52        | 61.54         |
| Overdue                        |               |               |               |               |               |               |
| - 3 months or less             | 181.62        | 24.01         | 71.65         | 17.03         | 168.73        | 29.13         |
| - 3-6 months                   | 40.28         | 5.32          | 17.63         | 4.19          | 41.40         | 7.15          |
| - 6-12 months                  | 2.29          | 0.30          | 36.17         | 8.60          | 13.10         | 2.26          |
| - Over 12 months               | 1.71          | 0.22          | 4.27          | 1.02          | 0.98          | 0.17          |
| Total trade receivables        | 759.43        | 100.42        | 422.11        | 100.35        | 580.75        | 100.25        |
| Less Bad debt allowance        | (3.21)        | (0.42)        | (1.47)        | (0.35)        | (1.46)        | (0.25)        |
| <b>Total trade receivables</b> | <b>756.22</b> | <b>100.00</b> | <b>420.64</b> | <b>100.00</b> | <b>579.29</b> | <b>100.00</b> |

### Inventory

According to the consolidated financial statements, the Group's inventory at ending 2012, 2013 and 2014 were 412.59 million baht, 350.84 million baht and 304.01 million baht respectively.

|  | 2012          |               | 2013          |               | 2014          |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | MB            | %             | MB            | %             | MB            | %             |
| Raw materials                          | 88.06         | 18.83         | 78.71         | 19.64         | 81.32         | 23.61         |
| Products in manufacturing              | 63.74         | 13.63         | 45.05         | 11.24         | 2.50          | 0.73          |
| Ready-made products                    | 288.37        | 61.67         | 261.97        | 65.36         | 226.76        | 65.85         |
| Products en route                      | 27.43         | 5.87          | 15.09         | 3.76          | 33.79         | 9.81          |
| <b>Total</b>                           | <b>467.60</b> | <b>100.00</b> | <b>400.82</b> | <b>100.00</b> | <b>344.37</b> | <b>100.00</b> |
| Less Allowance for product devaluation | (55.01)       | (11.76)       | (49.98)       | (12.47)       | (40.35)       | (17.72)       |
| <b>Net inventory</b>                   | <b>412.59</b> | <b>88.24</b>  | <b>350.84</b> | <b>100.00</b> | <b>304.01</b> | <b>82.28</b>  |

The Group has a policy to set allowances for devaluation of degenerated products, outdated products and old-stock inventory by considering the conditions of each product. The Company's products are generally used for infrastructure electrical systems in countries where technology is rarely changed so the Company's products were sold continually without being outdated. However, the Group has set devaluation allowance for ready-made products older than 3 years at a rate of 40% of the product value, amounting to 36.39 million baht and 28.88 million baht at ending 2013 and 2014 respectively.



The Company's average product sales periods were 56 days, 80 days and 57 days in 2012, 2013 and 2014 respectively. Most of them were products relating to procurement for sale and construction of solar-based power plant construction.

### Investments in subsidiaries and associated companies

The Company's investment structure is as follows:-

| Company                               | Paid-up capital<br>(thousand baht) |         | Investment<br>proportion (%) |        | Cost method<br>(thousand baht) |                  | Dividend<br>(thousand baht) |               |
|---------------------------------------|------------------------------------|---------|------------------------------|--------|--------------------------------|------------------|-----------------------------|---------------|
|                                       | 2014                               | 2013    | 2014                         | 2013   | 2014                           | 2013             | 2014                        | 2013          |
| G.K. Power Product Co., Ltd.          | 100,000                            | 100,000 | 100.00                       | 100.00 | 80,425                         | 80,425           | 56,152                      | 56,152        |
| G.K. Assembly Co., Ltd.               | 200,000                            | 200,000 | 100.00                       | 100.00 | 163,188                        | 163,188          | -                           | -             |
| K.N.P. Supply Co., Ltd.               | 50,000                             | 50,000  | 100.00                       | 100.00 | 41,408                         | 41,408           | 36,500                      | 36,500        |
| Gunkul Chubu Powergen Co., Ltd.       | -                                  | -       | -                            | -      | -                              | -                | -                           | -             |
| Wind Energy Development Co., Ltd.     | 681,942                            | 321,525 | 70.00                        | 70.00  | 333,091                        | 692,467          | -                           | -             |
| N.K. Power Sola Co., Ltd.             | 2,600                              | 2,600   | 100.00                       | 100.00 | 40,854                         | 40,854           | -                           | -             |
| Gunkul Solar roof 1 Co., Ltd.         | 21,000                             | 500     | 100.00                       | 100.00 | 21,000                         | 500              | -                           | -             |
| Gunkul Solarroof 2 Co., Ltd.          | 250                                | 250     | 100.00                       | 100.00 | 250                            | 250              | -                           | -             |
| Solar Energy Society Co., Ltd.        | 500                                | 500     | 100.00                       | 100.00 | 500                            | 500              | -                           | -             |
| Bright Green Power Co., Ltd.          | 250                                | 250     | 100.00                       | 100.00 | 250                            | 250              | -                           | -             |
| Gunkul Power Development Co., Ltd.    | 15,000                             | 15,000  | 100.00                       | 100.00 | 15,000                         | 15,000           | -                           | -             |
| Gunkul Solar Power 1 Co., Ltd.        | 250                                | 250     | 100.00                       | 100.00 | 250                            | 250              | -                           | -             |
| Gunkul Solar Power 12 Co., Ltd.       | 39,000                             | 500     | 100.00                       | 100.00 | 39,000                         | 500              | -                           | -             |
| Gunkul International (Mauritius) Ltd. | 146,453                            | 6,240   | 100.00                       | 100.00 | 146,453                        | 6,240            | -                           | -             |
| Gunkul LED Lighting Co., Ltd.         | 10,000                             | -       | 75.00                        | -      | 7,500                          | -                | -                           | -             |
| Gunkul Solar Community Co., Ltd.      | 250                                | -       | 100.00                       | -      | 250                            | -                | -                           | -             |
| Siam Gunkul Solar Energy Co., Ltd.    | 750                                | -       | 100.00                       | -      | 750                            | -                | -                           | -             |
| Gunkul and UCI Power Co., Ltd.        | 2,500                              | -       | 75.00                        | -      | 1,875                          | -                | -                           | -             |
| Greenovation Power Co., Ltd.          | 436,025                            | -       | 100.00                       | -      | 867,525                        | -                | -                           | -             |
| <b>Total</b>                          |                                    |         |                              |        | <b>2,759,569</b>               | <b>1,041,832</b> | <b>209,099</b>              | <b>92,652</b> |

### Land, buildings and equipment

The Company's offices and warehouses are sub-let from the land owner, Mr. Gunkul Dhumrongpiyawut. The Company's buildings and equipment has a net worth of 46.53 million baht, 60.19 million baht and 60.19 million baht in 2012, 2013 and 2014 respectively. In 2013, the



Company did not significantly make additional investments in buildings and equipment, except in more vehicles for the Company's operations.

According to the consolidated financial statements of the Group during 2012-2014, land, buildings and equipments has a net worth of 2,763.89 million baht and 657.67 million baht and 913.20 million baht respectively. When compared to the separate financial statements, the increase in net land, buildings and equipments was very high due to consolidation of values of land, buildings and equipment owned by 4 subsidiaries, especially G.K. Assembly Co. Ltd., which owns their land and buildings, while another 2 subsidiaries operate business on land sub-let from Mr. Gunkul Dhumrongpiyawut as well. Details of land, buildings and equipment of subsidiaries are as follows:-

- **Wind Energy Development Co., Ltd Co., Ltd.**

In 2012, the Company purchased a land for constructing a power plant at the price of 378 million baht. The construction of 60 MW power plant was underway.

- **Greenovation Co., Ltd.**

In 2014, the Company has started the acquisition of land for constructing a power plant. The land cost was 204 million baht.

### **Total liabilities**

According to the consolidated financial statements, the Company's total consolidated liabilities for the years ended 2012, 2013 and 2014 were 3,180.85 million baht, 1,458.87 million baht and 13,899.50 million baht respectively. In 2012, the Group's consolidated liabilities increased because the Company's exports increased and the Company and its subsidiaries launched construction of solar power plants, thereby causing the Company to require both short- and long-term loans with trust receipts payable to support the aforementioned increases in exports and construction in 2014.

Most of total consolidated liabilities were current liabilities. Main categories include 30-80% of bank overdrafts and short-term loans from financial institutions, 8-10% of trade payables, and 10-12% of long-term loans. The Company used these 4 categories as sources of funds for providing raw materials and trade credit as well as for its subsidiaries' construction of solar power plants.

During 2012-2014, the Group's liquidity ratios according to the consolidated financial statements were 0.80 times, 1.24 times and 0.76 times respectively. Quick liquidity ratios were

equal to 0.65 times, 0.60 times and 0.67 times respectively. Average collection periods were 76 days, 82 days and 50 days respectively, while cash cycles of the Group were 61 days, 37 days and 74 days respectively. The product sale periods were 56 days, 38 days and 49 days respectively, against the collection periods of 81 days, 81 days and 75 days respectively. The period in collection was longer because of revenue increase from the construction and the different revenue recognition from of the trading.

During 2012-2013, the consolidated financial statements registered the decreasing of debt to equity ratios from 2.24 times to 0.47 times. However, in 2014, the company's debt to equity ratios was increased due to the power plant investment.

### Shareholders' equity

The Company's shareholders' equity was 1,875.64 million baht, 2,475.60 million baht and 2,982.44 million baht at ending 2012, 2013 and 2014 respectively.

As for the consolidated financial statements ended 2012, 2013 and 2014, the Group had total shareholders' equity of 2,144.56 million baht, 3,120.73 million baht and 3,359.70 million baht respectively. The increase in the consolidated shareholders' equity in these years when compared to separate financial statements, was a result of the inclusion of assets, liabilities and operating results of subsidiaries together with capital surplus from business merging under single control. This was caused by the difference between the acquisition costs of subsidiaries and net assets book values of subsidiaries. The consolidated shareholders' equity in 2012 increased due to net profit from taxes, which derived from solar power plants construction for subsidiaries. In year 2012 and 2013, non-controlling interest of subsidiaries was 221.41 million baht and 272.04 million baht respectively, derived from acquisition control over a subsidiary, Wind Energy Development Co., Ltd.

### Cash flow

The Company's cash flow from general business operations in 2012 was increased over 1,000 million baht due to the significant revenue increase from construction service, higher trade receivables of 769.08 million baht and procurement credit in supplies acquisition for sales and construction of 850.77 million baht. Though there were some payments such as taxes and interest, the Company's net cash flow from operations was 1,820.09 million baht.



However, cash flow was required for investment activities such as 276.01 million baht investments in subsidiaries and associated companies, 5.42 million baht 1,194.03 million baht and 419.98 million baht purchase of the Group's products and deposits with guarantee obligations, and 59.23 million baht of other items. The Company obtained 594.82 million baht from disposal of investments, and had to pay net investments of 1,354.43 million baht.

Therefore, the Company needed to acquire 937.53 million baht from financial institutions and 157.08 million baht from related parties. Meanwhile, the Company had already paid 1,237.89 million baht for debts incurred from funding, 48.60 million baht for dividends and 8 million baht for other obligations. The Company had a cash flow of 581.93 million baht.

In 2013, the company's net cash flow generated from operations activities was 240 million baht due to the large decline in revenue from construction services and international sales. However, the company still received higher trade receivables of 743.61 million baht. For the investment, the company had to use cash flow for investment activities, e.g. investments in subsidiaries and associated companies of 231.60 million baht, purchase of the Group's assets and deposits with guarantee obligations of 570.08 million baht and 320.08 million baht. The company obtained 104.11 million baht from dividends, and 754.16 million baht from disposal of investments. Therefore, the company's net cash flow from investing activities was 45 million baht.

In 2013, the Company acquired additional financial supports from financial institutions of 414.60 million baht. Meanwhile, the Company had already paid 1,085.47 million baht for debts incurred from funding and 26.40 million baht for dividends. The Company then had a cash flow of 255 million baht for 2014 business operation.

For 2014, the Company's net cash flow was approximately 313 million baht which derived from construction services and international sales as well as higher trade receivables. Cash flow was also required in financing activities of subsidiaries and associates with the dividend of 191 million baht, resulted in total net cash flow of 792 million baht, therefore, the Company obtained short-term loan from financial institutions for further investing activities.

## 28. Independent Auditor's Report

### To the Shareholders of Gunkul Engineering Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Gunkul Engineering Public Company Limited and its subsidiaries and of Gunkul Engineering Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Gunkul Engineering Public Company Limited and its subsidiaries and of Gunkul Engineering Public Company Limited as at December 31, 2014, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

SP Audit Company Limited

(Miss Susan Eiamvanicha)

Certified Public Accountant (Thailand) No. 4306

Bangkok

February 21, 2015

## STATEMENTS OF FINANCIAL POSITION

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

| Notes  | Consolidated            |                         | Separate financial statements |                         |
|--|-------------------------|-------------------------|-------------------------------|-------------------------|
|  | 2014                    | 2013                    | 2014                          | 2013                    |
| <b>ASSETS</b>                                      |                         |                         |                               |                         |
| <b>Current Assets</b>                              |                         |                         |                               |                         |
| Cash and cash equivalent                           | 1,508,778,292.44        | 224,891,550.41          | 1,205,914,304.52              | 125,934,392.24          |
| Trade and other receivable - related parties 5.1,6 | 97,523,462.10           | 44,578,457.33           | 128,633,610.69                | 90,771,434.35           |
| Trade and other receivable - third parties 7       | 621,374,109.80          | 452,020,576.31          | 525,802,835.44                | 295,341,524.27          |
| Unbilled receivables 8                             | 41,373,930.57           | 35,254,354.23           | 26,643,930.57                 | 35,254,354.23           |
| Deposit for purchase of goods                      | 9,458,989.00            | 15,105,957.24           | 6,728,850.54                  | 7,899,942.39            |
| Advance payments to subcontractor                  | -                       | 13,424,941.80           | -                             | 13,424,941.80           |
| Retention receivables                              | 600,214.92              | 73,101,557.62           | -                             | 72,501,342.70           |
| Revenue Department receivable                      | 17,527,623.15           | 16,748,449.19           | -                             | 5,422,501.92            |
| Inventories 9                                      | 304,009,652.19          | 350,839,087.17          | 198,364,600.98                | 225,634,641.48          |
| Construction in progress                           | 4,835,517.98            | 96,673,804.32           | -                             | 81,825,452.64           |
| Short-term loan to subsidiary 5.1                  | -                       | -                       | 7,000,000.00                  | -                       |
| Total Current Assets                               | 2,605,481,792.15        | 1,322,638,735.62        | 2,099,088,132.74              | 954,010,528.02          |
| <b>Non-Current Assets</b>                          |                         |                         |                               |                         |
| Fixed deposits and bill of exchange                |                         |                         |                               |                         |
| pledged as collateral 10                           | 47,580,371.20           | 61,941,363.39           | 45,715,704.57                 | 45,534,890.09           |
| Investments in associates 11                       | 350,633,472.01          | 340,500,627.81          | 397,694,800.00                | 397,694,800.00          |
| Investments in jointly controlled entities 12      | 822,421,476.30          | 737,473,890.11          | 521,281,892.50                | 511,002,407.50          |
| Investments in subsidiaries 13                     | -                       | -                       | 2,759,568,958.31              | 1,041,831,989.01        |
| Advance for shares subscription 13                 | -                       | 129,600,000.00          | -                             | 129,600,000.00          |
| Machinery for investment in advance 14             | 268,344,850.00          | 268,344,850.00          | 268,344,850.00                | 268,344,850.00          |
| Property, plant and equipment 15                   | 913,201,817.03          | 657,667,664.02          | 57,746,680.99                 | 60,194,970.42           |
| Intangible assets 16                               | 2,214,182,285.09        | 967,422,016.59          | 4,457,688.67                  | 7,851,001.00            |
| Retention receivables                              | 2,083,402.51            | 73,101,557.62           | 1,483,187.58                  | 72,501,342.69           |
| Deferred tax assets 17                             | 31,351,738.03           | 17,496,581.28           | 19,901,356.05                 | 8,798,784.96            |
| Other non-current assets                           | 3,920,469.45            | 3,422,083.10            | 556,724.10                    | 643,705.10              |
| Total Non-Current Assets                           | 4,653,719,881.62        | 3,256,970,633.92        | 4,076,751,842.77              | 2,543,998,740.77        |
| <b>TOTAL ASSETS</b>                                | <b>7,259,201,673.77</b> | <b>4,579,609,369.54</b> | <b>6,175,839,975.51</b>       | <b>3,498,009,268.79</b> |

Notes to financial statements are an integral part of these financial statements



## STATEMENTS OF FINANCIAL POSITION

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

| Notes   | Consolidated            |                         | Separate financial statements |                         |
|---|-------------------------|-------------------------|-------------------------------|-------------------------|
|   | 2014                    | 2013                    | 2014                          | 2013                    |
| <b>LIABILITIES AND EQUITY</b>   |                         |                         |                               |                         |
| <b>Current Liabilities</b>  |                         |                         |                               |                         |
| Short-term loans from financial institutions 18                               | 2,109,949,281.66        | 241,611,504.93          | 2,050,535,100.39              | 122,262,841.83          |
| Trade and other payable - related parties 5.1                                 | 17,741,404.78           | 4,398,243.05            | 159,928,214.98                | 252,179,001.50          |
| Trade and other payable - third parties 19                                    | 328,610,723.29          | 260,946,544.33          | 269,642,711.83                | 170,027,760.24          |
| Advances received from employers and construction revenue received in advance | -                       | 70,052,837.46           | -                             | 70,052,837.46           |
| Advances received for goods   | 16,961,608.94           | 4,586,782.13            | 16,961,608.94                 | 4,586,782.13            |
| Payable for purchase of subsidiary  | 713,441,125.00          | 199,442,500.00          | 371,450,000.00                | 199,442,500.00          |
| Payable for purchase of assets  | 742,560.12              | 1,552,618.15            | 173,052.57                    | 551,135.60              |
| Revenue Department payable  | 8,129,507.09            | 9,160,279.26            | 6,019,888.12                  | -                       |
| Accrued income tax payable  | 34,880,917.35           | 9,873,979.29            | 11,825,306.33                 | -                       |
| Retention payables  | 32,316,190.55           | 103,248,252.78          | 32,142,471.00                 | 103,116,124.53          |
| Current portion of obligation under finance lease 20                          | 8,683,402.92            | 7,162,867.27            | 6,782,122.89                  | 5,514,578.22            |
| Current portion of long-term loans 21   | 156,500,000.00          | 156,500,000.00          | -                             | -                       |
| Short-term loans from related parties 5.1                                     | 4,929,122.21            | -                       | 230,500,000.00                | 45,607,433.94           |
| <b>Total Current Liabilities</b>  | <b>3,432,885,843.91</b> | <b>1,068,536,408.65</b> | <b>3,155,960,477.05</b>       | <b>973,340,995.45</b>   |
| <b>Non-Current Liabilities</b>  |                         |                         |                               |                         |
| Retention payables  | 19,725,692.50           | 23,339,701.44           | 10,404,087.30                 | 22,452,856.18           |
| Obligation under finance lease 20   | 19,576,346.20           | 21,797,478.95           | 15,946,150.62                 | 16,807,115.70           |
| Long-term loans from financial institutions 21                                | -                       | 156,500,000.00          | -                             | -                       |
| Employee benefit obligation 22  | 14,405,191.00           | 12,559,137.00           | 10,136,451.00                 | 8,883,776.00            |
| Deferred tax liabilities 17   | 409,628,484.91          | 174,431,193.67          | -                             | -                       |
| Other Non-Current Liabilities   | 3,280,818.05            | 1,713,871.74            | 952,944.46                    | 917,104.20              |
| <b>Total Non-Current Liabilities</b>  | <b>466,616,532.66</b>   | <b>390,341,382.80</b>   | <b>37,439,633.38</b>          | <b>49,060,852.08</b>    |
| <b>TOTAL LIABILITIES</b>  | <b>3,899,502,376.57</b> | <b>1,458,877,791.45</b> | <b>3,193,400,110.43</b>       | <b>1,022,401,847.53</b> |

Notes to financial statements are an integral part of these financial statements



## STATEMENTS OF FINANCIAL POSITION

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

|   | Notes | Consolidated     |                  | Separate financial statements |                  |
|---|-------|------------------|------------------|-------------------------------|------------------|
|   |       | 2014             | 2013             | 2014                          | 2013             |
| Equity                                      |       |                  |                  |                               |                  |
| Share Capital                               | 23    |                  |                  |                               |                  |
| Authorised share capital                    |       |                  |                  |                               |                  |
| 879,999,929 ordinary shares of              |       |                  |                  |                               |                  |
| Baht 1.00 each                              |       | 879,999,929.00   | -                | 879,999,929.00                | -                |
| 659,999,984 ordinary shares of              |       |                  |                  |                               |                  |
| Baht 1.00 each                              |       | -                | 659,999,984.00   | -                             | 659,999,984.00   |
| Issued and paid up share capital            |       |                  |                  |                               |                  |
| 879,990,265 ordinary shares of              |       |                  |                  |                               |                  |
| Baht 1.00 each                              |       | 879,990,265.00   | -                | 879,990,265.00                | -                |
| 659,999,929 ordinary shares of              |       |                  |                  |                               |                  |
| Baht 1.00 each                              |       | -                | 659,999,929.00   | -                             | 659,999,929.00   |
| Premium on share capital                    |       | 425,120,000.00   | 425,120,000.00   | 425,120,000.00                | 425,120,000.00   |
| Surplus from reorganisation under           |       |                  |                  |                               |                  |
| common control                              |       | 93,622,449.53    | 93,622,449.53    | -                             | -                |
| Retained earnings                           |       |                  |                  |                               |                  |
| Appropriated                                |       |                  |                  |                               |                  |
| Legal reserve                               |       | 88,000,000.00    | 66,000,000.00    | 88,000,000.00                 | 66,000,000.00    |
| Unappropriated                              |       | 1,870,422,516.09 | 1,603,787,051.13 | 1,589,329,600.08              | 1,324,487,492.26 |
| Other components of shareholders' equity    |       | (30,286.11)      | 159,000.63       | -                             | -                |
| Equity attributable to owners               |       |                  |                  |                               |                  |
| of the Company                              |       | 3,357,124,944.51 | 2,848,688,430.29 | 2,982,439,865.08              | 2,475,607,421.26 |
| Non-controlling interests of the subsidiary |       | 2,574,352.69     | 272,043,147.80   | -                             | -                |
| Total shareholders' equity                  |       | 3,359,699,297.20 | 3,120,731,578.09 | 2,982,439,865.08              | 2,475,607,421.26 |
| TOTAL LIABILITIES AND EQUITY                |       | 7,259,201,673.77 | 4,579,609,369.54 | 6,175,839,975.51              | 3,498,009,268.79 |

Notes to financial statements are an integral part of these financial statements



## STATEMENTS OF COMPREHENSIVE INCOME

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes   | Consolidated     |                  | Separate financial statements |                  |
|---|------------------|------------------|-------------------------------|------------------|
|   | 2014             | 2013             | 2014                          | 2013             |
| Revenues  |                  |                  |                               |                  |
| Revenues from construction services                 | 1,407,927,397.30 | 681,388,287.63   | 999,207,079.00                | 842,211,513.42   |
| Sales of goods                                      | 1,500,011,051.92 | 1,302,402,879.34 | 1,289,114,126.64              | 959,985,943.07   |
| Service income                                      | 55,318,158.80    | 41,592,262.89    | 55,607,186.45                 | 41,779,762.89    |
| Government granted                                  | 13,298,174.50    | 19,212,828.00    | -                             | -                |
| Dividend income                                     | -                | -                | 393,684,847.39                | 225,158,436.63   |
| Benefit from machinery for investment<br>in advance | 34,927,288.07    | -                | 34,927,288.07                 | -                |
| Gain on disposal of investments                     | -                | 775,042,773.28   | -                             | 337,920,000.00   |
| Gain on exchange rate                               | 27,006,463.19    | -                | 9,029,981.46                  | -                |
| Other income  | 23,064,204.58    | 36,079,768.70    | 13,254,710.75                 | 24,454,620.36    |
| Total revenues                                      | 3,061,552,738.36 | 2,855,718,799.84 | 2,794,825,219.76              | 2,431,510,276.37 |
| Expenses  |                  |                  |                               |                  |
| Cost of construction services                       | 1,125,861,052.65 | 613,952,319.26   | 823,316,700.63                | 672,812,874.61   |
| Cost of sales                                       | 1,102,390,387.44 | 952,046,170.36   | 1,046,291,448.19              | 761,686,113.46   |
| Cost of service                                     | 25,210,174.47    | 20,261,457.95    | 24,537,242.76                 | 20,261,457.95    |
| Selling expenses                                    | 34,682,191.25    | 18,822,049.04    | 31,754,336.29                 | 18,488,450.87    |
| Administrative expenses                             | 302,060,047.47   | 260,233,928.02   | 202,139,099.11                | 179,098,374.01   |
| Loss on exchange rate                               | -                | 4,488,170.75     | -                             | 4,522,151.45     |
| Management benefit expense                          | 5.3              | 46,431,002.13    | 50,602,146.41                 | 40,384,834.89    |
| Finance cost  | 57,842,331.20    | 47,378,385.44    | 46,521,353.81                 | 21,530,617.41    |
| Total expenses                                      | 2,706,433,280.27 | 1,963,613,482.95 | 2,225,162,327.20              | 1,718,784,874.65 |

Notes to financial statements are an integral part of these financial statements

## STATEMENTS OF COMPREHENSIVE INCOME

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes  | Consolidated    |                  | Separate financial statements |                 |
|--|-----------------|------------------|-------------------------------|-----------------|
|  | 2014            | 2013             | 2014                          | 2013            |
| Share of profit from investments in associates and jointly controlled entity | 269,279,790.23  | 150,007,484.19   | -                             | -               |
| Profit before income tax expense   | 624,399,248.32  | 1,042,112,801.08 | 569,662,892.56                | 712,725,401.72  |
| Income tax expense 25  | (83,078,345.86) | (174,301,853.72) | (37,749,092.07)               | (98,105,244.35) |
| Profit for the year  | 541,320,902.46  | 867,810,947.36   | 531,913,800.49                | 614,620,157.37  |
| Other comprehensive income   |                 |                  |                               |                 |
| Exchange differences on translation  | (189,286.74)    | 159,000.63       | -                             | -               |
| Other comprehensive income (loss) for the year                               | (189,286.74)    | 159,000.63       | -                             | -               |
| Total comprehensive income for the year                                      | 541,131,615.72  | 867,969,947.99   | 531,913,800.49                | 614,620,157.37  |
| Profit (loss) attributable to :  |                 |                  |                               |                 |
| Equity holders of the Company  | 545,270,215.32  | 882,895,884.51   | 531,913,800.49                | 614,620,157.37  |
| Non-controlling interests of the subsidiary                                  | (3,949,312.86)  | (15,084,937.15)  | -                             | -               |
|  | 541,320,902.46  | 867,810,947.36   | 531,913,800.49                | 614,620,157.37  |
| Total comprehensive income (loss) attributable to:                           |                 |                  |                               |                 |
| Equity holders of the Company  | 545,080,928.58  | 883,054,885.14   | 531,913,800.49                | 614,620,157.37  |
| Non-controlling interests of the subsidiary                                  | (3,949,312.86)  | (15,084,937.15)  | -                             | -               |
|  | 541,131,615.72  | 867,969,947.99   | 531,913,800.49                | 614,620,157.37  |
| Basic earnings per shares 26   | 0.62            | 1.00             | 0.60                          | 0.70            |
| Number of weighted average ordinary shares (Unit : share)                    | 879,990,265     | 879,990,265      | 879,990,265                   | 879,990,265     |

Notes to financial statements are an integral part of these financial statements

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

| Notes | Parent's Shareholders' Equity                         |                          |  |                            |                |                                     | Non-controlling interests of the subsidiary | Total            |                                    |                  |
|-------|---|--------------------------|--|----------------------------|----------------|-------------------------------------|---|------------------|------------------------------------|------------------|
|       | Issued and paid-up share capital                      | Premium on share capital | Surplus from reorganisation under common control | Retained earnings          |                | Exchange differences on translation |   |                  | Total equity holder of the Company |                  |
|       |   |                          |  | Appropriated legal reserve | Unappropriated |                                     |   |                  |                                    |                  |
| 23    | Balance as at January 1, 2013                         | 439,999,984.00           | 425,120,000.00                                   | 93,622,449.53              | 44,000,000.00  | 989,291,157.66                      | -   | 1,992,033,591.19 | 221,407,059.95                     | 2,213,440,651.14 |
|       | Change in equity for the year                         |                          |  |                            |                |                                     |   |                  |                                    |                  |
|       | Increase from increment of capital                    | 219,999,945.00           | -  | -                          | -              | -                                   | -   | 219,999,945.00   | 204,000.00                         | 220,203,945.00   |
|       | Legal reserve   | -                        | -  | -                          | 22,000,000.00  | (22,000,000.00)                     | -   | -                | -                                  | -                |
|       | Increase from increment of subsidiary's share capital | -                        | -  | -                          | -              | -                                   | -   | -                | 65,517,025.00                      | 65,517,025.00    |
| 27    | Cash dividends and stock dividends                    | -                        | -  | -                          | -              | (246,399,991.04)                    | -   | (246,399,991.04) | -                                  | (246,399,991.04) |
|       | Total comprehensive income (loss) for the year        | -                        | -  | -                          | -              | 882,895,884.51                      | 159,000.63                                  | 883,054,885.14   | (15,084,937.15)                    | 867,969,947.99   |
|       | Balance as at December 31, 2013                       | 659,999,929.00           | 425,120,000.00                                   | 93,622,449.53              | 66,000,000.00  | 1,603,787,051.13                    | 159,000.63                                  | 2,848,688,430.29 | 272,043,147.80                     | 3,120,731,578.09 |
|       | Change in equity for the year                         |                          |  |                            |                |                                     |   |                  |                                    |                  |
|       | Increase from increment of capital                    | 219,990,336.00           | -  | -                          | -              | -                                   | -   | 219,990,336.00   | -                                  | 219,990,336.00   |
| 23    | Legal reserve   | -                        | -  | -                          | 22,000,000.00  | (22,000,000.00)                     | -   | -                | -                                  | -                |
|       | Change in interest in a subsidiary                    | -                        | -  | -                          | -              | (11,563,057.69)                     | -   | (11,563,057.69)  | (362,156,122.95)                   | (373,721,180.64) |
|       | Increase from increment of subsidiary's share capital | -                        | -  | -                          | -              | -                                   | -   | -                | 96,638,640.70                      | 96,638,640.70    |
|       | Cash dividends and stock dividends                    | -                        | -  | -                          | -              | (245,071,692.67)                    | -   | (245,071,692.67) | -                                  | (245,071,692.67) |
|       | Total comprehensive income (loss) for the year        | -                        | -  | -                          | -              | 545,270,215.32                      | (189,286.74)                                | 545,080,928.58   | (3,949,312.86)                     | 541,131,615.72   |
| 27    | Cash dividends and stock dividends                    | -                        | -  | -                          | -              | (245,071,692.67)                    | -   | (245,071,692.67) | -                                  | (245,071,692.67) |
|       | Total comprehensive income (loss) for the year        | -                        | -  | -                          | -              | 3,357,124,944.51                    | (30,286.11)                                 | 3,357,124,944.51 | 2,574,352.69                       | 3,359,699,297.20 |
| 2014  | Balance as at December 31, 2014                       | 879,990,265.00           | 425,120,000.00                                   | 93,622,449.53              | 88,000,000.00  | 1,870,422,516.09                    | (30,286.11)                                 | 3,357,124,944.51 | 2,574,352.69                       | 3,359,699,297.20 |

Notes to financial statements are an integral part of these financial statements

## SEPARATE STATEMENTS OF CHANGES IN EQUITY

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes                                   | Issued and paid-up share capital | Premium on share capital | Retained earnings          |                  | Total            |
|---|----------------------------------|--------------------------|----------------------------|------------------|------------------|
|   |                                  |                          | Appropriated legal reserve | Unappropriated   |                  |
| Balance as at January 1, 2013           | 439,999,984.00                   | 425,120,000.00           | 44,000,000.00              | 978,267,325.93   | 1,887,387,309.93 |
| Change in equity for the year           |                                  |                          |                            |                  |                  |
| Increase from increment of capital 23   | 219,999,945.00                   | -                        | -                          | -                | 219,999,945.00   |
| Legal reserve                           | -                                | -                        | 22,000,000.00              | (22,000,000.00)  | -                |
| Cash dividends and stock dividends 27   | -                                | -                        | -                          | (246,399,991.04) | (246,399,991.04) |
| Total comprehensive income for the year | -                                | -                        | -                          | 614,620,157.37   | 614,620,157.37   |
| Balance as at December 31, 2013         | 659,999,929.00                   | 425,120,000.00           | 66,000,000.00              | 1,324,487,492.26 | 2,475,607,421.26 |
| Change in equity for the year           |                                  |                          |                            |                  |                  |
| Increase from increment of capital 23   | 219,990,336.00                   | -                        | -                          | -                | 219,990,336.00   |
| Legal reserve                           | -                                | -                        | 22,000,000.00              | (22,000,000.00)  | -                |
| Cash dividends and stock dividends 27   | -                                | -                        | -                          | (245,071,692.67) | (245,071,692.67) |
| Total comprehensive income for the year | -                                | -                        | -                          | 531,913,800.49   | 531,913,800.49   |
| Balance as at December 31, 2014         | 879,990,265.00                   | 425,120,000.00           | 88,000,000.00              | 1,589,329,600.08 | 2,982,439,865.08 |

Notes to financial statements are an integral part of these financial statements



## STATEMENTS OF CASH FLOWS

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes   | Consolidated     |                  | Separate financial statements |                  |
|---|------------------|------------------|-------------------------------|------------------|
|   | 2014             | 2013             | 2014                          | 2013             |
| Cash Flow from Operating Activities   |                  |                  |                               |                  |
| Profit before income tax expenses   | 628,348,561.18   | 1,057,197,738.23 | 569,662,892.56                | 712,725,401.72   |
| Adjustments to reconcile profit before income tax expenses for cash received (used) from operations |                  |                  |                               |                  |
| Bad debts and doubtful debts (reversal)   | (315,695.91)     | (1,738,218.53)   | (438,834.99)                  | (821,378.33)     |
| Unrealized (gain) loss on exchange rate   | (3,964,774.17)   | 2,003,569.36     | (3,419,226.88)                | (1,375,912.02)   |
| Loss on decline in the value of inventories (reversal)  | (9,623,055.01)   | (5,029,990.45)   | (7,509,546.79)                | 1,964,421.80     |
| Dividend income   | -                | -                | (393,684,847.39)              | (225,158,436.63) |
| Benefit from machinery for investment in advance  | (34,927,288.07)  | -                | (34,927,288.07)               | -                |
| Depreciation and amortisation   | 26,349,911.03    | 17,591,524.90    | 9,988,754.21                  | 7,663,272.91     |
| Loss from impairment on assets  | 33,389.43        | -                | -                             | -                |
| (Gain) loss from disposal of assets   | (233,510.54)     | (1,068,465.64)   | 1,318,283.77                  | (1,719.35)       |
| Provision for warranty (reversal)   | 76,678.18        | (1,722,320.47)   | (7,919.90)                    | (1,152,749.56)   |
| Reversal provision for sales return   | -                | (19,413,456.58)  | -                             | (19,413,456.58)  |
| Provisions for delivery delay (reversal)  | 60,451.76        | 613,632.04       | 244,984.56                    | 429,099.24       |
| Provisions for employee benefits  | 1,846,054.00     | 5,594,439.27     | 1,252,675.00                  | 4,057,914.25     |
| Unbilled cost   | 14,054,271.69    | -                | 9,442,720.41                  | -                |
| Gain on disposal of investments in jointly controlled entity  | (108,210.77)     | -                | -                             | -                |
| Gain on disposal of investments in subsidiary   | -                | (775,042,773.28) | -                             | (337,920,000.00) |
| Share of profit from investments in associates and jointly controlled entity                        | (269,279,790.23) | (150,007,484.19) | -                             | -                |
| Share of loss of non controlling interest   | (3,949,312.86)   | (15,084,937.15)  | -                             | -                |
| Interest income   | (6,608,794.66)   | (10,385,519.95)  | (7,675,037.04)                | (9,066,120.73)   |
| Interest expenses   | 57,842,331.20    | 47,378,385.44    | 46,521,353.81                 | 21,530,617.41    |
| Profit before changes in operating assets and liabilities   | 399,601,216.55   | 150,886,123.00   | 190,768,963.26                | 153,460,954.13   |
| (Increase)decrease in trade and other receivable - related parties                                  | (31,469,114.58)  | 400,345,891.23   | (17,777,960.52)               | 359,183,292.25   |
| (Increase)decrease in trade and other receivable - third parties                                    | (152,277,200.75) | 343,263,484.16   | (214,248,359.41)              | 481,344,885.53   |
| (Increase)decrease in unbilled receivables  | (6,119,576.34)   | (18,193,386.96)  | 8,610,423.66                  | (18,165,803.64)  |
| (Increase)decrease in deposit for purchase of goods   | 5,646,968.24     | (4,194,445.41)   | 1,171,091.85                  | (1,776,507.83)   |
| (Increase)decrease in advances payment to subcontractors  | 13,424,941.80    | 133,530,536.85   | 13,424,941.80                 | 133,530,536.85   |

Notes to financial statements are an integral part of these financial statements

## STATEMENTS OF CASH FLOWS

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes   | Consolidated     |                  | Separate financial statements |                  |
|---|------------------|------------------|-------------------------------|------------------|
|   | 2014             | 2013             | 2014                          | 2013             |
| Cash Flow from Operating Activities (continued)   |                  |                  |                               |                  |
| (Increase)decrease in Revenue Department receivable   | (197,613.24)     | (32,451,068.02)  | 5,422,501.92                  | (5,422,501.92)   |
| (Increase)decrease in inventories   | 56,449,514.99    | 66,781,406.38    | 34,779,587.29                 | 7,105,841.04     |
| (Increase)decrease in construction in progress  | 91,838,286.34    | (40,851,293.62)  | 81,825,452.64                 | (26,002,941.94)  |
| (Increase)decrease in retention receivables   | 143,519,497.81   | (146,203,115.24) | 143,519,497.81                | (76,174,999.16)  |
| (Increase)decrease in other non-current assets  | 1,432,316.00     | 3,899,426.00     | 86,981.00                     | 6,468.00         |
| Increase(decrease) in trade and other payable - related parties                                     | 759,893.25       | (33,155,242.83)  | (93,384,168.13)               | 32,307,234.65    |
| Increase(decrease) in trade and other payable - third parties                                       | 54,599,040.46    | (532,465,604.06) | 92,076,607.41                 | (550,734,878.08) |
| Increase(decrease) in advances received from employers and construction revenue received in advance | (70,052,837.46)  | 62,986,758.49    | (70,052,837.46)               | (3,565,503.13)   |
| Increase(decrease) in advances received for goods   | 12,374,826.81    | (9,977,670.59)   | 12,374,826.81                 | (9,983,211.56)   |
| Increase(decrease) in Revenue Department payable  | (1,030,772.17)   | (1,678,466.48)   | 6,019,888.12                  | (6,301,150.74)   |
| Increase(decrease) in retention payables  | (74,546,071.17)  | 162,120,588.86   | (83,022,422.41)               | 56,286,344.84    |
| Cash paid for employee benefits   | -                | (317,461.25)     | -                             | (317,461.25)     |
| Cash generate from operation  | 443,953,316.24   | 504,326,460.51   | 111,595,015.94                | 524,780,598.04   |
| Cash received for interest income   | 12,839,077.64    | 11,824,095.90    | 13,829,158.34                 | 10,697,000.06    |
| Cash paid for interest expense  | (74,723,397.42)  | (53,566,247.32)  | (62,629,236.39)               | (24,005,074.24)  |
| Cash received for income tax  | 6,150,861.56     | -                | 6,150,861.56                  | -                |
| Cash paid for income tax  | (74,460,711.47)  | (225,671,068.11) | (37,026,356.83)               | (202,664,604.98) |
| Net Cash Provided from Operating Activities   | 313,759,146.55   | 236,913,240.98   | 31,919,442.62                 | 308,807,918.88   |
| Cash Flow from Investing Activities   |                  |                  |                               |                  |
| Cash paid for shares subscription in advance  | -                | (129,600,000.00) | -                             | (129,600,000.00) |
| Cash paid for payable for purchase shares   | (146,478,050.00) | (65,415,000.00)  | (146,478,050.00)              | (65,415,000.00)  |
| Cash paid for investments in associate  | -                | (14,500,000.00)  | -                             | (14,500,000.00)  |
| Cash paid for investments in jointly controlled entities  | (10,654,260.00)  | (5,082,907.50)   | (10,654,260.00)               | (5,082,907.50)   |
| Cash paid for investments in subsidiaries   | -                | -                | (747,176,005.86)              | (199,978,000.00) |
| Cash paid for acquisition of subsidiary   | (294,065,088.44) | (17,000,000.00)  | (294,065,088.44)              | (17,000,000.00)  |
| Cash paid for controlling interests of the subsidiary   | (228,035,550.00) | -                | (228,035,550.00)              | -                |
| Cash received from disposal of investment in jointly controlled entities                            | 181,903.49       | 754,156,121.55   | -                             | 824,000,000.00   |
| Cash received from disposal of investment in subsidiary   | -                | 104,106,436.75   | -                             | 196,758,167.69   |

Notes to financial statements are an integral part of these financial statements



## STATEMENTS OF CASH FLOWS

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

| Notes  | Consolidated     |                    | Separate financial statements |                    |
|--|------------------|--------------------|-------------------------------|--------------------|
|  | 2014             | 2013               | 2014                          | 2013               |
| Cash Flow from Investing Activities (continued)  |                  |                    |                               |                    |
| Dividend income  | 156,918,718.69   | 29,245,658.91      | 366,016,510.47                | 29,245,658.91      |
| Benefit from machinery for investment in advance                                       | 34,927,288.07    | -                  | 34,927,288.07                 | -                  |
| (Increase)decrease in short-term loans to related parties                              | -                | -                  | (7,000,000.00)                | -                  |
| Cash paid for machinery for investment in advance                                      | -                | (268,344,850.00)   | -                             | (268,344,850.00)   |
| Cash paid for purchase of plant and equipment and payable for purchase of assets       | (269,073,285.34) | (570,084,342.46)   | (3,246,934.28)                | (10,505,796.67)    |
| Proceed from disposal of equipment   | 2,323,258.94     | 1,080,534.03       | 683,551.40                    | 10,917.90          |
| Cash paid for purchase of intangible assets  | (52,902,194.42)  | (94,923,047.46)    | (450,000.00)                  | (7,851,000.00)     |
| (Increase) decrease in fixed deposits and bill of exchange pledged as collateral       | 14,360,992.19    | 320,884,883.00     | (180,814.48)                  | 213,639,747.92     |
| Net Cash Provided (used) from Investing Activities                                     | (792,496,266.82) | 44,523,486.82      | (1,035,659,353.12)            | 545,376,938.25     |
| Cash Flow from Financing Activities  |                  |                    |                               |                    |
| Cash received from capital increment of non-controlling interest in subsidiary         | 96,638,640.70    | 65,721,025.00      | -                             | -                  |
| Increase(decrease) in bank overdrafts and short-term loans from financial institutions | 1,871,175,834.35 | (1,085,467,997.83) | 1,931,796,893.83              | (1,109,772,251.53) |
| Increase(decrease) in short-term loans from related parties                            | (13,338,877.79)  | -                  | 184,892,566.06                | 16,460,467.37      |
| Proceed from long-term loans from banks  | -                | 414,600,871.58     | -                             | -                  |
| Cash paid for long-term loans from banks   | (156,500,000.00) | -                  | -                             | -                  |
| Dividend paid  | (25,079,444.66)  | (26,398,735.54)    | (25,079,444.66)               | (26,397,466.48)    |
| Repayment of obligation under finance lease  | (7,889,987.68)   | (5,414,344.71)     | (6,192,156.78)                | (4,265,437.54)     |
| Repayment of interest-obligation under finance lease                                   | (2,228,991.47)   | (1,721,136.67)     | (1,698,035.67)                | (1,191,041.24)     |
| Effect of exchange rate changes on cash and cash equivalent                            | (153,311.15)     | 202,322.20         | -                             | -                  |
| Net Cash Provided (used) from Financing Activities                                     | 1,762,623,862.30 | (638,477,995.97)   | 2,083,719,822.78              | (1,125,165,729.42) |
| Net Increase (Decrease) in Cash and Cash Equivalent                                    | 1,283,886,742.03 | (357,041,268.17)   | 1,079,979,912.28              | (270,980,872.29)   |
| Cash and Cash Equivalent at the Beginning of the Year                                  | 224,891,550.41   | 581,932,818.58     | 125,934,392.24                | 396,915,264.53     |
| Cash and Cash Equivalent at the End of the Year 28.1                                   | 1,508,778,292.44 | 224,891,550.41     | 1,205,914,304.52              | 125,934,392.24     |

Notes to financial statements are an integral part of these financial statements



# NOTES TO FINANCIAL STATEMENTS

## GUNKUL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2014

### 1. General information

Gunkul Engineering Public Company Limited ("the Company") is a public limited company and is incorporated in Thailand. The address of the Company's registered office is 1038-1046 Nakornchaisri Road, Nakornchaisri, Dusit, Bangkok.

The principal activities of the Company and subsidiaries ("the Group") involve manufacture, distribution and importation and exportation of electrical hardware and equipment including generate and sell electricity.

### 2. Basis of preparation of financial statements

The consolidated and separate financial statements are presented in Thai language and Thai Baht, and in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Capital Market Supervisory Board under the Securities and Exchange Act B.E.2535 (or 1992).

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates. Although the management has most well prepared the figures of estimation from the understanding of events and the things that have been done presently.



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

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2014.

- TFRS No. 2 Share-based Payment (revised 2012)
- TFRS No. 3 Business Combinations (revised 2012)
- TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2012)
- TFRS No. 8 Operating Segments (revised 2012)
- TAS No. 1 Presentation of Financial Statements (revised 2012)
- TAS No. 7 Statement of Cash Flows (revised 2012)
- TAS No. 12 Income Taxes (revised 2012)
- TAS No. 17 Leases (revised 2012)
- TAS No. 18 Revenue (revised 2012)
- TAS No. 19 Employee Benefits (revised 2012)
- TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2012)
- TAS No. 24 Related Party Disclosures (revised 2012)
- TAS No. 28 Investments in Associates (revised 2012)
- TAS No. 31 Interests in Joint Ventures (revised 2012)
- TAS No. 34 Interim Financial Reporting (revised 2012)
- TAS No. 36 Impairment of Assets (revised 2012)
- TAS No. 38 Intangible Assets (revised 2012)
- TFRI No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRI No. 4 Determining whether an Arrangement contains a Lease
- TFRI No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRI No. 7 Applying the Restatement Approach under TAS No. 29 Financial Reporting in Hyperinflationary Economies
- TFRI No. 10 Interim Financial Reporting and Impairment
- TFRI No. 12 Service Concession Arrangements
- TFRI No. 13 Customer Loyalty Programmes
- TFRI No. 17 Distributions of Non-cash Assets to Owners
- TFRI No. 18 Transfers of Assets from Customers
- TSI No. 15 Operating Leases-Incentives
- TSI No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSI No. 29 Service Concession Arrangements : Disclosures
- TSI No. 32 Intangible Assets-Web Site Costs

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

|  | <u>Effective date</u> |
|--|-----------------------|
| The Conceptual Framework for Financial Reporting (revised 2014)                                    | January 1, 2015       |
| TFRS No. 2 Share-based Payment (revised 2014)  | January 1, 2015       |
| TFRS No. 3 Business Combinations (revised 2014)  | January 1, 2015       |
| TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2014)             | January 1, 2015       |
| TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2014)                      | January 1, 2015       |
| TFRS No. 8 Operating Segments (revised 2014)   | January 1, 2015       |
| TFRS No. 10 Consolidated Financial Statements  | January 1, 2015       |
| TFRS No. 11 Joint Arrangements   | January 1, 2015       |
| TFRS No. 12 Disclosure of Interests in Other Entities  | January 1, 2015       |
| TFRS No. 13 Fair Value Measurement   | January 1, 2015       |
| TAS No. 1 Presentation of Financial Statements (revised 2014)                                      | January 1, 2015       |
| TAS No. 2 Inventories (revised 2014)   | January 1, 2015       |
| TAS No. 7 Statement of Cash Flows (revised 2014)   | January 1, 2015       |
| TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2014)           | January 1, 2015       |
| TAS No. 10 Events after the Reporting Period (revised 2014)  | January 1, 2015       |
| TAS No. 11 Construction Contracts (revised 2014)   | January 1, 2015       |
| TAS No. 12 Income Taxes (revised 2014)   | January 1, 2015       |
| TAS No. 16 Property, Plant and Equipment (revised 2014)  | January 1, 2015       |
| TAS No. 17 Leases (revised 2014)   | January 1, 2015       |
| TAS No. 18 Revenue (revised 2014)  | January 1, 2015       |
| TAS No. 19 Employee Benefits (revised 2014)  | January 1, 2015       |
| TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2014) | January 1, 2015       |
| TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2014)                         | January 1, 2015       |
| TAS No. 23 Borrowing Costs (revised 2014)  | January 1, 2015       |
| TAS No. 24 Related Party Disclosures (revised 2014)  | January 1, 2015       |
| TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2014)                     | January 1, 2015       |
| TAS No. 27 Separate Financial Statements (revised 2014)  | January 1, 2015       |
| TAS No. 28 Investments in Associates and Joint Ventures (revised 2014)                             | January 1, 2015       |
| TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2014)                       | January 1, 2015       |



|              |  |                 |
|--------------|--|-----------------|
| TAS No. 33   | Earnings per Share (revised 2014)  | January 1, 2015 |
| TAS No. 34   | Interim Financial Reporting (revised 2014)   | January 1, 2015 |
| TAS No. 36   | Impairment of Assets (revised 2014)  | January 1, 2015 |
| TAS No. 37   | Provisions, Contingent Liabilities and Contingent Assets (revised 2014)  | January 1, 2015 |
| TAS No. 38   | Intangible Assets (revised 2014)   | January 1, 2015 |
| TAS No. 40   | Investment Property (revised 2014)   | January 1, 2015 |
| TFRIC No. 1  | Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2014)                              | January 1, 2015 |
| TFRIC No. 4  | Determining whether an Arrangement contains a Lease (revised 2014)   | January 1, 2015 |
| TFRIC No. 5  | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2014)  | January 1, 2015 |
| TFRIC No. 7  | Applying the Restatement Approach under TAS 29 (revised 2014)<br>Financial Reporting in Hyperinflationary Economies  | January 1, 2015 |
| TFRIC No. 10 | Interim Financial Reporting and Impairment (revised 2014)  | January 1, 2015 |
| TFRIC No. 12 | Service Concession Arrangements (revised 2014)   | January 1, 2015 |
| TFRIC No. 13 | Customer Loyalty Programmes (revised 2014)   | January 1, 2015 |
| TFRIC No. 14 | TAS 19 (revised 2014) - The Limit on a Defined Benefit Assets,<br>Minimum Funding Requirements and their Interaction | January 1, 2015 |
| TFRIC No. 15 | Agreements for the Construction of Real Estate (revised 2014)  | January 1, 2015 |
| TFRIC No. 17 | Distributions of Non-cash Assets to Owners (revised 2014)  | January 1, 2015 |
| TFRIC No. 18 | Transfers of Assets from Customers (revised 2014)  | January 1, 2015 |
| TFRIC No. 20 | Stripping Costs in the Production Phase of a Surface Mine  | January 1, 2015 |
| TSIC No. 10  | Government Assistance - No Specific Relation to Operating Activities (revised 2014)                                  | January 1, 2015 |
| TSIC No. 15  | Operating Leases - Incentives (revised 2014)   | January 1, 2015 |
| TSIC No. 25  | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2014)                             | January 1, 2015 |
| TSIC No. 27  | Evaluating the Substance of Transactions Involving the Legal Form<br>of a Lease (revised 2014)                       | January 1, 2015 |
| TSIC No. 29  | Service Concession Arrangements : Disclosures (revised 2014)   | January 1, 2015 |
| TSIC No. 31  | Revenue - Barter Transactions Involving Advertising Services (revised 2014)  | January 1, 2015 |
| TSIC No. 32  | Intangible Assets - Web Site Costs (revised 2014)  | January 1, 2015 |
| TFRS No. 4   | Insurance Contracts (revised 2014)   | January 1, 2016 |

The Group has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management believes that they will not have any significant impact on the Group's financial statements for the period in which they are initially adopted.

### 3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries, which are those entities in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred for acquisition is measured at the sum of the fair value of the assets given, the liabilities incurred, and equity instruments issued by the Group at the date of exchange. Acquisition-related costs are accounted as expenses in the period in which the costs are incurred. The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of the net identifiable assets of the subsidiary acquired is recognized as goodwill and to be tested for impairment annually. If, after reassessment, the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss as a bargain purchase gain.

Related party transactions, balances and unrealized gains on transactions between the Company and its subsidiaries are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The consolidated financial statements for the year ended December 31, 2014 and 2013 have been prepared by including the financial statements of Gunkul Engineering Public Company Limited and subsidiaries after eliminate the significant related party balances and transactions. The percentage directly and indirectly owned by the Company as follows:-

| Name of subsidiaries  | Nature of business                              | Country of incorporation | Percentage of shareholding |        |
|---|---|--------------------------|----------------------------|--------|
|   |   |                          | 2014                       | 2013   |
| G.K. Power Product Co., Ltd.  | Manufacture electrical hardware and equipment   | Thailand                 | 100.00                     | 100.00 |
| G.K. Assembly Co., Ltd.   | Manufacture electrical hardware and equipment   | Thailand                 | 100.00                     | 100.00 |
| K.N.P. Supply Co., Ltd.   | Import-export electrical hardware and equipment | Thailand                 | 100.00                     | 100.00 |
| Greenovation Power Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | -      |
| Wind Energy Development Co., Ltd.   | Generating and selling electricity              | Thailand                 | 100.00                     | 70.00  |
| NK Power Sola Co., Ltd.   | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Gunkul Solar Roof 1 Co., Ltd.   | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Gunkul Solar Roof 2 Co., Ltd.   | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Solar Energy Society Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Bright Green Power Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Gunkul Power Development Co., Ltd.  | Construction                                    | Thailand                 | 100.00                     | 100.00 |
| Gunkul Solar Power 1 Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Gunkul Solar Power 2 Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | 100.00 |
| Gunkul LED Lighting Co., Ltd.   | Manufacture electrical hardware and equipment   | Thailand                 | 75.00                      | -      |
| Gunkul Solar Community Co., Ltd.  | Construction                                    | Thailand                 | 100.00                     | -      |
| Siam Gunkul Solar Energy Co., Ltd.  | Generating and selling electricity              | Thailand                 | 100.00                     | 50.00  |
| Gunkul and UCI Power Co., Ltd.  | Generating and selling electricity              | Thailand                 | 75.00                      | -      |
| Gunkul International (Mauritius)Ltd.  | Holding company                                 | Mauritius                | 100.00                     | 100.00 |
| Gunkul Investment (Singapore) Pte. Ltd.<br>(Holding by Gunkul International (Mauritius) Ltd.)   | Holding company                                 | Singapore                | 100.00                     | 100.00 |
| Gunkul Myanmar Power (Hlawga) Pte. Ltd.<br>(Holding by Gunkul Investment (Singapore) Pte. Ltd.) | Holding company                                 | Singapore                | 100.00                     | 100.00 |
| Sendai Okura Mega Solar Godo Kaisha<br>(Holding by Gunkul International (Mauritius) Ltd.)       | Generating and selling electricity              | Japan                    | 100.00                     | -      |

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

The non-controlling interest is measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of "Exchange differences on translation" in the statements of changes in shareholders' equity.

## 4. Accounting policies

### 4.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

### 4.2 Trade receivable

Trade account receivable are carried in the statement of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at the end of the reporting period. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

### 4.3 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprise raw materials, direct labor, other direct costs



and related production overheads, the latter being allocated on the basis of normal operating activities.

Costs of inventories are calculated as the follow method:-

|                           |               |
|---------------------------|---------------|
| Finished goods            | - FIFO method |
| Work in process           | - FIFO method |
| Raw material and supplies | - FIFO method |

The Group estimates the net realisable value by using the selling price in the ordinary course of business less selling expenses.

The Group makes the allowance for diminutions in the value of obsolete, defective or slow-moving inventories.

#### **4.4 Investments**

##### **Investments in associates**

Investments in associates are accounting for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any). And investments in associates are accounted for using the equity method in the consolidated financial statements.

##### **Investments in jointly controlled companies**

Investments in jointly controlled company are accounting for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any). And investments in jointly controlled company is accounted for using the equity method in the consolidated financial statements.

Where there is the necessary, accounting policies of associates and jointly controlled have been changed to ensure consistency with the policies adopted by the Group. The financial statements of the associates and jointly controlled are prepared for the same reporting periods as the Company.

##### **Investments in subsidiaries**

Investments in subsidiaries are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment.



#### 4.5 Property, plant and equipment

Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any).

Buildings and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

|   |               |
|---|---------------|
| Buildings and power plant                                 | 25 - 30 years |
| Machinery and factory equipment                           | 5 - 25 years  |
| Tools and equipments                                      | 5 years       |
| Fixtures and office equipments                            | 5 years       |
| Motor vehicles (Including vehicle under lease agreements) | 5 - 8 years   |

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### 4.6 Intangible assets

Intangible assets with finite useful lives which the Group acquired are stated at historical cost less accumulated amortization and impairment loss (as if). The Group's amortization is calculated on the straight-line method over their estimated useful life as follows:

|                           |       |       |
|---------------------------|-------|-------|
| Computer software         | 5     | years |
| Copyright                 | 3 - 5 | years |
| Right to use grid network | 25    | years |
| Right to use land         | 25    | years |

Power purchase agreement acquired in a business combination is initially recognized at their fair value at the acquisition date which is regarded as their cost and amortized on the sum of the year method over the period of power purchase agreement and less accumulated impairment losses (if any).

#### 4.7 Impairment of assets

The carrying amounts of the Group's assets and also intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Group will recognize impairment losses in profit or loss, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized in profit or loss or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

#### 4.8 Loans from financial institutions

Loans from financial institutions are initially measured at fair value, including transaction costs directly attributable to the issue of the loans. And after initial recognition, the loans from financial institutions are subsequently measured at amortized cost, using the effective interest method.

#### 4.9 Accounting for leases

##### Where the Group is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

##### Where the Group is the lesser

##### Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over

their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group.

#### **4.10 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

#### **4.11 Provision for decommissioning cost**

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual cost that relate to the removal of the power plants. The recognised provision for decommissioning cost are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by management. Those cost are included as part of the power plants.

#### **4.12 Revenue recognition**

Sales are recognized on the delivery of goods or on customer acceptance. Sales are shown net of sales taxes and discounts.

Revenues from construction shall comprise the initial amount of revenue agreed in the contract and a claim collect from third parties are recognized on a percentage of completion basis. The percentage of completion is measured based on comparison of the completion of a physical proportion of the contract work at the end of the reporting period and the total contract work surveyed by the engineer project manager. In case, it is probable that the total construction costs will exceed the total construction income, the expected foreseeable loss is immediately recognized as an expense in profit or loss. The recognized revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position. The unrecognized

revenue which is due per the contracts has been presented under the caption of “Advances received from employers and construction revenue received in advance - third parties” in the statement of financial position.

Service income is recognized when services have been rendered.

Rental income is recognized as income over the lease period.

Interest income is recognized on an accrual basis.

Other income is recognized on an accrual basis.

#### **4.13 Government grants**

The Group will not recognize the Government grants until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The Group recognizes the Government grants in profit on a systematic basis over the period in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

The Group presents the grants related to income as a credit separately in the statement of comprehensive.

#### **4.14 Foreign currency transactions**

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the end of the reporting period denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss as incurred.

#### **4.15 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to

the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### **4.16 Employee benefits**

##### **Defined contribution plan**

The Group operates a provident fund which is funded by payments from employees and by the Group. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognized in profit or loss in the period in which they are incurred.

##### **Defined benefit plan**

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, related past service cost and current service cost. All actuarial gains and losses are recognized immediately in profit or loss.

#### **4.17 Corporate income tax**

The Group recognizes the unpaid current tax for current period as a liability in the statement of financial position. In a case where the amount already paid in respect of current period exceeds the amount due for such period, the excess will be recognized as an asset in the statement of financial position.

The Group recognizes a deferred tax liability for all taxable temporary difference, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit at the time of the transaction. The Group recognizes a deferred tax asset for all deductible temporary differences to the extent that it is

probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. And the Group recognizes a deferred tax asset for all deductible temporary differences arising from investment in subsidiaries and associates, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group measures the current tax liabilities and assets for the current period using the tax rate that have been enacted by the end of the reporting period. And the deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that have been enacted or substantively enacted by the end of the reporting period.

The Group recognizes the current and deferred tax as an income or an expense and includes it in profit or loss for the period, except the current and deferred tax for items that are recognized in the other comprehensive income or directly in the equity will be recognized in the other comprehensive income or directly in the equity.

#### 4.18 Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, investment in equity securities, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

Forward contracts are carried at fair value and presented in other current assets or other current liabilities. Unrealized gains or losses on changes in fair value are recognized in profit or loss.

#### **4.19 The important accounting estimation, supposition and judgment application**

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

##### **Plant, equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Group's plant, equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or its will write off or write down technically obsolete or assets that have been abandoned or sold.

##### **Financial lease/ Operation lease**

The Group has entered into lease agreements for rental vehicle, machine and equipment. The Group has determined, based on an evaluation on terms and conditions of the arrangements, that the lease transfers ownership of these assets to the lessee, and so accounts for the contracts as financial leases.

##### **Estimated construction project costs**

The Group estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

## **5. Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.



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

Gunkul Group Co., Ltd. is a major shareholder, holding 59.97% (2013:59.97%) of the share capital of the Gunkul Engineering Public Co., Ltd. The principal shareholder of the Company's major shareholder is Dhumrongpiyawut family. Transactions related to companies in which the Dhumrongpiyawut family is the principal shareholders or directors are recognized as related parties to the Company.

The Company has transactions with related persons and companies for the year ended December 31, 2014 and 2013 as follows:

### 5.1 Inter-assets and liabilities

(Unit : Baht)

|  | Consolidated  |              | Separate financial statement |               |
|--|---------------|--------------|------------------------------|---------------|
|  | 2014          | 2013         | 2014                         | 2013          |
| Trade receivables - sale of goods          |               |              |                              |               |
| - G.K. Assembly Co., Ltd.                  | -             | -            | 720,967.34                   | 1,250,950.83  |
| - G.K. Power Product Co., Ltd.             | -             | -            | 82,390.00                    | -             |
| - Kulnatee Co., Ltd.                       | 17,836.90     | 10,700.00    | 17,836.90                    | 10,700.00     |
| - K.N.P Supply Co., Ltd.                   | -             | -            | 652,529.22                   | 1,125,375.59  |
| - Future Electrical Control Co., Ltd.      | 12,665,409.08 | 9,056,475.72 | 1,883,971.38                 | 6,072.25      |
| - Gunkul Power Development Co., Ltd.       | -             | -            | 550,236.80                   | 1,094,545.50  |
| Total                                      | 12,683,245.98 | 9,067,175.72 | 3,907,931.64                 | 3,487,644.17  |
| Construction receivables                   |               |              |                              |               |
| - NK Power Sola Co., Ltd.                  | -             | -            | 33,051,674.58                | 51,570,905.35 |
| - Gunkul Chubu Powergen Co., Ltd.          | 21,079,000.00 | -            | 21,079,000.00                | -             |
| Total                                      | 21,079,000.00 | -            | 54,130,674.58                | 51,570,905.35 |
| Maintenance service receivables            |               |              |                              |               |
| - Gunkul Chubu Powergen Co., Ltd.          | 521,758.26    | 521,755.94   | 521,758.26                   | 521,755.94    |
| - NK Power Sola Co., Ltd.                  | -             | -            | -                            | 200,625.00    |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 42,358.87     | -            | -                            | -             |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 55,392.37     | -            | -                            | -             |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 55,392.37     | -            | -                            | -             |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd. | 66,389.39     | -            | -                            | -             |
| Total                                      | 741,291.26    | 521,755.94   | 521,758.26                   | 722,380.94    |



(Unit : Baht)

|   | Consolidated  |                 | Separate financial statement |                 |
|---|---------------|-----------------|------------------------------|-----------------|
|   | 2014          | 2013            | 2014                         | 2013            |
| Other receivables                                 |               |                 |                              |                 |
| - Gunkul Chubu Powergen Co., Ltd.                 | 389,480.00    | 374,500.00      | 389,480.00                   | 374,500.00      |
| - Future Electrical Control Co., Ltd.             | -             | 2,400.00        | -                            | -               |
| Total   | 389,480.00    | 376,900.00      | 389,480.00                   | 374,500.00      |
| Accrued dividend receivable                       |               |                 |                              |                 |
| - G-Power Source Co., Ltd.                        | 56,068,605.86 | 28,400,268.94   | 56,068,605.86                | 28,400,268.94   |
| Accrued interest receivable                       |               |                 |                              |                 |
| - G-Power Source Co., Ltd.                        | -             | 6,192,446.73    | -                            | 6,192,446.73    |
| - Gunkul LED Lighting Co., Ltd.                   | -             | -               | 4,315.07                     | -               |
| Total   | -             | 6,192,446.73    | 4,315.07                     | 6,192,446.73    |
| Accrued rental                                    |               |                 |                              |                 |
| - Gunkul Solar Roof 1 Co., Ltd.                   | -             | -               | 1,800.00                     | -               |
| Advance payments                                  |               |                 |                              |                 |
| - K.N.P Supply Co., Ltd.                          | -             | -               | 40,192.65                    | 3,378.22        |
| - Gunkul Power Development Co., Ltd.              | -             | -               | 10,402.63                    | -               |
| - Siam Gunkul Solar Energy Co., Ltd.              | -             | 19,910.00       | -                            | 19,910.00       |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.         | 1,263,719.00  | -               | -                            | -               |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.         | 1,661,938.00  | -               | -                            | -               |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.         | 1,661,938.00  | -               | -                            | -               |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd.        | 1,974,244.00  | -               | -                            | -               |
| - Gunkul International (Mauritius) Ltd.           | -             | -               | 13,558,450.00                | -               |
| Total   | 6,561,839.00  | 19,910.00       | 13,609,045.28                | 23,288.22       |
| Total trade and other receivable- related parties | 97,523,462.10 | 44,578,457.33   | 128,633,610.69               | 90,771,434.35   |
| Advance payments to subcontractor                 |               |                 |                              |                 |
| - Future Electrical Control Co., Ltd.             | -             | 7,138,649.40    | -                            | 7,138,649.40    |
| Short-term loans to related parties               |               |                 |                              |                 |
| - G-Power Source Co., Ltd.                        |               |                 |                              |                 |
| Beginning balance                                 | -             | 29,245,658.91   | -                            | 29,245,658.91   |
| Addition  | -             | -               | -                            | -               |
| Repayment   | -             | (29,245,658.91) | -                            | (29,245,658.91) |
| Ending balance                                    | -             | -               | -                            | -               |

(Unit : Baht)

|   | Consolidated    |      | Separate financial statement |      |
|---|-----------------|------|------------------------------|------|
|   | 2014            | 2013 | 2014                         | 2013 |
| Short-term loans to related parties (Continued) |                 |      |                              |      |
| - Gunkul LED Lighting Co., Ltd.                 |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | -               | -    | 7,000,000.00                 | -    |
| Repayment                                       | -               | -    | -                            | -    |
| Ending balance                                  | -               | -    | 7,000,000.00                 | -    |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.       |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | 9,000,000.00    | -    | 9,000,000.00                 | -    |
| Repayment                                       | (9,000,000.00)  | -    | (9,000,000.00)               | -    |
| Ending balance                                  | -               | -    | -                            | -    |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.       |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | 12,000,000.00   | -    | 12,000,000.00                | -    |
| Repayment                                       | (12,000,000.00) | -    | (12,000,000.00)              | -    |
| Ending balance                                  | -               | -    | -                            | -    |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.       |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | 12,000,000.00   | -    | 12,000,000.00                | -    |
| Repayment                                       | (12,000,000.00) | -    | (12,000,000.00)              | -    |
| Ending balance                                  | -               | -    | -                            | -    |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd.      |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | 13,000,000.00   | -    | 13,000,000.00                | -    |
| Repayment                                       | (13,000,000.00) | -    | (13,000,000.00)              | -    |
| Ending balance                                  | -               | -    | -                            | -    |
| - Gunkul Power Development Co., Ltd.            |                 |      |                              |      |
| Beginning balance                               | -               | -    | -                            | -    |
| Addition  | -               | -    | 22,000,000.00                | -    |
| Repayment                                       | -               | -    | (22,000,000.00)              | -    |
| Ending balance                                  | -               | -    | -                            | -    |
| Total   | -               | -    | 7,000,000.00                 | -    |



(Unit : Baht)

|  | Consolidated  |                | Separate financial statement |                |
|--|---------------|----------------|------------------------------|----------------|
|  | 2014          | 2013           | 2014                         | 2013           |
| Purchase of assets                         |               |                |                              |                |
| - Future Electrical Control Co., Ltd.      | 47,843,697.20 | -              | -                            | -              |
| Purchase of land                           |               |                |                              |                |
| - Director                                 | 13,336,000.00 | -              | -                            | -              |
| Retention receivables                      |               |                |                              |                |
| - Gunkul Chubu Powergen Co., Ltd.          | -             | 145,002,685.39 | -                            | 145,002,685.39 |
| - Future Electrical Control Co., Ltd.      | 1,200,429.85  | 1,200,429.85   | -                            | -              |
| Total                                      | 1,200,429.85  | 146,203,115.24 | -                            | 145,002,685.39 |
| Construction in progress                   |               |                |                              |                |
| - Siam Gunkul Solar Energy Co., Ltd.       | -             | 43,884.24      | -                            | -              |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.  | -             | 1,690,108.45   | -                            | -              |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.  | -             | 2,161,674.55   | -                            | -              |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.  | -             | 2,151,030.38   | -                            | -              |
| - WHA Gunkul Green Solar Roof 10 Co., Ltd. | -             | 2,229,038.41   | -                            | -              |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd. | -             | 317,339.84     | -                            | -              |
| Total                                      | -             | 8,593,075.87   | -                            | -              |
| Trade payables                             |               |                |                              |                |
| - G.K. Assembly Co., Ltd.                  | -             | -              | 36,415,425.47                | 22,233,732.14  |
| - G.K. Power Product Co., Ltd.             | -             | -              | 92,983,921.23                | 224,682,463.77 |
| - K.N.P Supply Co., Ltd.                   | -             | -              | 23,520,738.56                | 438,550.66     |
| - Future Electrical Control Co., Ltd.      | 1,030,968.54  | -              | 1,018,931.04                 | -              |
| Total                                      | 1,030,968.54  | -              | 153,939,016.30               | 247,354,746.57 |
| Advance received for service revenue       |               |                |                              |                |
| - Gunkul Chubu Powergen Co., Ltd.          | 4,389,502.76  | 4,398,243.05   | 4,389,502.76                 | 4,398,243.05   |
| Advance received for land rental           |               |                |                              |                |
| - NK Power Sola Co., Ltd.                  | -             | -              | 78,119.52                    | 78,119.52      |
| Payable for purchase of assets             |               |                |                              |                |
| - Future Electrical Control Co., Ltd.      | 12,320,933.48 | -              | -                            | -              |
| Other payable                              |               |                |                              |                |
| - Gunkul Power Development Co., Ltd.       | -             | -              | 40,302.43                    | -              |

(Unit : Baht)

|   | Consolidated    |               | Separate financial statement |                 |
|---|-----------------|---------------|------------------------------|-----------------|
|   | 2014            | 2013          | 2014                         | 2013            |
| Accrued interest payable                        |                 |               |                              |                 |
| - K.N.P Supply Co., Ltd.                        | -               | -             | -                            | 63,645.79       |
| - Wind Energy Development Co., Ltd.             | -               | -             | 1,251,136.98                 | 284,246.57      |
| - Greenovation Power Co., Ltd.                  | -               | -             | 230,136.99                   | -               |
| Total   | -               | -             | 1,481,273.97                 | 347,892.36      |
| Total trade and other payable - related parties | 17,741,404.78   | 4,398,243.05  | 159,928,214.98               | 252,179,001.50  |
| Retention payable                               |                 |               |                              |                 |
| - Future Electrical Control Co., Ltd.           | 18,341,970.01   | 85,509,390.20 | 14,709,089.39                | 85,509,390.20   |
| Short-term loans from related parties           |                 |               |                              |                 |
| - K.N.P Supply Co., Ltd.                        |                 |               |                              |                 |
| Beginning balance                               | -               | -             | 20,607,433.94                | 29,146,966.57   |
| Addition  | -               | -             | -                            | -               |
| Repayment                                       | -               | -             | (20,607,433.94)              | (8,539,532.63)  |
| Ending balance                                  | -               | -             | -                            | 20,607,433.94   |
| - Wind Energy Development Co., Ltd.             |                 |               |                              |                 |
| Beginning balance                               | -               | -             | 25,000,000.00                | -               |
| Addition  | -               | -             | 311,000,000.00               | 105,000,000.00  |
| Repayment                                       | -               | -             | (155,500,000.00)             | (80,000,000.00) |
| Ending balance                                  | -               | -             | 180,500,000.00               | 25,000,000.00   |
| - Greenovation Power Co., Ltd.                  |                 |               |                              |                 |
| Beginning balance                               | -               | -             | -                            | -               |
| Addition  | -               | -             | 50,000,000.00                | -               |
| Repayment                                       | -               | -             | -                            | -               |
| Ending balance                                  | -               | -             | 50,000,000.00                | -               |
| - Gunkul group Co., Ltd.                        |                 |               |                              |                 |
| Beginning balance                               | -               | -             | -                            | -               |
| Addition  | 4,929,122.21    | -             | -                            | -               |
| Repayment                                       | -               | -             | -                            | -               |
| Ending balance                                  | 4,929,122.21    | -             | -                            | -               |
| - Director                                      |                 |               |                              |                 |
| Beginning balance                               | -               | -             | -                            | -               |
| Decrease from acquisition of subsidiary         | 18,268,000.00   | -             | -                            | -               |
| Addition  | -               | -             | -                            | -               |
| Repayment                                       | (18,268,000.00) | -             | -                            | -               |
| Ending balance                                  | -               | -             | -                            | -               |
| Total   | 4,929,122.21    | -             | 230,500,000.00               | 45,607,433.94   |

As at December 31, 2014, the Group constitutes loans to and loans from related parties. Such inter-loan is in form of promissory note, at call and interest is carried by the rate of 3.0000% - 4.6000% per annum (2013 : 3.0000% - 6.1813% per annum). Moreover, a subsidiary in oversea entered into loans contract with a related party which did not charge interest.

## 5.2 Inter-revenue and expenses

(Unit : Baht)

|  | Consolidated   |                | Separate financial statement |                |
|--|----------------|----------------|------------------------------|----------------|
|  | 2014           | 2013           | 2014                         | 2013           |
| Sales of goods                             |                |                |                              |                |
| - G.K. Assembly Co., Ltd.                  | -              | -              | 2,178,870.76                 | 1,557,371.93   |
| - G.K. Power Product Co., Ltd.             | -              | -              | 112,750.00                   | -              |
| - K.N.P Supply Co., Ltd.                   | -              | -              | 75,704,341.37                | 15,978,088.38  |
| - Future Electrical Control Co., Ltd.      | 21,031,349.91  | 25,473,829.05  | 3,135,969.91                 | 49,182.00      |
| - Kulnatee Co., Ltd.                       | 55,685.00      | 24,441.20      | 55,685.00                    | 24,441.20      |
| - Gunkul Power Development Co., Ltd.       | -              | -              | 4,799,144.02                 | 1,022,939.72   |
| - G-Power Source Co., Ltd.                 | -              | 9,900.00       | -                            | 9,900.00       |
| - G.M. Supply and Construction Co., Ltd.   | -              | 61,750.00      | -                            | -              |
| Total                                      | 21,087,034.91  | 25,569,920.25  | 85,909,525.07                | 18,641,923.23  |
| Revenues from construction services        |                |                |                              |                |
| - G-Power Source Co., Ltd.                 | -              | 58,037,350.35  | -                            | 58,037,350.35  |
| - Gunkul Chubu Powergen Co., Ltd.          | 19,700,000.00  | 548,900,637.81 | 19,700,000.00                | 665,500,573.90 |
| - NK Power Sola Co., Ltd.                  | -              | -              | -                            | 63,256,097.60  |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 41,013,225.00  | -              | -                            | -              |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 51,102,513.00  | -              | -                            | -              |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 51,102,513.00  | -              | -                            | -              |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd. | 56,525,943.00  | -              | -                            | -              |
| Total                                      | 219,444,194.00 | 606,937,988.16 | 19,700,000.00                | 786,794,021.85 |

(Unit : Baht)

|  | Consolidated  |               | Separate financial statement |               |
|--|---------------|---------------|------------------------------|---------------|
|  | 2014          | 2013          | 2014                         | 2013          |
| Operation and maintainance service income  |               |               |                              |               |
| - Gunkul Chubu Powergen Co., Ltd.          | 25,008,803.34 | 17,278,490.40 | 25,008,803.34                | 17,278,490.40 |
| - NK Power Sola Co., Ltd.                  | -             | -             | 1,500,000.00                 | 187,500.00    |
| - G-Power Source Co., Ltd.                 | 21,898,443.84 | 15,276,625.01 | 21,898,443.84                | 15,276,625.01 |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 233,657.00    | -             | -                            | -             |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 305,551.46    | -             | -                            | -             |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 305,551.46    | -             | -                            | -             |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd. | 366,212.42    | -             | -                            | -             |
| Total                                      | 48,118,219.52 | 32,555,115.41 | 48,407,247.18                | 32,742,615.41 |
| Management service income                  |               |               |                              |               |
| - Gunkul Chubu Powergen Co., Ltd.          | 4,368,000.00  | 4,200,000.00  | 4,368,000.00                 | 4,200,000.00  |
| Rental income                              |               |               |                              |               |
| - NK Power Sola Co., Ltd.                  | -             | -             | 176,010.00                   | 97,890.48     |
| - NK Power Sola Co., Ltd.                  | -             | -             | 7,080.00                     | -             |
| Total                                      | -             | -             | 183,090.00                   | 97,890.48     |
| Other income                               |               |               |                              |               |
| - Future Electrical Control Co., Ltd.      | 17,600.00     | -             | -                            | -             |
| Interest income                            |               |               |                              |               |
| - Gunkul LED Lighting Co., Ltd.            | -             | -             | 4,315.08                     | -             |
| - Gunkul Power Development Co., Ltd.       | -             | -             | 194,965.07                   | -             |
| - G-Power Source Co., Ltd.                 | -             | 1,167,776.05  | -                            | 1,167,776.05  |
| - WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 88,397.26     | -             | 88,397.26                    | -             |
| - WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 117,863.01    | -             | 117,863.01                   | -             |
| - WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 117,863.01    | -             | 117,863.01                   | -             |
| - WHA Gunkul Green Solar Roof 17 Co., Ltd. | 127,684.93    | -             | 127,684.93                   | -             |
| Total                                      | 451,808.21    | 1,167,776.05  | 651,088.36                   | 1,167,776.05  |

|  | Consolidated   |                | Separate financial statement |                |
|--|----------------|----------------|------------------------------|----------------|
|  | 2014           | 2013           | 2014                         | 2013           |
| Dividend income                          |                |                |                              |                |
| - G.K. Assembly Co., Ltd.                | -              | -              | 79,999,920.00                | -              |
| - G.K. Power Product Co., Ltd.           | -              | -              | 49,999,000.00                | 56,151,876.94  |
| - K.N.P Supply Co., Ltd.                 | -              | -              | 28,999,884.00                | 36,499,854.00  |
| - Gunkul Power Development Co., Ltd.     | -              | -              | 50,098,998.00                | -              |
| - Gunkul Chubu Powergen Co., Ltd.        | -              | -              | 91,318,469.75                | 56,106,472.55  |
| - G-Power Source Co., Ltd.               | -              | -              | 93,268,575.64                | 76,400,233.14  |
| Total                                    | -              | -              | 393,684,847.39               | 225,158,436.63 |
| Purchase of goods and service            |                |                |                              |                |
| - G.K. Assembly Co., Ltd.                | -              | -              | 142,344,036.00               | 195,559,349.20 |
| - G.K. Power Product Co., Ltd.           | -              | -              | 209,150,671.00               | 346,013,562.00 |
| - K.N.P Supply Co., Ltd.                 | -              | -              | 27,616,368.07                | 9,554,073.46   |
| - Gunkul Chubu Powergen Co., Ltd.        | -              | 10,000.00      | -                            | 10,000.00      |
| - Future Electrical Control Co., Ltd.    | 166,603,768.00 | 71,475.00      | 159,287,518.00               | -              |
| - Gunkul Power Development Co., Ltd.     | -              | -              | 432,965.82                   | -              |
| Total                                    | 166,603,768.00 | 81,475.00      | 538,831,558.89               | 551,136,984.66 |
| Cost of construction service             |                |                |                              |                |
| - Future Electrical Control Co., Ltd.    | -              | 352,739,852.09 | -                            | 352,739,852.09 |
| Transportation and service fee           |                |                |                              |                |
| - G.E.S. Logistics (Thailand) Co., Ltd.  | -              | 561,000.00     | -                            | -              |
| Other service fee                        |                |                |                              |                |
| - Future Electrical Control Co., Ltd.    | 260,000.00     | -              | -                            | -              |
| - P.M. Accountant & Advisory Co., Ltd.   | 58,600.00      | -              | -                            | -              |
|  | 318,600.00     | -              | -                            | -              |
| Office, warehouse and land rental fee    |                |                |                              |                |
| - Gunkul Engineering (2000) Co., Ltd.    | 5,604,000.00   | 6,666,000.00   | 5,604,000.00                 | 5,604,000.00   |
| - G.M. Supply and Construction Co., Ltd. | 1,932,000.00   | 1,511,500.00   | 1,428,000.00                 | 1,007,500.00   |
| - Director                               | 693,600.00     | 693,600.00     | -                            | -              |
| Total                                    | 8,229,600.00   | 8,871,100.00   | 7,032,000.00                 | 6,611,500.00   |



(Unit : Baht)

|                                     | Consolidated |      | Separate financial statement |              |
|-------------------------------------|--------------|------|------------------------------|--------------|
|                                     | 2014         | 2013 | 2014                         | 2013         |
| Interest expense                    |              |      |                              |              |
| - K.N.P Supply Co., Ltd.            | -            | -    | 297,846.75                   | 863,790.00   |
| - Wind Energy Development Co., Ltd. | -            | -    | 7,091,150.69                 | 689,726.03   |
| - Greenovation Power Co., Ltd.      | -            | -    | 230,136.99                   | -            |
| Total                               | -            | -    | 7,619,134.43                 | 1,553,516.03 |

### 5.3 Management benefit expenses

(Unit : Baht)

|                                      | Consolidated  |               | Separate financial statement |               |
|--------------------------------------|---------------|---------------|------------------------------|---------------|
|                                      | 2014          | 2013          | 2014                         | 2013          |
| Short-term employee benefits         | 57,809,399.54 | 44,214,945.98 | 50,082,372.41                | 38,260,051.04 |
| Post-employment benefits             | 577,696.25    | 2,216,056.15  | 519,774.00                   | 295,579.00    |
| Total                                | 58,387,095.79 | 46,431,002.13 | 50,602,146.41                | 38,555,630.04 |
| Number of management (unit : person) | 19            | 16            | 12                           | 9             |

### 5.4 Pricing policies

#### Trading Transaction

Sales and purchase of goods

Maintenance service fee

Management service fee

Interest income and expenses

Rental

Sales and purchase of assets

Purchase of land

Construction expense

Service for subsoil

#### Pricing Policy

Cost price plus 5% to 30%

Contract price

Contract price

Interest rate equal to interest rate of loan from financial institution

Nearby the appraisal value by independent appraiser

Net book value

Nearby book value or the appraisal value by independent appraiser

Contract price

Nearby market price



## 5.5 Commitments with related parties

As at December 31, 2014 and 2013, the Company has performed leased contract of land plus property in 1 contract with one related company for the period of 3 years with option to renew. The Company constitutes obligation commitment that has to repay leased fee by Baht 467,000.00 per month.

As at December 31, 2014 and 2013, one subsidiary has performed the sublet contract of land plus property in 1 contract with a subsidiary for the period of 3 year with option to renew. The subsidiary constitutes obligation commitment that has to repay leased fee by Baht 100,000.00 per month.

As at December 31, 2014 and 2013, one related company has performed the sublet contract of land plus property in 2 contracts with the Company and subsidiary with option to renew. The Company and subsidiary constitutes obligation commitment that has to repay leased fee by Baht 42,000.00 and 119,000.00 per month.

As at December 31, 2014 and 2013, one related company has performed the sublet contract of land plus property in 1 contract with subsidiary for the period of 3 years with option to renew. The subsidiary constitutes obligation commitment that has to repay leased fee by Baht 88,500.00 per month.

As at December 31, 2014 and 2013, one subsidiary has performed the sublet contract of land plus property in 1 contract with director for the period of 3 years with option to renew. The leased fee is determined by the appraisal value of an independent appraiser. The subsidiary constitutes obligation commitment that has to repay leased fee by Baht 57,800.00 per month.

As at December 31, 2014, one jointly controlled company has performed the contract of land rental in 2 contract with a related company for the period of 26 years. The contract value was in amount of Baht 3.93 million. As at December 31, 2014 and 2013, the jointly controlled company had outstanding commitments totaling approximately Baht 3.56 million (2013 : Baht 3.68 million).

As at December 31, 2014 and 2013, one subsidiary has used of property of the Company in order to use as factory and operate related business while does not charge inter-leased fee.

As at December 31, 2014, one subsidiary has performed the contract of rooftop rental in 2 contract with the Company and other subsidiary for the period

3 years with option to renew. The subsidiary constitutes obligation commitment that has to repay leased fee by Baht 1,800.00 and 10,368.00 per month from the date of commenced to sell the electricity onward.

As at December 31, 2014, one subsidiary has performed the sublease agreement of some area of building rental in 1 contract with one subsidiary for the period 3 years. The subsidiary constitutes obligation commitment that has to repay leased fee by Baht 48,000.00 per month

As at December 31, 2014 and 2013, two subsidiaries and two directors with land plus buildings of one subsidiary as collateral against credits that the Company has received from a commercial bank in amount of Baht 410.00 million.

As at December 31, 2014 and 2013, one director with his land plus building as collateral against credits that the Company has received from one commercial bank in amount of Baht 235.00 million.

As at December 31, 2014 and 2013, one subsidiary and two directors with land plus building of one director as collateral for against credits that the Company has received from a commercial bank in amount of Baht 490.00 million.

As at December 31, 2014 and 2013, the Company has pledged a jointly controlled company's ordinary shares, which the ownership belongs to the Company, together with land plus buildings, machinery equipment and deposits of the said jointly controlled as collateral against credits that such jointly controlled has received from a commercial bank in amount of Baht 2,347.10 million.

As at December 31, 2014 and 2013, the Company has pledged an associate's ordinary shares, which the ownership belongs to the Company, together with land plus property, land leasehold right, machine and equipment-during-installation and bank deposit of the said associate for as collateral against credits that such associate received from a commercial bank in amount of Baht 2,931.00 million.

As at December 31, 2014 and 2013, the Company has mortgaged land plus building which the ownership belongs to two directors of the Company as collateral against credits that the Company has received from a commercial bank in amount of USD 100.00 million.

As at December 31, 2014 and 2013, one subsidiary has mortgaged its land and pledged the ordinary shares of the Company, which the ownership belongs to Gunkul Group Co., Ltd. including the transferral of the rights of the



Power Purchase Agreement offer the collateral for the credit facilities of the one subsidiary received from a commercial bank at the credit line of Baht 348.00 million. Moreover, such loan was guaranteed by the Company in the amount of Baht 219.00 million

As at December 31, 2014 and 2013, the Company has pledged the ordinary shares of the Company, which the ownership belongs to Gunkul Group Co., Ltd., offer the collateral for the credit facilities the Company received from a commercial bank at the credit line of Baht 1,175.00 million.

As at December 31, 2014, the Company has guaranteed for the credit facilities of the two subsidiaries (2013 : one subsidiary) received from a commercial bank in amount of Baht 24.00 million (2013 : Baht 12.00 million).

As at December 31, 2014 and 2013, the subsidiary, associate and jointly controlled company has performed the operation and maintenance agreement for power plants in 7 contracts with the Company which has the value in amount is Baht 362.76 million. As at December 31, 2014 and 2013, such companies' outstanding obligation remains at Baht 203.09 million and Baht 267.11 million, respectively.

One subsidiary has performed leased contract of land for the solar power plant construction with the Company for the period of 26 years. As at December 31, 2014, such subsidiary had outstanding commitments totaling approximately Baht 5.70 million (2013 : Baht 5.88 million).

As at December 31, 2014, one jointly controlled company entered into a management service with the Company for the period of 5 years. The jointly controlled company constitutes obligation commitment that has to repay management service fee by Baht 364,000.00 per month (2013 : Baht 350,000.00 per month). The service fee will increase by 4% per annum every year.

One subsidiary has entered into a subcontract and installation with a related company which has the value in amount is Baht 147.07 million. As at December 31, 2014, such subsidiary had outstanding obligation remains at Baht 97.11 million (2013 : Baht 147.07 million).

As at December 31, 2014, the Company has pledged the ordinary shares of 4 jointly controlled entities, which the ownership belongs to the Company as collateral against credit facilities the such jointly controlled entities received from a commercial bank at the credit line of Baht 165.20 million.

## 5.6 Relationship

| <u>Company</u>                           | <u>Relationship</u>                        |
|--|--|
| Gunkul Group Co., Ltd.                   | The majority shareholder                   |
| G.K. Assembly Co., Ltd.                  | Common directors and direct shareholding   |
| G.K. Power Product Co., Ltd.             | Common directors and direct shareholding   |
| K.N.P Supply Co., Ltd.                   | Common directors and direct shareholding   |
| Wind Energy Development Co., Ltd.        | Common directors and direct shareholding   |
| NK Power Sola Co., Ltd.                  | Common directors and direct shareholding   |
| Gunkul Solar Roof 1 Co., Ltd.            | Common directors and direct shareholding   |
| Gunkul Solar Roof 2 Co., Ltd.            | Common directors and direct shareholding   |
| Solar Energy Society Co., Ltd.           | Common directors and direct shareholding   |
| Bright Green Power Co., Ltd.             | Common directors and direct shareholding   |
| Gunkul Power Development Co., Ltd.       | Common directors and direct shareholding   |
| Gunkul Solar Power 1 Co., Ltd.           | Common directors and direct shareholding   |
| Gunkul Solar Power 2 Co., Ltd.           | Common directors and direct shareholding   |
| Greenovation Power Co., Ltd.             | Common directors and direct shareholding   |
| Gunkul LED Lighting Co., Ltd.            | Common directors and direct shareholding   |
| Gunkul Solar Community Co., Ltd.         | Common directors and direct shareholding   |
| Siam Gunkul Solar Energy Co., Ltd.       | Common directors and direct shareholding   |
| Gunkul International (Mauritius) Ltd.    | Common directors and direct shareholding   |
| Sendai Okura Mega Solar Godo Kaisha      | Common directors and direct shareholding   |
| Gunkul Investment (Singapore) Pte. Ltd.  | Common director and indirect shareholding  |
| Gunkul Myanmar Power (Hlawga) Pte. Ltd.  | Common director and indirect shareholding  |
| G-Power Source Co., Ltd.                 | Direct shareholding                        |
| Siam Wind Energy Co., Ltd.               | Direct shareholding                        |
| Gunkul Chubu Powergen Co., Ltd.          | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 1 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 2 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 3 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 4 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 5 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 6 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 8 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 9 Co., Ltd.  | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 10 Co., Ltd. | Direct shareholding and jointly controlled |
| WHA Gunkul Green Solar Roof 16 Co., Ltd. | Direct shareholding and jointly controlled |



|  |  |
|--|--|
| WHA Gunkul Green Solar Roof 17 Co., Ltd.                 | Direct shareholding and jointly controlled |
| Gunkul Trading and Agency Co., Ltd.                      | Common directors                           |
| BE - FEC Joint venture                                   | Common directors                           |
| Sri - Uthong and Future Electrical Control Joint venture | Common directors                           |
| FEC & SAC Joint venture                                  | Common directors                           |
| G.M.Supply and Construction Co., Ltd.                    | Common directors                           |
| Gunkul Engineering(2000) Co., Ltd.                       | Common directors                           |
| Future Electrical Control Co., Ltd.                      | Common directors                           |
| Gunkul Tech Co., Ltd.                                    | Holding by majority shareholder            |
| Noprakul Co., Ltd.                                       | Holding by the director                    |
| Gunkul Marine Line Co., Ltd.                             | Holding by the director                    |
| Kulnatee Co., Ltd.                                       | Holding by close relative of a director    |
| P.M. Audit Co., Ltd.                                     | Holding by close relative of a director    |
| P.M. Accountant & Advisory Co., Ltd.                     | Holding by close relative of a director    |
| G.E.S. Logistics (Thailand) Co., Ltd.                    | Holding by close relative of a director    |
| Green filed energy Co., Ltd.                             | Holding by close relative of a director    |

## 6. Trade and other receivable - related parties

Outstanding trade receivable - related parties can be aged as follows:

(Unit : Baht)

|                               | Consolidated  |               | Separate financial statement |               |
|-------------------------------|---------------|---------------|------------------------------|---------------|
|                               | 2014          | 2013          | 2014                         | 2013          |
| Trade receivables             |               |               |                              |               |
| Within credit term            | 3,065,833.95  | 5,664,922.40  | 2,602,345.39                 | 1,178,391.42  |
| Overdue 1 month to 3 months   | 13,989,384.49 | 3,632,541.26  | 10,258,944.52                | 53,900,944.94 |
| Overdue 3 months to 6 months  | 17,448,318.80 | 291,468.00    | 12,647,400.00                | 396,430.10    |
| Overdue 6 months to 12 months | -             | -             | -                            | 305,164.00    |
| Overdue over 12 months        | -             | -             | 33,051,674.57                | -             |
| Total                         | 34,503,537.24 | 9,588,931.66  | 58,560,364.48                | 55,780,930.46 |
| Other receivables             | 6,951,319.00  | 6,589,256.73  | 14,004,640.35                | 6,590,234.95  |
| Accrued dividend receivable   | 56,068,605.86 | 28,400,268.94 | 56,068,605.86                | 28,400,268.94 |
| Total                         | 97,523,462.10 | 44,578,457.33 | 128,633,610.69               | 90,771,434.35 |

## 7. Trade and other receivable - third parties

Consisted of:-

(Unit : Baht)

|                                   | Consolidated   |                | Separate financial statement |                |
|-----------------------------------|----------------|----------------|------------------------------|----------------|
|                                   | 2014           | 2013           | 2014                         | 2013           |
| Trade receivables                 |                |                |                              |                |
| Post dated cheques                | 7,472,979.98   | 3,688,427.96   | 7,472,979.98                 | 3,688,427.96   |
| Trade receivables                 | 394,253,480.72 | 395,020,230.94 | 330,364,943.18               | 254,535,159.95 |
| Returned cheques receivable       | 1,333,637.65   | 1,040,312.65   | 1,333,637.65                 | 1,040,312.65   |
| Construction receivables          | 177,694,950.60 | 22,370,356.04  | 161,933,850.60               | 22,370,356.04  |
| Total                             | 580,755,048.95 | 422,119,327.59 | 501,105,411.41               | 281,634,256.60 |
| Less Allowance for doubtful debts | (1,461,596.73) | (1,477,292.64) | (1,338,457.65)               | (1,477,292.64) |
| Total of trade receivables        | 579,293,452.22 | 420,642,034.95 | 499,766,953.76               | 280,156,963.96 |
| Other receivables                 | 12,809,799.60  | 11,669,077.58  | 1,276,360.76                 | 1,156,726.42   |
| Prepaid interest                  | 3,556,240.64   | 3,675,129.67   | 2,856,405.53                 | 3,607,518.77   |
| Prepaid expense                   | 1,832,933.13   | 228,614.81     | 1,717,210.65                 | 33,373.07      |
| Accrued interest                  | 18,887,502.67  | -              | 18,887,502.67                | -              |
| Withholding tax                   | 175,339.06     | 6,164,854.47   | -                            | 6,150,861.56   |
| Suspense input tax                | 5,114,207.48   | 10,236,229.83  | 1,445,010.07                 | 4,682,688.49   |
| Less Allowance for doubtful debts | (295,365.00)   | (595,365.00)   | (146,608.00)                 | (446,608.00)   |
| Net                               | 621,374,109.80 | 452,020,576.31 | 525,802,835.44               | 295,341,524.27 |

Outstanding trade receivable - third parties can be aged as follows:

(Unit : Baht)

|                                   | Consolidated   |                | Separate financial statement |                |
|-----------------------------------|----------------|----------------|------------------------------|----------------|
|                                   | 2014           | 2013           | 2014                         | 2013           |
| Within credit term                | 356,525,680.06 | 292,392,547.68 | 314,131,450.68               | 158,654,780.95 |
| Overdue 1 month to 3 months       | 168,735,732.69 | 71,646,998.48  | 147,487,672.69               | 71,400,720.32  |
| Overdue 3 months to 6 months      | 41,404,090.66  | 17,635,871.68  | 25,642,990.66                | 17,635,871.68  |
| Overdue 6 months to 12 months     | 13,102,402.89  | 36,173,057.91  | 12,856,124.73                | 31,128,542.91  |
| Overdue over 12 months            | 987,142.65     | 4,270,851.84   | 987,142.65                   | 2,814,340.74   |
| Total                             | 580,755,048.95 | 422,119,327.59 | 501,105,411.41               | 281,634,256.60 |
| Less Allowance for doubtful debts | (1,461,596.73) | (1,477,292.64) | (1,338,457.65)               | (1,477,292.64) |
| Net                               | 579,293,452.22 | 420,642,034.95 | 499,766,953.76               | 280,156,963.96 |



The movement of allowance for doubtful debts - trade receivable third parties for the year ended December 31, 2014 and 2013 are as follows:

(Unit : Baht)

|                                     | Consolidated   |                | Separate financial statement |                |
|-------------------------------------|----------------|----------------|------------------------------|----------------|
|                                     | 2014           | 2013           | 2014                         | 2013           |
| Opening balance                     | (1,477,292.64) | (3,215,511.17) | (1,477,292.64)               | (2,298,670.97) |
| Allowance increased during the year | -              | -              | -                            | -              |
| Collected during the year           | 15,695.91      | 1,738,218.53   | 138,834.99                   | 821,378.33     |
| Ending balance                      | (1,461,596.73) | (1,477,292.64) | (1,338,457.65)               | (1,477,292.64) |

The movement of allowance for doubtful debts - other receivables for the year ended December 31, 2014 and 2013 are as follows:

(Unit : Baht)

|                                     | Consolidated |              | Separate financial statement |              |
|-------------------------------------|--------------|--------------|------------------------------|--------------|
|                                     | 2014         | 2013         | 2014                         | 2013         |
| Opening balance                     | (595,365.00) | (673,723.21) | (446,608.00)                 | (524,966.21) |
| Allowance increased during the year | -            | -            | -                            | -            |
| Collected during the year           | 300,000.00   | 78,358.21    | 300,000.00                   | 78,358.21    |
| Ending balance                      | (295,365.00) | (595,365.00) | (146,608.00)                 | (446,608.00) |



## 8. Unbilled receivables and construction revenue received in advance

Consisted of :-

(Unit : Baht)

|   | Consolidated       |                    | Separate financial statement |                    |
|---|--------------------|--------------------|------------------------------|--------------------|
|   | 2014               | 2013               | 2014                         | 2013               |
| Unbilled receivables :                                    |                    |                    |                              |                    |
| Value of contract   | 1,522,706,603.93   | 4,931,808,860.63   | 1,113,986,285.63             | 4,494,005,442.63   |
| Revenue recognised on percentage of completion basis      | 1,465,007,590.42   | 3,894,602,767.92   | 1,056,287,272.12             | 3,956,799,349.92   |
| Less Value of contract billed                             | (1,423,633,659.85) | (3,859,348,413.69) | (1,029,643,341.55)           | (3,921,544,995.69) |
| Unbilled receivables                                      | 41,373,930.57      | 35,254,354.23      | 26,643,930.57                | 35,254,354.23      |
| Construction revenue received in advance :                |                    |                    |                              |                    |
| Value of contract   | -                  | -                  | -                            | -                  |
| Value of contract billed                                  | -                  | -                  | -                            | -                  |
| Less Revenue recognised on percentage of completion basis | -                  | -                  | -                            | -                  |
| Construction revenue received in advance                  | -                  | -                  | -                            | -                  |

The additional data of construction contracts are as follow :-

(Unit : Baht)

|  | Consolidated       |                    | Separate financial statement |                    |
|--|--------------------|--------------------|------------------------------|--------------------|
|  | 2014               | 2013               | 2014                         | 2013               |
| Cost of construction and gain are recognized (less loss are recognized) until present                          | 1,465,007,590.42   | 3,894,602,767.92   | 1,056,287,272.12             | 3,956,799,349.92   |
| Less Value of contract billed  | (1,423,633,659.85) | (3,859,348,413.69) | (1,029,643,341.55)           | (3,921,544,995.69) |
|  | 41,373,930.57      | 35,254,354.23      | 26,643,930.57                | 35,254,354.23      |
| Amount of the Company has authority from employer(customer) for construction be regarded as assets/liabilities |                    |                    |                              |                    |
| Unbilled receivables   | 41,373,930.57      | 35,254,354.23      | 26,643,930.57                | 35,254,354.23      |
| Construction revenue received in advance   | -                  | -                  | -                            | -                  |
|  | 41,373,930.57      | 35,254,354.23      | 26,643,930.57                | 35,254,354.23      |

## 9. Inventories

Consisted of:-

(Unit : Baht)

|                  | Consolidated   |  |                |                |  |                |
|------------------|----------------|--|----------------|----------------|--|----------------|
|                  | 2014           |  |                | 2013           |  |                |
|                  | Cost           | Allowance for diminution in value of inventory | Net            | Cost           | Allowance for diminution in value of inventory | Net            |
| Finished goods   | 226,760,395.92 | (31,264,369.41)                                | 195,496,026.51 | 261,973,486.14 | (39,427,997.63)                                | 222,545,488.51 |
| Work in process  | 33,790,809.95  | (1,235,151.59)                                 | 32,555,658.36  | 45,048,657.59  | (2,659,577.12)                                 | 42,389,080.47  |
| Raw materials    | 81,321,460.43  | (7,704,601.43)                                 | 73,616,859.00  | 77,056,611.97  | (7,719,647.27)                                 | 69,336,964.70  |
| Supplies         | 1,094,365.66   | (154,800.89)                                   | 939,564.77     | 1,659,573.59   | (174,756.31)                                   | 1,484,817.28   |
| Goods in transit | 1,401,543.55   | -  | 1,401,543.55   | 15,082,736.21  | -  | 15,082,736.21  |
| Total            | 344,368,575.51 | (40,358,923.32)                                | 304,009,652.19 | 400,821,065.50 | (49,981,978.33)                                | 350,839,087.17 |

(Unit : Baht)

|  | Separate financial statement |                 |
|--|------------------------------|-----------------|
|  | 2014                         | 2013            |
| Finished goods   | 226,313,423.35               | 253,083,744.10  |
| Goods in transit                                       | 939,104.32                   | 8,948,370.86    |
| Total  | 227,252,527.67               | 262,032,114.96  |
| Less Allowance for diminutions in value of inventories | (28,887,926.69)              | (36,397,473.48) |
| Net  | 198,364,600.98               | 225,634,641.48  |

The movement of allowance for diminutions of inventories for the year ended December 31, 2014 and 2013 are as follows:

(Unit : Baht)

|                                     | Consolidated    |                 | Separate financial statement |                 |
|-------------------------------------|-----------------|-----------------|------------------------------|-----------------|
|                                     | 2014            | 2013            | 2014                         | 2013            |
| Opening balance                     | (49,981,978.33) | (55,011,968.78) | (36,397,473.48)              | (34,433,051.68) |
| Allowance increased during the year | (14,749,593.95) | (4,518,266.40)  | (7,993,118.42)               | (1,964,421.80)  |
| Allowance reversal during the year  | 24,372,648.96   | 9,548,256.85    | 15,502,665.21                | -               |
| Ending balance                      | (40,358,923.32) | (49,981,978.33) | (28,887,926.69)              | (36,397,473.48) |

For the years ended December 31, 2014, the costs of inventories recognized as expenses are Baht 1,105.56 million and Baht 1,056.05 million in the consolidated and separate financial statement, respectively (2013 : Baht 898.50 million and Baht 759.72 million in the consolidated and separate financial statements, respectively).

For the years ended December 31, 2014, the Group has reversed allowance for diminutions in the value of inventories in amount of Baht 24.37 million in the consolidated (2013 : Baht 1.53 million in the consolidated).

As at December 31, 2014, the some inventories with the carrying amount of Baht 111.09 million in the consolidated financial statement and Baht 106.57 million in the separate financial statement, respectively, are expected to be sold more than twelve months after the reporting period (2013 : Baht 118.87 million in the consolidated financial statement and Baht 86.51 million in the separate financial statement).

## 10. Fixed deposits and bill of exchange pledged as collateral

As at December 31, 2014 and 2013, the bank deposits and bill of exchange that equipped with guarantee burden of the Group, has been pledged as surety against credit facility and letter of guarantee that issued by banks in order to use in business operation.

## 11. Investments in associate

The nature and carrying value of investment in associate can be summarized as follows :-

| Name of company            | Nature of business                 | Country of incorporation | (Unit:'000 Baht)<br>Paid-up capital |         | Percentage<br>% of holding |        | Equity Method |         | (Unit:'000 Baht)<br>Equity Method |         | Equity Method |        |
|----------------------------|------------------------------------|--------------------------|-------------------------------------|---------|----------------------------|--------|---------------|---------|-----------------------------------|---------|---------------|--------|
|                            |                                    |                          | 2014                                | 2013    | 2014                       | 2013   | 2014          | 2013    | 2014                              | 2013    | 2014          | 2013   |
| G-Power Source Co., Ltd.   | Generating and selling electricity | Thailand                 | 930,000                             | 930,000 | 40.00%                     | 40.00% | 350,569       | 340,425 | 397,595                           | 397,595 | 93,269        | 76,400 |
| Siam Wind Energy Co., Ltd. | Generating and selling electricity | Thailand                 | 250                                 | 250     | 40.00%                     | 40.00% | 64            | 76      | 100                               | 100     | -             | -      |
| Total                      |                                    |                          |                                     |         |                            |        | 350,633       | 340,501 | 397,695                           | 397,695 | 93,269        | 76,400 |

The financial information of the associate can be summarized as follows :-

(Unit : '000 Baht)

|                            | 2014         |                   |            | 2013         |                   |            |
|----------------------------|--------------|-------------------|------------|--------------|-------------------|------------|
|                            | Total assets | Total liabilities | Net assets | Total assets | Total liabilities | Net assets |
| G-Power Source Co., Ltd.   | 2,975,630    | 1,897,787         | 1,077,843  | 3,229,253    | 2,249,205         | 980,048    |
| Siam Wind Energy Co., Ltd. | 165          | 6                 | 159        | 196          | 6                 | 190        |
| Total                      | 2,975,795    | 1,897,793         | 1,078,002  | 3,229,449    | 2,249,211         | 980,238    |

(Unit : '000 Baht)

|                            | 2014           |   | 2013           |   |
|----------------------------|----------------|---|----------------|---|
|                            | Total revenues | Total comprehensive income for the period | Total revenues | Total comprehensive income for the period |
| G-Power Source Co., Ltd.   | 555,680        | 261,592                                   | 526,509        | 224,376                                   |
| Siam Wind Energy Co., Ltd. | 1              | (31)                                      | 1              | (60)                                      |
| Total                      | 555,681        | 261,561                                   | 526,510        | 224,316                                   |

## 12. Investments in jointly controlled companies

The nature and carrying value of investment in jointly controlled can be summarized as follows :-

| Name of Company                             | Nature of business                 | Percentage of holding |        | Equity Method  |                | (Unit: '000 Baht) Cost Method |                | Dividends     |               |
|---|------------------------------------|-----------------------|--------|----------------|----------------|-------------------------------|----------------|---------------|---------------|
|   |                                    | 2014                  | 2013   | 2014           | 2013           | 2014                          | 2013           | 2014          | 2013          |
| Jointly controlled incorporated in Thailand |                                    |                       |        |                |                |                               |                |               |               |
| Gunkul Chubu Powergen Co., Ltd.             | Generating and selling electricity | 51.00%                | 51.00% | 820,591        | 732,822        | 505,919                       | 505,919        | 91,318        | 56,106        |
| Slam Gunkul Solar Energy Co., Ltd.*         | Generating and selling electricity | -                     | 50.00% | -              | 350            | -                             | 374            | -             | -             |
| WHA Gunkul Green Solar Roof 1 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 42             | 657            | 2,876                         | 719            | -             | -             |
| WHA Gunkul Green Solar Roof 2 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 34             | 48             | 63                            | 63             | -             | -             |
| WHA Gunkul Green Solar Roof 3 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 265            | 841            | 3,626                         | 907            | -             | -             |
| WHA Gunkul Green Solar Roof 4 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 34             | 48             | 63                            | 63             | -             | -             |
| WHA Gunkul Green Solar Roof 5 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 35             | 48             | 63                            | 63             | -             | -             |
| WHA Gunkul Green Solar Roof 6 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | 183            | 841            | 3,626                         | 907            | -             | -             |
| WHA Gunkul Green Solar Roof 8 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | (4)            | (9)            | 25                            | 6              | -             | -             |
| WHA Gunkul Green Solar Roof 9 Co., Ltd.**   | Generating and selling electricity | 25.01%                | 25.01% | (4)            | (9)            | 25                            | 6              | -             | -             |
| WHA Gunkul Green Solar Roof 10 Co., Ltd.**  | Generating and selling electricity | 25.01%                | 25.01% | 908            | 916            | 969                           | 969            | -             | -             |
| WHA Gunkul Green Solar Roof 16 Co., Ltd.**  | Generating and selling electricity | 25.01%                | 25.01% | (3)            | (8)            | 25                            | 6              | -             | -             |
| WHA Gunkul Green Solar Roof 17 Co., Ltd.**  | Generating and selling electricity | 25.01%                | 25.01% | 340            | 929            | 4,002                         | 1,000          | -             | -             |
| <b>Total</b>                                |                                    |                       |        | <b>822,421</b> | <b>737,474</b> | <b>521,282</b>                | <b>511,002</b> | <b>91,318</b> | <b>56,106</b> |

\* In August 2013, the Company entered into the memorandum of understanding for joint investment with SOG Cement - Building Materials Co., Ltd., which the Company held 50.00% of the shares in the joint venture, and its business activity was to operate solar rooftop power plant. Under the said memorandum of understanding, the Company had the joint control in the joint venture. On September 17, 2014, the Company has purchased such company's ordinary shares in the whole amount from the former shareholders.

\*\* In August 2013, the Company entered into the memorandum of understanding for joint investment with WHA Corporation Public Co., Ltd., which the Company held 25.01% of the shares in the joint ventures, and their business activity were to operate solar rooftop power plant. Under the said memorandum of understanding, the Company had the joint control in the joint ventures.

The following amount of each interests in jointly controlled are s follows :-

(Unit : '000 Baht)

|  | 2014           |                    |                     |                         | 2013           |                    |                     |                         |
|--|----------------|--------------------|---------------------|-------------------------|----------------|--------------------|---------------------|-------------------------|
|  | Current Assets | Non-current Assets | Current Liabilities | Non-current Liabilities | Current Assets | Non-current Assets | Current Liabilities | Non-current Liabilities |
| Gunkul Chubu Powergen Co., Ltd.          | 176,447        | 1,490,538          | 146,561             | 805,472                 | 714,952        | 71,214             | 139,124             | 1,003,556               |
| Siam Gunkul Solar Energy Co., Ltd.       | -              | -                  | -                   | -                       | -              | 311                | 20                  | -                       |
| WHA Gunkul Green Solar Roof 1 Co., Ltd.  | 1,273          | 10,058             | 916                 | 7,460                   | 2,955          | 682                | 91                  | -                       |
| WHA Gunkul Green Solar Roof 2 Co., Ltd.  | 40             | -                  | 6                   | -                       | 34             | 61                 | 13                  | -                       |
| WHA Gunkul Green Solar Roof 3 Co., Ltd.  | 1,741          | 12,743             | 1,170               | 9,468                   | 3,846          | 873                | 94                  | -                       |
| WHA Gunkul Green Solar Roof 4 Co., Ltd.  | 40             | -                  | 6                   | -                       | 34             | 61                 | 13                  | -                       |
| WHA Gunkul Green Solar Roof 5 Co., Ltd.  | 42             | -                  | 7                   | -                       | 35             | 61                 | 13                  | -                       |
| WHA Gunkul Green Solar Roof 6 Co., Ltd.  | 1,722          | 12,741             | 1,169               | 9,468                   | 3,826          | 877                | 94                  | -                       |
| WHA Gunkul Green Solar Roof 8 Co., Ltd.  | 2              | -                  | 6                   | -                       | (4)            | 9                  | 18                  | -                       |
| WHA Gunkul Green Solar Roof 9 Co., Ltd.  | 2              | -                  | 6                   | -                       | (4)            | 9                  | 18                  | -                       |
| WHA Gunkul Green Solar Roof 10 Co., Ltd. | 847            | 68                 | 7                   | -                       | 908            | 976                | 117                 | -                       |
| WHA Gunkul Green Solar Roof 16 Co., Ltd. | 2              | -                  | 6                   | -                       | (4)            | 9                  | 18                  | -                       |
| WHA Gunkul Green Solar Roof 17 Co., Ltd. | 1,964          | 14,250             | 1,637               | 10,649                  | 3,928          | 1,005              | 108                 | -                       |
| Total                                    | 184,122        | 1,540,398          | 151,497             | 842,517                 | 730,506        | 76,148             | 139,741             | 1,003,556               |
|  |                |                    |                     |                         |                |                    |                     | 614,810                 |

(Unit : '000 Baht)

|   | 2014           |                |                                    | 2013           |                |                                    |
|---|----------------|----------------|------------------------------------|----------------|----------------|------------------------------------|
|   | Total revenues | Total expenses | Total comprehensive incomes (loss) | Total revenues | Total expenses | Total comprehensive incomes (loss) |
| Gunkul Chubu Powergen Co., Ltd.             | 342,929        | 146,816        | 196,113                            | 250,754        | 117,902        | 132,852                            |
| Slam Gunkul Solar Energy Co.,Ltd.           | -              | -              | -                                  | -              | 25             | (25)                               |
| WHA Gunkul Green Solar Roof 1 Co., Ltd.     | 960            | 819            | 141                                | -              | 61             | (61)                               |
| WHA Gunkul Green Solar Roof 2 Co., Ltd.     | -              | 14             | (14)                               | -              | 15             | (15)                               |
| WHA Gunkul Green Solar Roof 3 Co., Ltd.     | 1,295          | 1,009          | 286                                | -              | 65             | (65)                               |
| WHA Gunkul Green Solar Roof 4 Co., Ltd.     | -              | 14             | (14)                               | -              | 15             | (15)                               |
| WHA Gunkul Green Solar Roof 5 Co., Ltd.     | -              | 13             | (13)                               | -              | 15             | (15)                               |
| WHA Gunkul Green Solar Roof 6 Co., Ltd.     | 1,276          | 1,011          | 265                                | -              | 65             | (65)                               |
| WHA Gunkul Green Solar Roof 7 Co., Ltd.***  | -              | -              | -                                  | -              | -              | -                                  |
| WHA Gunkul Green Solar Roof 8 Co., Ltd.     | -              | 14             | (14)                               | -              | 15             | (15)                               |
| WHA Gunkul Green Solar Roof 9 Co., Ltd.     | -              | 14             | (14)                               | -              | 15             | (15)                               |
| WHA Gunkul Green Solar Roof 10 Co., Ltd.    | 5              | 13             | (8)                                | -              | 53             | (53)                               |
| WHA Gunkul Green Solar Roof 11 Co., Ltd.*** | -              | -              | -                                  | -              | -              | -                                  |
| WHA Gunkul Green Solar Roof 12 Co., Ltd.*** | -              | -              | -                                  | -              | -              | -                                  |
| WHA Gunkul Green Solar Roof 13 Co., Ltd.*** | -              | -              | -                                  | -              | -              | -                                  |
| WHA Gunkul Green Solar Roof 14 Co., Ltd.*** | -              | -              | -                                  | -              | -              | -                                  |
| WHA Gunkul Green Solar Roof 15 Co., Ltd.*** | -              | -              | -                                  | -              | -              | -                                  |



(Unit : '000 Baht)

|   | 2014              |                   |                                       | 2013              |                   |                                       |
|---|-------------------|-------------------|---------------------------------------|-------------------|-------------------|---------------------------------------|
|   | Total<br>revenues | Total<br>expenses | Total comprehensive<br>incomes (loss) | Total<br>revenues | Total<br>expenses | Total comprehensive<br>incomes (loss) |
| WHA Gunkul Green Solar Roof 16 Co., Ltd.    | -                 | 14                | (14)                                  | -                 | 15                | (15)                                  |
| WHA Gunkul Green Solar Roof 17 Co., Ltd.    | 953               | 957               | (4)                                   | -                 | 71                | (71)                                  |
| WHA Gunkul Green Solar Roof 18 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| WHA Gunkul Green Solar Roof 19 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| WHA Gunkul Green Solar Roof 20 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| WHA Gunkul Green Solar Roof 21 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| WHA Gunkul Green Solar Roof 22 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| WHA Gunkul Green Solar Roof 23 Co., Ltd.*** | -                 | -                 | -                                     | -                 | -                 | -                                     |
| Total                                       | 347,418           | 150,708           | 196,710                               | 250,754           | 118,332           | 132,422                               |

\*\*\* The Company has registered its dissolution in quarter 4/2013 due to not filing the application for solar rooftop power plant.



Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 1 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 287,615 shares at Baht 7.50 per share totaling amount to Baht 2.16 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 3 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 362,645 shares at Baht 7.50 per share totaling amount to Baht 2.72 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 6 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 362,645 shares at Baht 7.50 per share totaling amount to Baht 2.72 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 8 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 2,501 shares at Baht 7.50 per share totaling amount to Baht 0.02 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 9 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 2,501 shares at Baht 7.50 per share totaling amount to Baht 0.02 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 16 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 2,501 shares at Baht 7.50 per share totaling amount to Baht 0.02 million so that the share capital has already fully paid-up.

Regarding to the resolution of board of director meeting no. 1/2014 held on February 3, 2014, of WHA Gunkul Green Solar Roof 17 Co., Ltd. the meeting has approved the 2<sup>nd</sup> call of paid-up share capital from the Company in amount of 400,160 shares at Baht 7.50 per share totaling amount to Baht 3.00 million so that the share capital has already fully paid-up.

On September 17, 2014, the Company purchased ordinary shares in Siam Gunkul Solar Energy Co., Ltd. (The Company has held ordinary shares in such company at proportion of 50.00%) in amount of 5,000 shares at Baht 75.00 per share totaling amount to Baht 0.38 million from the former shareholder of such company in proportion of 50.00%. Consequently the Company has held shares in such company at proportion of 100.00% and Siam Gunkul Solar Energy Co., Ltd. has changed state from jointly controlled entity to subsidiary where the Company recognized the gain on fair value of equity interest previously held in amount of Baht 0.11 in the consolidated statements of comprehensive income.

### 13. Investments in subsidiaries

The nature and carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows :-

| Name of subsidiary                   | Paid-up capital<br>('000 Baht) |         | Investment portion<br>(%) |        | Cost method<br>('000 Baht) |           | Dividends<br>('000 Baht) |        |
|--------------------------------------|--------------------------------|---------|---------------------------|--------|----------------------------|-----------|--------------------------|--------|
|                                      | 2014                           | 2013    | 2014                      | 2013   | 2014                       | 2013      | 2014                     | 2013   |
| G.K. Power Product Co., Ltd.         | 100,000                        | 100,000 | 100.00                    | 100.00 | 80,425                     | 80,425    | 50,000                   | 56,152 |
| G.K. Assembly Co., Ltd.              | 200,000                        | 200,000 | 100.00                    | 100.00 | 163,188                    | 163,188   | 80,000                   | -      |
| K.N.P. Supply Co., Ltd.              | 50,000                         | 50,000  | 100.00                    | 100.00 | 41,408                     | 41,408    | 29,000                   | 36,500 |
| Wind Energy Development Co., Ltd.    | 681,942                        | 321,525 | 100.00                    | 70.00  | 1,333,091                  | 692,467   | -                        | -      |
| NK Power Sola Co., Ltd.              | 2,600                          | 2,600   | 100.00                    | 100.00 | 40,854                     | 40,854    | -                        | -      |
| Gunkul Solar Roof 1 Co., Ltd.        | 21,000                         | 500     | 100.00                    | 100.00 | 21,000                     | 500       | -                        | -      |
| Gunkul Solar Roof 2 Co., Ltd.        | 250                            | 250     | 100.00                    | 100.00 | 250                        | 250       | -                        | -      |
| Solar Energy Society Co., Ltd.       | 500                            | 500     | 100.00                    | 100.00 | 500                        | 500       | -                        | -      |
| Bright Green Power Co., Ltd.         | 250                            | 250     | 100.00                    | 100.00 | 250                        | 250       | -                        | -      |
| Gunkul Power Development Co., Ltd.   | 15,000                         | 15,000  | 100.00                    | 100.00 | 15,000                     | 15,000    | 50,099                   | -      |
| Gunkul Solar Power 1 Co., Ltd.       | 250                            | 250     | 100.00                    | 100.00 | 250                        | 250       | -                        | -      |
| Gunkul Solar Power 2 Co., Ltd.       | 39,000                         | 500     | 100.00                    | 100.00 | 39,000                     | 500       | -                        | -      |
| Greenovation Power Co., Ltd.         | 436,025                        | -       | 100.00                    | -      | 867,525                    | -         | -                        | -      |
| Gunkul LED Lighting Co., Ltd.        | 10,000                         | -       | 75.00                     | -      | 7,500                      | -         | -                        | -      |
| Gunkul Solar Community Co., Ltd.     | 250                            | -       | 100.00                    | -      | 250                        | -         | -                        | -      |
| Siam Gunkul Solar Energy Co.,Ltd.    | 750                            | -       | 100.00                    | -      | 750                        | -         | -                        | -      |
| Gunkul and UCI Power Co., Ltd.       | 2,500                          | -       | 75.00                     | -      | 1,875                      | -         | -                        | -      |
| Gunkul International (Mauritius)Ltd. | 146,453                        | 6,240   | 100.00                    | 100.00 | 146,453                    | 6,240     | -                        | -      |
| Total                                |                                |         |                           |        | 2,759,569                  | 1,041,832 | 209,099                  | 92,652 |

Regarding to the resolution of board of director meeting of Wind Energy Development Co., Ltd. the meeting has approved to call the paid-up share capital during the year 2014 from the Company in amount of Baht 266.90 million.

On June 9, 2014, the Company has to purchase ordinary share in Wind Energy Development Co., Ltd. in amount of 31,563,000 shares at Baht 11.84 per share, totaling Baht 373.72 million from the former shareholders of such company equivalent to proportion of 30.00% of the whole registered capital of such. The proportion of the Company has increase from 70.00% to 100.00% the Company repays share subscription as follows :-

- 1<sup>st</sup> payment in amount of Baht 65.00 million, the transaction will be made within June 9, 2014.
- 2<sup>nd</sup> payment in amount of Baht 35.00 million, the transaction will be made within 60 days from June 2, 2014.
- 3<sup>rd</sup> payment in amount of Baht 35.00 million, the transaction will be made within 90 days from June 2, 2014.
- 4<sup>th</sup> payment in amount of Baht 93.04 million within, the transaction will be made within 150 days from June 2, 2014.
- 5<sup>th</sup> payment in amount of Baht 145.68 million, the transaction will be made within 7 days from receiving financial support from a financial institution to develop the Power Plant.

The Company recognizes the difference between the consideration paid and the carrying amount of non-controlling interest in amount of Baht 11.56 million directly to the retained earnings account in the consolidated financial statements.

Regarding to the resolution of the Gunkul Solar Roof 1's extra-ordinary shareholders meeting 1/2014 held on March 12, 2014, the meeting has approved to raise registered capital of the said company from Baht 1.00 million to Baht 7.00 million by allotment 60,000 new common shares to the Company which has value equal to Baht 100.00 per share and approved the 1st call the increase share capital in amount of Baht 25.00 per share which has total first payment of increase share capital equal to Baht 1.50 million.

Regarding to the resolution of the Gunkul Solar Roof 1's extra-ordinary shareholders meeting 2/2014 held on June 11, 2014, the meeting has approved the 2<sup>nd</sup> call the paid-up share capital in amount of 9,997 shares at Baht 50.00 per share totaling



amount to Baht 0.50 million and in amount of 60,000 shares at Baht 75.00 per share totaling amount to Baht 4.50 million and approved to raise registered capital of the said company from Baht 7.00 million to Baht 20.00 million by allotment 130,000 new common shares to the Company which has value equal to Baht 100.00 per share and approved to call the increase share capital in amount of Baht 85.00 per share which has total first payment of increase share capital equal to Baht 11.05 million.

Regarding to the resolution of the Gunkul Solar Roof 1's extra-ordinary shareholders meeting 3/2014 held on September 26, 2014, the meeting has approved to raise registered capital of the said company from Baht 20.00 million to Baht 21.00 million by allotment 10,000 new common shares to the Company and approved to call the increase share capital in amount of Baht 100.00 per share and approved the 2<sup>nd</sup> payment of paid-up share capital and in amount of 130,000 shares at Baht 15.00 per from the Company which has total payment of increase share capital equal to Baht 2.95 million.

Regarding to the resolution of the Gunkul Solar Power 2's extra-ordinary shareholders meeting 1/2014 held on February 13, 2014, the meeting has approved the 2<sup>nd</sup> call the paid-up share capital in amount of 10,000 shares at Baht 50.00 per share totaling amount to Baht 0.50 million and approved to raise registered capital of the said company from Baht 1.00 million to Baht 16.00 million by allotment 150,000 new common shares to the Company which has value equal to Baht 100.00 per share and approved to call the increase share capital in amount of Baht 100.00 per share which has total first payment of increase share capital equal to Baht 15.00 million.

Regarding to the resolution of the Gunkul Solar Power 2's extra-ordinary shareholders meeting 2/2014 held on April 23, 2014, the meeting has approved to raise registered capital of the said company from Baht 16.00 million to Baht 39.00 million by allotment 230,000 new common shares to the Company which has value equal to Baht 100.00 per share and approved to call the increase share capital in amount of Baht 100.00 per share which has total first payment of increase share capital equal to Baht 23.00 million.

On August 10, 2013, board of director of the Company has approved to purchase ordinary share in Greenovation Power Co., Ltd. The Company paid deposit in amount of Baht 129.60 million to Impact Energy Asia Ltd. ("Seller") for purchase 200,000 common share of Greenovation Power Co., Ltd. in amount of 2,160.00 per share, totaling Baht 432.00 million equivalent to proportion of 100.00% of the whole registered capital of such.

Greenovation Power Co., Ltd. principal activities involve generate and sell wind energy electricity. Moreover Share Purchase Agreement will completely since the Seller accomplished following some condition of Share Purchase Agreement.

On February 13, 2014, the Company paid second payment to the Seller in amount of Baht 129.60 million since the Seller has received the Power Purchase Agreement between Electricity Generating Authority of Thailand ("EGAT") and acquire the right to use the land, having an area sufficient for the erection and operation of the power generation facility of at least 60 megawatts which complied with the condition of such Share Purchase Agreement. The Company repays share subscription fee to the Seller as follows :-

(Unit : Baht)

|   |                |
|---|----------------|
| Consideration for business combination          |                |
| Cash paid                                       | 259,200,000.00 |
| Outstanding debts**                             | 172,800,000.00 |
| Total consideration received from consolidation | 432,000,000.00 |

\*\*Outstanding debts will be settled whenever receives the financial support (Financial Close) and issuing a notice to proceed under wind result by met mast installing not less than 1 year including technical and engineering report by Owl Energy Company Limite

The amounts of the assets acquired and liabilities assumed were as follow :

(Unit : Baht)

|                               |                  |
|-------------------------------|------------------|
| Cash and cash equivalent      | 1,582,373.33     |
| Other receivable              | 562,086.26       |
| Property and equipment        | 4,935,655.22     |
| Intangible asset              | 10,000,000.00    |
| Power purchase agreement***   | 542,933,611.49   |
| Other payable                 | (1,159,004.00)   |
| Short-term loan from director | (18,268,000.00)  |
| Deferred tax liability        | (108,586,722.30) |
| Net asset                     | 432,000,000.00   |

\*\*\*Power Purchase Agreement is agreement selling 60 megawatts wind energy electricity to the EGAT for 5 years and renew automatically 5 years whereas such agreement receives the financial support from EGAT in the rate of Baht 3.50 per kilowatt for 10 years.



The Company recognized the acquisition-related costs in the amount of Baht 0.36 million as the administrative expense in the statement of comprehensive income.

The consolidated statement of comprehensive income for the year ended December 31, 2014 had included the revenue and profit (loss) of Greenovation Power Co., Ltd. from February 13, 2014, as follows :-

(Unit : Baht)

|         |                |
|---------|----------------|
| Revenue | 574,916.50     |
| Loss    | (5,457,264.48) |

If the business combination is made on January 1, 2014, The consolidated statement of comprehensive income for the year ended December 31, 2014 will be included the revenue and profit (loss) of Greenovation Power Co., Ltd. from January 1, 2014, as follows :-

(Unit : Baht)

|         |                |
|---------|----------------|
| Revenue | 574,916.50     |
| Loss    | (5,457,264.48) |

Regarding to the resolution of the Greenovation Power's extra-ordinary shareholders meeting 2/2014 held on March 4, 2014, the meeting has approved to raise registered capital of the said company from Baht 2.00 million to Baht 202.00 million by allotment 20,000,000 new common shares to the Company which has value equal to Baht 10.00 per share and approved the first call of share capital increase in amount of Baht 4.00 per share which has total first payment of increase share capital equal to Baht 80.00 million.

Regarding to the resolution of the Greenovation Power's extra-ordinary shareholders meeting 3/2014 held on October 31, 2014, the meeting has approved to raise registered capital of the said company from Baht 202.00 million to Baht 1,138.10 million by allotment 93,610,000 new common shares to the Company which has value equal to Baht 10.00 per share and approved the first call of share capital increase in amount of Baht 2.50 per share which has total first payment of increase share capital equal to Baht 234.03 million.



Regarding to the resolution of board of director meeting of Greenovation Power Co., Ltd. the meeting has approved to call the paid-up share capital during the year 2014 from the Company in amount of Baht 121.50 million.

Regarding to the resolution of the of board of director meeting no. 3/2014 held on May 13, 2014, of the Company the meeting has approved to establish of the Gunkul LED Lighting Co., Ltd. to carry out manufacture electrical hardware and equipment, Installation of electrical systems and manufacture all kind of lighting.

Regarding to the resolution of board of director meeting of LED Lighting Co., Ltd. the meeting has approved to call the paid-up share capital during the year 2014 from the Company in amount of Baht 5.62 million.

On September 17, 2014, the Company purchased ordinary shares in Siam Gunkul Solar Energy Co., Ltd. (The Company has hold ordinary shares in such company at proportion of 50.00%) in amount of 5,000 shares at Baht 75.00 per share totaling amount to Baht 0.38 million from the former shareholder of such company in proportion of 50.00%. Consequently the Company has hold shares in such company at proportion of 100.00%. The principal activities of Siam Gunkul Solar Energy Co., Ltd. involve generate and selling electricity from solar roof top energy.

The amounts of the assets acquired and liabilities assumed were as follow :

(Unit : Baht)

|   |              |
|---|--------------|
| Cash and cash equivalent                      | 182,128.49   |
| Other receivable                              | 515,924.98   |
| Intangible assets                             | 118,859.82   |
| Power purchase agreement***                   | 270,527.14   |
| Other payable                                 | (283,335.00) |
| Deferred tax liability                        | (54,105.43)  |
| Fair value of equity interest previously held | (375,000.00) |
| Net assets                                    | 375,000.00   |

\*\*\* Power Purchase Agreement is agreement selling 873.60 kilowatts solar energy electricity to the MEA for 25 years.



The consolidated statement of comprehensive income for the year ended December 31, 2014 had included the revenue and profit (loss) of Siam Gunkul Solar Energy Co., Ltd. from September 17, 2014, as follows :-

(Unit : Baht)

|         |            |
|---------|------------|
| Revenue | 603.95     |
| Loss    | (8,061.05) |

If the business combination is made on January 1, 2014, The consolidated statement of comprehensive income for the year ended December 31, 2014 will be included the revenue and profit (loss) of Siam Gunkul Solar Energy Co., Ltd. from January 1, 2014, as follows :-

(Unit : Baht)

|         |              |
|---------|--------------|
| Revenue | 1,051.79     |
| Loss    | (175,172.56) |

On December 17, 2014, Gunkul International (Mauritius) Ltd., a wholly owned subsidiary of the Company with 100.00% of share capital, purchased ordinary shares in Sendai Okura Mega Solar Godo Kaisha in amount of JPY 50,000, totaling Baht 508.04 million from the former shareholder of such company which there no relationship with the Group, equivalent to proportion of 100.00% of the whole registered capital of such. It results that the Group has power to control such subsidiary. Sendai Okura Mega Solar Godo Kaisha's principal activities involve generate and sell solar energy electricity. The reason for purchase of such shares is that the Group wishes to be a significant participant to encourage the clean power plant. The Group will pay for the share acquisition in installations within quarter 1 of 2015 as follows :-

(Unit : Baht)

|  |                |
|--|----------------|
| Consideration for business combination       |                |
| Cash paid                                    | 166,047,723.25 |
| Account payable                              | 341,991,125.00 |
| Total consideration for business combination | 508,038,848.25 |

The amounts of the assets acquired and liabilities assumed were as follow :

|                             | (Unit : Baht)    |
|-----------------------------|------------------|
| Cash and cash equivalent    | 261.48           |
| Other receivable            | 50,234.99        |
| Power purchase agreement*** | 634,985,439.73   |
| Deferred tax liability      | (126,997,087.95) |
| Net assets                  | 508,038,848.25   |

\*\*\* Power Purchase Agreement is agreement selling 31.75 megawatts solar energy electricity to the Tohoku Electric, at JPY 36 per unit in feed-in tariff scheme, with 20 years.

For the year ended December 31, 2014, The Company recognized the acquisition-related costs in the amount of Baht 9.76 million as the administrative expense in the statement of comprehensive income.

The consolidated statement of comprehensive income for the year ended December 31, 2014 had included the revenue and profit (loss) of Sendai Okura Mega Solar Godo Kaisha since December 17, 2014, as follows :-

|         | (Unit : Baht) |
|---------|---------------|
| Revenue | 15,275,849.16 |
| Profit  | 36,605.66     |

If the business combination is made on January 1, 2014, The consolidated statement of comprehensive income for the year ended December 31, 2014 will be included the revenue and profit (loss) of Sendai Okura Mega Solar Godo Kaisha from January 1, 2014, as follows :-

|         | (Unit : Baht) |
|---------|---------------|
| Revenue | 15,275,849.16 |
| Profit  | 569,525.21    |

Regarding to the resolution of board of director meeting of Gunkul International (Mauritius) Limited the meeting has approved to increase registered share capital from SGD 200,000.00 to SGD 4,517,960.00 by allotment 4,317,960 new shares to Gunkul Engineering Public Company Limited which has value equal to SGD 1 per share which has total amount equal to SGD 4,317,960.00.



## 14. Machinery for investment in advance

On June 10, 2013, the board of director had the resolution to invest in Gas Fried Engine power plant in capacity of 25 MW x 2 (Consisting of two projects) in Myanmar. The Company will hold 51.00% of share in first project which has investment in amount of USD 13.77 million and will hold 60.00% of share in second project which has investment in amount of USD 16.20 million. The Company partially paid investment in form of machines in amount of Baht 268.34 million. However, the joint venture in the said project would be completed when the other joint venture party in Republic of the Union of Myanmar has already fulfilled certain conditions as stipulated in the joint venture agreement. As at December 31, 2014, the said joint venture party is in the process of transfer the power purchase agreement and promotional privileges with government sector of Republic of the Union of Myanmar in compliance with the conditions in the said joint venture agreement.

During the year ended December 31, 2014, the Company has received the return on from such investment in amount of Baht 34.93 million.

## 15. Property, plant and equipments

Consisted of:-

|  | Consolidated   |   |                               |                             |                 |                           | (Unit : Baht)    |
|--|----------------|---|-------------------------------|-----------------------------|-----------------|---------------------------|------------------|
|  | Land           | Building improvement and utility system | Machine and factory equipment | Figure and office equipment | Motor vehicle   | Assets under construction | Total            |
| Cost:-   |                |   |                               |                             |                 |                           |                  |
| As at January 1, 2014  | 464,348,715.99 | 115,067,315.99                          | 160,663,734.38                | 40,758,114.40               | 59,397,138.63   | 4,612,269.85              | 844,847,289.24   |
| Addition   | 204,005,058.59 | 5,615,806.29                            | 53,145,157.83                 | 4,901,368.70                | 7,429,664.63    | 1,821,690.00              | 276,918,746.04   |
| Transfer in  | -              | -                                       | 4,966,000.00                  | 16,700.00                   | -               | -                         | 4,982,700.00     |
| Disposal   | -              | 270,000.00                              | 1,901,585.00                  | -                           | -               | -                         | 2,171,585.00     |
| Transfer out   | -              | -                                       | (2,757,140.42)                | (2,152,804.69)              | (7,369,524.56)  | -                         | (12,279,469.67)  |
| Decrease from disposal of subsidiary   | -              | -                                       | -                             | -                           | -               | (2,168,610.00)            | (2,168,610.00)   |
| As at December 31, 2014  | 668,353,774.58 | 120,953,122.28                          | 217,919,336.79                | 43,523,378.41               | 59,457,278.70   | 4,265,349.85              | 1,114,472,240.61 |
| Accumulated depreciation:-   |                |   |                               |                             |                 |                           |                  |
| As at January 1, 2014  | -              | (47,567,909.15)                         | (85,460,288.23)               | (26,427,696.00)             | (27,718,606.27) | -                         | (187,174,499.65) |
| Depreciation charge  | -              | (3,624,292.43)                          | (11,787,206.04)               | (4,150,647.06)              | (4,637,939.89)  | -                         | (24,200,085.42)  |
| Disposal   | -              | -                                       | (43,537.53)                   | (3,507.25)                  | -               | -                         | (47,044.78)      |
| Decrease from disposal of subsidiary   | -              | -                                       | 2,701,131.42                  | 2,152,670.69                | 5,335,919.16    | -                         | 10,189,721.27    |
| As at December 31, 2014  | -              | (51,192,201.58)                         | (94,589,900.38)               | (28,429,179.62)             | (27,020,627.00) | -                         | (201,231,908.58) |
| Allowance for impairment:-   |                |   |                               |                             |                 |                           |                  |
| As at January 1, 2014  | -              | -                                       | -                             | (5,125.57)                  | -               | -                         | (5,125.57)       |
| Reverse  | -              | -                                       | (38,515.00)                   | 5,125.57                    | -               | -                         | (33,389.43)      |
| As at December 31, 2014  | -              | -                                       | (38,515.00)                   | -                           | -               | -                         | (38,515.00)      |
| Net book value:-   |                |   |                               |                             |                 |                           |                  |
| As at December 31, 2014  | 668,353,774.58 | 69,760,920.70                           | 123,290,921.41                | 15,094,198.79               | 32,436,651.70   | 4,265,349.85              | 913,201,817.03   |
| Depreciation in the statement of comprehensive income for the year ended December 31, 2014 |                |   |                               |                             |                 |                           | 24,200,085.42    |

(Unit : Baht)

| Consolidated   |                 |   |                               |                             |                 |                           |
|--|-----------------|---|-------------------------------|-----------------------------|-----------------|---------------------------|
|  | Land            | Building improvement and utility system | Machine and factory equipment | Figure and office equipment | Motor vehicle   | Assets under construction |
| <b>Cost:-</b>  |                 |   |                               |                             |                 |                           |
| As at January 1, 2013  | 527,373,337.55  | 112,774,860.30                          | 885,328,397.38                | 31,317,342.38               | 51,813,775.03   | 1,364,439,864.75          |
| Addition   | 3,143,657.99    | 18,061,493.88                           | 50,493,084.37                 | 10,098,320.24               | 8,934,763.60    | 498,579,580.60            |
| Transfer in  | -               | 711,076.12                              | 10,298,832.29                 | -                           | -               | -                         |
| Disposal   | -               | -                                       | (1,999,611.21)                | (522,870.44)                | (1,351,400.00)  | (3,873,881.65)            |
| Transfer out   | -               | -                                       | -                             | -                           | -               | (11,009,908.41)           |
| Decrease from disposal of subsidiary   | (66,168,279.55) | (16,480,114.31)                         | (783,456,968.45)              | (134,677.78)                | -               | (1,847,397,267.09)        |
| As at December 31, 2013  | 464,348,715.99  | 115,067,315.99                          | 160,663,734.38                | 40,758,114.40               | 59,397,138.63   | 4,612,269.85              |
| <b>Accumulated depreciation:-</b>  |                 |   |                               |                             |                 |                           |
| As at January 1, 2013  | -               | (45,670,003.12)                         | (129,220,918.00)              | (24,500,709.06)             | (25,234,784.60) | -                         |
| Depreciation charge  | -               | (2,885,990.00)                          | (7,912,869.27)                | (2,484,437.89)              | (3,835,219.67)  | -                         |
| Disposal   | -               | -                                       | 1,995,544.10                  | 514,871.16                  | 1,351,398.00    | -                         |
| Decrease from disposal of subsidiary   | -               | 988,083.97                              | 49,677,954.94                 | 42,579.79                   | -               | -                         |
| As at December 31, 2013  | -               | (47,567,909.15)                         | (85,460,288.23)               | (26,427,696.00)             | (27,718,606.27) | -                         |
| <b>Allowance for impairment:-</b>  |                 |   |                               |                             |                 |                           |
| As at January 1, 2013  | -               | -                                       | -                             | (5,125.57)                  | -               | -                         |
| Reverse  | -               | -                                       | -                             | -                           | -               | -                         |
| As at December 31, 2013  | -               | -                                       | -                             | (5,125.57)                  | -               | -                         |
| <b>Net book value:-</b>  |                 |   |                               |                             |                 |                           |
| As at December 31, 2013  | 464,348,715.99  | 67,499,406.84                           | 75,203,446.15                 | 14,325,292.83               | 31,678,532.36   | 4,612,269.85              |
| Depreciation in the statement of comprehensive income for the year ended December 31, 2013 |                 |   |                               |                             |                 | 17,118,516.83             |

(Unit : Bant)

| Separate financial statement   |              |                          |                     |                             |                 |                           |
|--|--------------|--------------------------|---------------------|-----------------------------|-----------------|---------------------------|
|  | Land         | Building and improvement | Tool and equipments | Figure and office equipment | Motor vehicle   | Assets under construction |
| <b>Cost:-</b>  |              |                          |                     |                             |                 |                           |
| As at January 1, 2014  | 3,143,657.99 | 32,521,545.38            | 15,811,935.39       | 23,680,487.35               | 45,286,782.11   | 3,556,069.85              |
| Addition   | -            | -                        | 322,526.26          | 2,306,050.94                | 6,839,010.42    | -                         |
| Transfer in  | -            | -                        | -                   | -                           | -               | -                         |
| Disposal   | -            | -                        | -                   | (763,224.95)                | (5,089,524.56)  | -                         |
| Transfer out   | -            | -                        | -                   | -                           | -               | -                         |
| As at December 31, 2014  | 3,143,657.99 | 32,521,545.38            | 16,134,461.65       | 25,223,313.34               | 47,056,267.97   | 3,556,069.85              |
| <b>Accumulated depreciation :-</b>   |              |                          |                     |                             |                 |                           |
| As at January 1, 2014  | -            | (26,850,085.37)          | (4,832,083.83)      | (13,711,464.82)             | (18,411,873.63) | -                         |
| Depreciation charge  | -            | (512,299.79)             | (2,699,462.68)      | (2,913,819.71)              | (3,788,459.70)  | -                         |
| Transfer in  | -            | -                        | -                   | -                           | -               | -                         |
| Disposal   | -            | -                        | -                   | 763,185.95                  | 3,067,728.39    | -                         |
| Transfer out   | -            | -                        | -                   | -                           | -               | -                         |
| As at December 31, 2014  | -            | (27,362,385.16)          | (7,531,548.51)      | (15,862,098.58)             | (19,132,604.94) | -                         |
| <b>Net book value:-</b>  |              |                          |                     |                             |                 |                           |
| As at December 31, 2014  | 3,143,657.99 | 5,159,160.22             | 8,602,915.14        | 9,361,214.76                | 27,923,663.03   | 3,556,069.85              |
| Depreciation in the statement of comprehensive income for the year ended December 31, 2014 |              |                          |                     |                             |                 |                           |
|  |              |                          |                     |                             |                 | 9,914,041.88              |

(Unit : Baht)

| Separate financial statement   |              |                          |                     |                             |                 |                           |
|--|--------------|--------------------------|---------------------|-----------------------------|-----------------|---------------------------|
|  | Land         | Building and improvement | Tool and equipments | Figure and office equipment | Motor vehicle   | Assets under construction |
| <b>Cost:-</b>  |              |                          |                     |                             |                 |                           |
| As at January 1, 2013  | -            | 32,521,545.38            | 2,886,094.89        | 16,841,899.47               | 38,315,667.11   | 12,608,172.14             |
| Addition   | 3,143,657.99 | -                        | 3,879,149.42        | 7,271,704.24                | 6,972,515.00    | -                         |
| Transfer in  | -            | -                        | 9,052,102.29        | -                           | -               | -                         |
| Disposal   | -            | -                        | (5,411.21)          | (432,916.36)                | (1,400.00)      | -                         |
| Transfer out   | -            | -                        | -                   | -                           | -               | (9,052,102.29)            |
| As at December 31, 2013  | 3,143,657.99 | 32,521,545.38            | 15,811,935.39       | 23,680,487.35               | 45,286,782.11   | 3,556,069.85              |
| <b>Accumulated depreciation :-</b>   |              |                          |                     |                             |                 |                           |
| As at January 1, 2013  | -            | (26,325,544.50)          | (2,533,002.62)      | (12,421,621.00)             | (15,365,493.93) | -                         |
| Depreciation charge  | -            | (524,540.87)             | (2,300,430.31)      | (1,717,624.74)              | (3,047,778.70)  | -                         |
| Transfer in  | -            | -                        | -                   | -                           | -               | -                         |
| Disposal   | -            | -                        | 1,349.10            | 427,780.92                  | 1,399.00        | -                         |
| Transfer out   | -            | -                        | -                   | -                           | -               | -                         |
| As at December 31, 2013  | -            | (26,850,085.37)          | (4,832,083.83)      | (13,711,464.82)             | (18,411,873.63) | -                         |
| <b>Net book value:-</b>  |              |                          |                     |                             |                 |                           |
| As at December 31, 2013  | 3,143,657.99 | 5,671,460.01             | 10,979,851.56       | 9,969,022.53                | 26,874,908.48   | 3,556,069.85              |
| Depreciation in the statement of comprehensive income for the year ended December 31, 2013 |              |                          |                     |                             |                 | 7,590,374.62              |



As at December 31, 2014, certain plant and equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 121.29 million (2013 : Baht 125.20 million).

As at December 31, 2014 and 2013, one subsidiary has pledged the land plus property in original cost of Baht 139.05 million to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 410.00 million.

As at December 31, 2014 and 2013, one subsidiary has pledged the land in original cost of Baht 378.00 million to guarantee against credit facility of the Company that receives from a commercial bank in amount of Baht 348.00 million.

Machines and vehicles under finance leases, where the Group are lessee with net book value as at December 31, 2014 of Baht 41.34 million in consolidated financial statements and Baht 25.53 million in the separate financial statements (2013 : Baht 30.18 million and Baht 23.18 million, respectively).

## 16. Intangible assets

Consisted of:-

(Unit : Baht)

|   | Consolidated      |                |                           |                   |                          |                  |
|---|-------------------|----------------|---------------------------|-------------------|--------------------------|------------------|
|   | Computer software | Copyright      | Right to use grid network | Right to use land | Power purchase agreement | Total            |
| Cost :-                                 |                   |                |                           |                   |                          |                  |
| As at January 1, 2014                   | 10,458,997.50     | 1,208,445.00   | 86,937,704.96             | -                 | 872,256,223.16           | 970,861,370.62   |
| Purchase                                | 725,435.00        | -              | 58,691,650.52             | 5,000,000.00      | -                        | 64,417,085.52    |
| Increase from acquisition of subsidiary | -                 | -              | 10,118,859.82             | -                 | 1,178,189,578.36         | 1,188,308,438.18 |
| Disposal                                | (3,840,600.00)    | -              | -                         | -                 | -                        | (3,840,600.00)   |
| As at December 31, 2014                 | 7,343,832.50      | 1,208,445.00   | 155,748,215.30            | 5,000,000.00      | 2,050,445,801.52         | 2,219,746,294.32 |
| Accumulated amortization :-             |                   |                |                           |                   |                          |                  |
| As at January 1, 2014                   | (2,128,490.54)    | (1,207,486.01) | (3,122.69)                | -                 | (100,254.79)             | (3,439,354.03)   |
| Amortization charge                     | (279,876.39)      | (957.99)       | (33,056.10)               | -                 | (1,835,935.13)           | (2,149,825.61)   |
| Disposal                                | 25,170.41         | -              | -                         | -                 | -                        | 25,170.41        |
| As at December 31, 2014                 | (2,383,196.52)    | (1,208,444.00) | (36,178.79)               | -                 | (1,936,189.92)           | (5,564,009.23)   |
| Net book value :-                       |                   |                |                           |                   |                          |                  |
| As at December 31, 2014                 | 4,960,635.98      | 1.00           | 155,712,036.51            | 5,000,000.00      | 2,048,509,611.60         | 2,214,182,285.09 |

Amortization charges in statements of comprehensive income for the year ended December 31, 2014

2,149,825.61

(Unit : Baht)

|   | Consolidated      |                |                           |                          |                 |
|---|-------------------|----------------|---------------------------|--------------------------|-----------------|
|   | Computer software | Copyright      | Right to use grid network | Power purchase agreement | Total           |
| Cost :-   |                   |                |                           |                          |                 |
| As at January 1, 2013   | 2,473,655.00      | 1,208,445.00   | 15,593,130.13             | 850,981,223.16           | 870,256,453.29  |
| Purchase  | 7,985,342.50      | -              | 86,937,704.96             | 21,275,000.00            | 116,198,047.46  |
| Decrease from acquisition of subsidiary   | -                 | -              | (15,593,130.13)           | -                        | (15,593,130.13) |
| Disposal  | -                 | -              | -                         | -                        | -               |
| As at December 31, 2013   | 10,458,997.50     | 1,208,445.00   | 86,937,704.96             | 872,256,223.16           | 970,861,370.62  |
| Accumulated amortization :-   |                   |                |                           |                          |                 |
| As at January 1, 2013   | (1,760,459.95)    | (1,205,886.01) | (114,040.22)              | -                        | (3,080,386.18)  |
| Amortization charge   | (368,030.59)      | (1,600.00)     | (3,122.69)                | (100,254.79)             | (473,008.07)    |
| Decrease from acquisition of subsidiary   | -                 | -              | 114,040.22                | -                        | 114,040.22      |
| As at December 31, 2013   | (2,128,490.54)    | (1,207,486.01) | (3,122.69)                | (100,254.79)             | (3,439,354.03)  |
| Net book value :-   |                   |                |                           |                          |                 |
| As at December 31, 2013   | 8,330,506.96      | 958.99         | 86,934,582.27             | 872,155,968.37           | 967,422,016.59  |
| Amortization charges in statements of comprehensive income for the year ended December 31, 2013 |                   |                |                           |                          | 473,008.07      |

(Unit : Baht)

|   | Separate financial statements |              |
|---|-------------------------------|--------------|
|   | Computer software             |              |
|   | 2014                          | 2013         |
| Cost :-   |                               |              |
| As at January 1   | 8,446,048.00                  | 595,048.00   |
| Purchase  | 450,000.00                    | 7,851,000.00 |
| Transfer out  | (3,768,600.00)                | -            |
| As at December 31   | 5,127,448.00                  | 8,446,048.00 |
| Accumulated amortization :-   |                               |              |
| As at January 1   | (595,047.00)                  | (522,148.71) |
| Amortization charge   | (74,712.33)                   | (72,898.29)  |
| As at December 31   | (669,759.33)                  | (595,047.00) |
| Net book value :-   |                               |              |
| As at December 31   | 4,457,688.67                  | 7,851,001.00 |
| Amortization charges in statements of comprehensive income for the year ended December 31 | 74,712.33                     | 72,898.29    |

## 17. Deferred tax assets/liabilities

The movements of deferred tax assets and liabilities for the year ended December 31, 2014 and 2013, are as follows :-

(Unit : Baht)

|                                | Consolidated       |                                 |                                    |                      |                                 |                                    |
|--------------------------------|--------------------|---------------------------------|------------------------------------|----------------------|---------------------------------|------------------------------------|
|                                | January 1,<br>2013 | Recognized in<br>profit or loss | Purchase/Disposal<br>of investment | December 31,<br>2013 | Recognized in<br>profit or loss | Purchase/Disposal<br>of investment |
| Trade and other receivable     | 736,919.21         | (363,315.35)                    | -                                  | 373,603.86           | (63,139.18)                     | -                                  |
| Inventories                    | 11,002,393.76      | 615,453.18                      | -                                  | 11,617,846.94        | (1,949,527.58)                  | -                                  |
| Investments in associate       | 9,279,746.85       | (9,279,746.85)                  | -                                  | -                    | -                               | -                                  |
| Property, plant and equipment  | (249,879.77)       | (268,349.73)                    | -                                  | (518,229.50)         | (271,499.41)                    | -                                  |
| Provision for warranty         | 480,015.35         | (351,504.09)                    | -                                  | 128,511.26           | (9,543.60)                      | -                                  |
| Provision for sales return     | 4,465,095.00       | (4,465,095.00)                  | -                                  | -                    | -                               | -                                  |
| Provision for delivery delay   | -                  | 122,726.41                      | -                                  | 122,726.41           | 48,996.91                       | -                                  |
| Provision for project warranty | -                  | -                               | -                                  | -                    | 2,810,854.34                    | -                                  |
| Provision for unbilled cost    | -                  | -                               | -                                  | -                    | 10,260,551.35                   | -                                  |
| Employee benefit               | 1,442,677.20       | 1,059,217.00                    | -                                  | 2,501,894.20         | 366,876.20                      | -                                  |
| Obligation under finance lease | (968,406.80)       | 56,663.93                       | -                                  | (911,742.87)         | 198,856.94                      | -                                  |
| Profit on inventories          | 846,041.76         | 2,671,867.98                    | -                                  | 3,517,909.74         | (900,129.51)                    | -                                  |
| Gain on fixed assets           | 41,839,892.85      | (41,175,831.61)                 | -                                  | 664,061.24           | 3,362,860.29                    | -                                  |
| Power purchase agreement       | (170,196,244.63)   | -                               | (4,234,949.04)                     | (174,431,193.67)     | 440,624.44                      | (235,637,915.68)                   |
| Total                          | (101,321,749.22)   | (51,377,914.13)                 | (4,234,949.04)                     | (156,934,612.39)     | 14,295,781.19                   | (235,637,915.68)                   |
|                                |                    |                                 |                                    |                      |                                 | (378,276,746.88)                   |

(Unit : Baht)

|                                | Separate financial statement |                              |                      |                                 |                      |
|--------------------------------|------------------------------|------------------------------|----------------------|---------------------------------|----------------------|
|                                | January 1,<br>2013           | Recognized<br>profit or loss | December 31,<br>2013 | Recognized in<br>profit or loss | December 31,<br>2014 |
| Trade and other receivable     | 523,799.77                   | (139,019.64)                 | 384,780.13           | (87,767.00)                     | 297,013.13           |
| Inventories                    | 6,886,610.34                 | 392,884.36                   | 7,279,494.70         | (1,501,909.35)                  | 5,777,585.35         |
| Provision for warranty         | 343,328.93                   | (237,589.91)                 | 105,739.02           | (9,543.60)                      | 96,195.42            |
| Provision for sales return     | 3,882,691.32                 | (3,882,691.32)               | -                    | -                               | -                    |
| Provision for unbilled cost    | -                            | -                            | -                    | 10,260,551.35                   | 10,260,551.35        |
| Provision for delivery delay   | -                            | 85,819.85                    | 85,819.85            | 48,996.91                       | 134,816.76           |
| Provision for warranty project | -                            | -                            | -                    | 1,888,544.08                    | 1,888,544.08         |
| Employee benefit               | 1,028,664.60                 | 748,090.60                   | 1,776,755.20         | 250,535.00                      | 2,027,290.20         |
| Obligation under finance lease | (913,234.39)                 | 79,430.45                    | (833,803.94)         | 253,163.70                      | (580,640.24)         |
| Total                          | 11,751,860.57                | (2,953,075.61)               | 8,798,784.96         | 11,102,571.09                   | 19,901,356.05        |

The Group offsets the deferred tax assets and liabilities for the presentation in the statement of financial position only in a case where such assets and liabilities relates to the same taxable company and the income tax is levied by the same taxation authority, as follows :-

(Unit : Baht)

|  | Consolidated<br>As at December 31, |                  | Separate financial statement<br>As at December 31, |              |
|--|------------------------------------|------------------|--|--------------|
|  | 2014                               | 2013             | 2014   | 2013         |
| Amount recognized as assets/liabilities in the statement of financial position |                                    |                  |  |              |
| - Deferred tax assets  | 31,351,738.03                      | 17,496,581.28    | 19,901,356.05                                      | 8,798,784.96 |
| - Deferred tax liabilities   | (409,628,484.91)                   | (174,431,193.67) | -  | -            |
| Total  | (378,276,746.88)                   | (156,934,612.39) | 19,901,356.05                                      | 8,798,784.96 |

The deferred tax asset is not recognized in the statement of financial position;  
consisted of :-

(Unit : Baht)

|                              | Consolidated  |               |
|------------------------------|---------------|---------------|
|                              | 2014          | 2013          |
| Unused tax losses            |               |               |
| - Expire in next 1 year      | -             | -             |
| - Expire in next 2 - 5 years | 29,720,345.92 | 20,023,420.91 |
| Temporary differences        | -             | 17,355.10     |
| Total                        | 29,720,345.92 | 20,040,776.01 |

The deferred tax assets and liabilities, which is not recognized in the statement of financial position, arises from undistributed profits associated with investments in subsidiaries, jointly controlled companies and associates; consisted of :-

(Unit : Baht)

|   | Consolidated   |                 |
|---|----------------|-----------------|
|   | 2014           | 2013            |
| Deferred tax liabilities are not recognized : |                |                 |
| - Subsidiaries                                | 156,813,616.29 | 44,225,931.34   |
| - Jointly controlled companies                | 60,227,916.76  | 45,294,251.52   |
| Deferred tax assets are not recognized :      |                |                 |
| - Associates                                  | (9,412,265.60) | (11,438,834.44) |
| Total   | 207,629,267.45 | 78,081,348.42   |

## 18. Short-term loans from financial institutions

Consisted of:-

(Unit : Baht)

|                       | Consolidated     |                | Separate financial statement |                |
|-----------------------|------------------|----------------|------------------------------|----------------|
|                       | 2014             | 2013           | 2014                         | 2013           |
| Short-term loans      | 1,950,000,000.00 | 117,000,000.00 | 1,950,000,000.00             | 117,000,000.00 |
| Trust receipt payable | 159,949,281.66   | 124,611,504.93 | 100,535,100.39               | 5,262,841.83   |
| Total                 | 2,109,949,281.66 | 241,611,504.93 | 2,050,535,100.39             | 122,262,841.83 |

As at December 31, 2014, the Group held bank overdraft, trust receipt, and letters of credit facilities from several financial institutions in Thai Baht amounting of Baht 2,698.35 million (2013 : Baht 2,698.35 million), US Dollar amounting of USD 50.00 million (2013 : USD 50.00 million). Interest rate is 2.0719 - 3.1100% per annum. (2013 : interest rate is 2.1046% - 3.0500% per annum)

Such credit facility line is pledged by mortgaged register of land plus property of the Group and land plus property of two directors, including fixed deposit of the Group.

## 19. Trade and other payable - third parties

Consisted of :-

(Unit : Baht)

|                              | Consolidated   |                | Separate financial statement |                |
|------------------------------|----------------|----------------|------------------------------|----------------|
|                              | 2014           | 2013           | 2014                         | 2013           |
| Trade payable                | 214,019,873.09 | 127,528,841.96 | 176,356,445.75               | 47,880,211.87  |
| Unbilled construction cost   | 8,972,839.68   | 5,355,987.00   | 8,972,839.68                 | 5,355,987.00   |
| Subcontractors payable       | 13,329,542.56  | 80,526,924.20  | 13,329,542.56                | 80,526,924.20  |
| Suspense output tax          | 6,659,526.96   | 576,903.18     | 5,355,468.98                 | -              |
| Accrued expenses             | 48,439,512.45  | 36,345,482.57  | 35,101,749.25                | 20,512,471.90  |
| Other payable                | 36,215,279.59  | 9,708,025.40   | 29,705,978.49                | 15,522,003.70  |
| Provision for warranty       | 300,065.16     | 290,747.98     | 146,603.32                   | 230,161.57     |
| Provision for delivery delay | 674,083.80     | 613,632.04     | 674,083.80                   | -              |
| Total                        | 328,610,723.29 | 260,946,544.33 | 269,642,711.83               | 170,027,760.24 |

## 20. Obligation under finance lease

Obligation under finance lease - minimum lease payments as follows :-

(Unit : Baht)

|  | Consolidated                      |                      |               | Separate financial statement      |                      |               |
|--|-----------------------------------|----------------------|---------------|-----------------------------------|----------------------|---------------|
|  | 2014                              |                      |               |                                   |                      |               |
|  | Obligation under<br>finance lease | Deferred<br>interest | Net           | Obligation under<br>finance lease | Deferred<br>interest | Net           |
| Not later than 1 year                              | 10,496,698.37                     | (1,813,295.45)       | 8,683,402.92  | 8,189,815.73                      | (1,407,692.84)       | 6,782,122.89  |
| Later than 1 year<br>but not later than<br>5 years | 21,513,102.62                     | (1,936,756.42)       | 19,576,346.20 | 17,588,422.70                     | (1,642,272.08)       | 15,946,150.62 |
| Total  | 32,009,800.99                     | (3,750,051.87)       | 28,259,749.12 | 25,778,238.43                     | (3,049,964.92)       | 22,728,273.51 |

(Unit : Baht)

|  | Consolidated                      |                      |               | Separate financial statement      |                      |               |
|--|-----------------------------------|----------------------|---------------|-----------------------------------|----------------------|---------------|
|  | 2014                              |                      |               |                                   |                      |               |
|  | Obligation under<br>finance lease | Deferred<br>interest | Net           | Obligation under<br>finance lease | Deferred<br>interest | Net           |
| Not later than 1 year                              | 9,152,219.02                      | (1,989,351.75)       | 7,162,867.27  | 6,968,308.30                      | (1,453,730.08)       | 5,514,578.22  |
| Later than 1 year<br>but not later than<br>5 years | 24,475,001.37                     | (2,677,522.42)       | 21,797,478.95 | 18,813,422.43                     | (2,006,306.73)       | 16,807,115.70 |
| Total  | 33,627,220.39                     | (4,666,874.17)       | 28,960,346.22 | 25,781,730.73                     | (3,460,036.81)       | 22,321,693.92 |

As at December 31, 2014, the Group performs has entered into financial lease agreement with several leasing companies so as to lease machines, computer equipment and vehicles by number of 33 contracts (2013 : 28 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 4,777.55 to Baht 89,606.00 per month (2013 : Baht 4,777.55 per month to Baht 89,606.00 per month). The leased period is carried from 3 years to 5 years (2013 : 3 years to 5 years). Such leased contract comprises the Group's shareholders and directors as guarantors. In addition, ownership of such machines and vehicles will transfer to ownership of the Group when the Group pays the final installment in accordance with the leased contract.



The Group amortized the interest according to the financial leased contract for the year ended December 31, 2014 in the amount of Baht 2.23 million in the consolidated financial statement and Baht 1.70 million in the separate financial statements which was recorded as "Finance cost" in the statement of comprehensive income (2013 : Baht 1.72 million and Baht 1.19 million in the consolidate and separate financial statement, respectively).

## 21. Long-term loans from financial institutions

Consisted of:

(Unit : Baht)

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 2014             | 2013             |
| Long-term loans from financial institutions | 156,500,000.00   | 313,000,000.00   |
| Less Current portion                        | (156,500,000.00) | (156,500,000.00) |
| Net   | -                | 156,500,000.00   |

The movements of long-term loans from financial institutions for the year ended December 31, 2013 is as follows :-

(Unit : Baht)

|   | Consolidated     |                    |
|---|------------------|--------------------|
|   | 2014             | 2013               |
| Opening balance                                       | 313,000,000.00   | 1,485,858,694.45   |
| Transfer short-term loans from financial institutions | -                | 313,000,000.00     |
| Decrease due to disposal of investments               | (156,500,000.00) | (1,485,858,694.45) |
| Ending balance  | 156,500,000.00   | 313,000,000.00     |

Such credit facility line is pledged by mortgaged register of land plus property of one subsidiary and fixed deposit of such subsidiary and also pledged shares of Gunkul Engineering Public Co., Ltd. whose ownership held by Gunkul Group Co., Ltd. including the transferral of the rights of the Power Purchase Agreement. Moreover, such loan was guaranteed by Gunkul Engineering Public Co., Ltd. In the amount of Baht 219.00 million.



## 22. Employee benefit obligation

As at December 31, 2014 and 2013, the Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, related past service cost and current service cost.

As at December 31, 2014, the Group recognizes the employee benefit obligation as the liability in amount of Baht 14.41 million and Baht 10.14 million in the consolidated and separate statements of financial position, respectively (2013 : Baht 12.56 million and Baht 8.88 million in consolidated and separate financial statement, respectively).

Changes in the present value of the employee benefit obligation for the year ended December 31, 2014 and 2013 are as follows :

(Unit : Baht)

|                                     | Consolidated  |               | Separate financial statement |              |
|-------------------------------------|---------------|---------------|------------------------------|--------------|
|                                     | 2014          | 2013          | 2014                         | 2013         |
| Opening defined benefit             | 12,559,137.00 | 7,290,657.98  | 8,883,776.00                 | 5,143,323.00 |
| Current service cost                | 1,438,868.00  | 866,074.02    | 935,633.00                   | 485,469.00   |
| Interest cost                       | 465,351.00    | 268,585.00    | 317,042.00                   | 186,210.00   |
| Benefit paid                        | -             | (486,176.00)  | -                            | (486,176.00) |
| Loss from estimation                | -             | 4,628,495.00  | -                            | 3,554,950.00 |
| Decrease in disposal of investments | -             | (8,499.00)    | -                            | -            |
| Transfer out during the year        | (58,165.00)   |               |                              |              |
| Closing defined benefit             | 14,405,191.00 | 12,559,137.00 | 10,136,451.00                | 8,883,776.00 |

Principal actuarial assumptions as at December 31, 2014 and 2013 are as follows :

(Unit : Baht)

|   | Consolidated |              | Separate financial statement |              |
|---|--------------|--------------|------------------------------|--------------|
|   | 2014         | 2013         | 2014                         | 2013         |
| Discount rate at end of year                        | 3.8%         | 3.8%         | 3.8%                         | 3.8%         |
| Future salary increase                              | 5.0% - 6.0%  | 5.0% - 6.0%  | 5.0% - 6.0%                  | 5.0% - 6.0%  |
| Proportion of employees opting for early retirement | 0.0% - 30.0% | 0.0% - 30.0% | 0.0% - 30.0%                 | 0.0% - 30.0% |

## 23. Share capital

The movement of share capital for the year ended December 31, 2014 and 2013 are as follows:

|  | Number of share<br>(Unit : share) | Amount<br>(Unit : Baht) |
|--|-----------------------------------|-------------------------|
| Registered share capital (Baht 1.00 per share) |                                   |                         |
| As at January 1, 2013                          | 440,000,000                       | 440,000,000.00          |
| Reduction of capital during the year           | (16)                              | (16.00)                 |
| Increment of capital during the year           | 220,000,000                       | 220,000,000.00          |
| As at December 31, 2013                        | 659,999,984                       | 659,999,984.00          |
| Reduction of capital during the year           | (55)                              | (55.00)                 |
| Increment of capital during the year           | 220,000,000                       | 220,000,000.00          |
| As at December 31, 2014                        | 879,999,929                       | 879,999,929.00          |

|  | Number of share<br>(Unit : share) | Amount<br>(Unit : Baht) |
|--|-----------------------------------|-------------------------|
| Issued and paid-up share capital (Baht 1.00 per share) |                                   |                         |
| As at January 1, 2013                                  | 439,999,984                       | 439,999,984.00          |
| Increment of capital during the year                   | 219,999,945                       | 219,999,945.00          |
| As at December 31, 2013                                | 659,999,929                       | 659,999,929.00          |
| Increment of capital during the year                   | 219,990,336                       | 219,990,336.00          |
| As at December 31, 2014                                | 879,990,265                       | 879,990,265.00          |

On April 11, 2013, the Annual General Meeting of the Company's shareholders has resolved to reduce in the Company's registered capital from Baht 440,000,000.00 to Baht 439,999,984.00 by cancelling 16 of the ordinary shares that were unable to be allocated as stock dividend at par value Baht 1.00 per share and to approve the increase in the Company's registered capital from Baht 439,999,984.00 to Baht 659,999,984.00 by issuing 220,000,000 incremental ordinary shares at par value Baht 1.00 per share. The objective of the capital increase is to reserve shares for stock dividend payment. The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on April 23, 2013 for reduction of capital and on April 30, 2013 for increment of capital.

On April 9, 2014, the Annual General Meeting of the Company's shareholders has resolved to reduce in the Company's registered capital from Baht 659,999,984.00 to Baht 659,999,929.00 by cancelling 55 of the ordinary shares that were unable to be allocated as stock dividend at par value Baht 1.00 per share and to approve the increase in the Company's registered capital from Baht 659,999,929.00 to Baht 879,999,929.00 by issuing 220,000,000 incremental ordinary shares at par value Baht 1.00 per share. The objective of the capital increase is to reserve shares for stock dividend payment. The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on April 21, 2014 for reduction of capital and on April 29, 2014 for increment of capital.

#### The capital management

The Group constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Group will maintain capital in the level with the least risk.

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

## 24. Legal reserve

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

As at December 31, 2014, the Company has appropriated net income in amount of Baht 22.00 millions to the legal reserve (2013 : Baht 22.00 million).

## 25. Income tax expense

The income tax expenses recognized in profit or loss for the year ended December 31, 2014 and 2013, are as follow :-

(Unit : Baht)

|  | Consolidated    |                | Separate financial statement |               |
|--|-----------------|----------------|------------------------------|---------------|
|  | 2014            | 2013           | 2014                         | 2013          |
| Current tax expense  | 97,374,127.05   | 122,923,939.59 | 48,851,663.16                | 95,152,168.74 |
| Deferred tax expense relating to the origination and reversal of temporary differences | (14,295,781.19) | 51,377,914.13  | (11,102,571.09)              | 2,953,075.61  |
| Income tax expense   | 83,078,345.86   | 174,301,853.72 | 37,749,092.07                | 98,105,244.35 |

The relationship between tax expense and accounting profit for the year ended December 31, 2014 and 2013, are as follow :-

(Unit : Baht)

|   | Consolidated    |                  | Separate financial statement |                 |
|---|-----------------|------------------|------------------------------|-----------------|
|   | 2014            | 2013             | 2014                         | 2013            |
| Accounting profit   | 624,399,248.32  | 1,042,112,801.08 | 569,662,892.56               | 712,725,401.72  |
| Tax rate used   | 20%             | 20%              | 20%                          | 20%             |
| Tax at the applicable tax rate  | 124,879,849.66  | 208,422,560.22   | 113,932,578.51               | 142,545,080.34  |
| Temporary difference not recognized as a deferred tax asset               | -               | 11,695.74        | -                            | -               |
| Effect of loss that is exempt from taxation                               | 10,651,466.29   | 10,510,807.04    | -                            | -               |
| Effect of expenses that are not deductible in determining taxation profit | 7,207,932.43    | 3,447,885.49     | 3,283,753.31                 | 880,589.69      |
| Effect of profit that is exempt from taxation                             | (58,910,016.27) | (44,739,383.31)  | (78,736,969.48)              | (45,031,687.33) |
| Effect of expenses that are deductible in determining taxation profit     | (750,886.25)    | (3,351,711.46)   | (730,270.27)                 | (288,738.36)    |
| Income tax expense  | 83,078,345.86   | 174,301,853.72   | 37,749,092.07                | 98,105,244.35   |

(Unit : Baht)

|                                | Consolidated |      | Separate financial statement |           |
|--------------------------------|--------------|------|------------------------------|-----------|
|                                | 2014         | 2013 | 2014                         | 2013      |
| Tax rate                       |              |      |                              |           |
| - The Company and subsidiaries |              |      |                              |           |
| - Profit of non-BOI business   |              |      | 20%                          | 20%       |
| - Profit of BOI business       |              |      |                              |           |
| - Exemption from taxation      |              |      | -                            | -         |
| - Reduction of tax             |              |      | 10%                          | 10%       |
| - subsidiaries in aboard       |              |      | 15% - 38.37%                 | 15% - 17% |

## 26. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

## 27. Dividend

In accordance with the annual ordinary general meeting of shareholders of 2014 with held on April 9, 2014, it is resolved to pay dividends to the Company's shareholders from the Company's operating result of 2013. The dividend is to be paid as stock dividend in the number of 220,000,000 ordinary shares, with par value of Baht 1.00 each, at a ratio of 3 existing ordinary shares to receive stock dividend of 1 share, with a total amount of not exceed Baht 220.00 million, or equivalent to the dividend of Baht 0.333 per share. In the case of any shareholder with a fraction of the shares after the stock dividend distribution, will be entitled to receive cash dividend at the rate of Baht 0.333 per share. In addition the Company will pay a cash dividend at Baht 0.038 per share, or equivalent to amount of not exceed Baht 25.08 million. Total annual dividend payment in form of cash and stock dividend equal to Baht 0.371 per share, equivalent to Baht 245.08 million. The Company paid such dividend in May 2014 (2013 : stock and cash dividend not exceed Baht 246.40 million).

## 28. Supplemental disclosures of cash flow information

### 28.1 Cash and cash equivalents consist of :-

(Unit : Baht)

|   | Consolidated     |                | Separate financial statement |                |
|---|------------------|----------------|------------------------------|----------------|
|   | 2014             | 2013           | 2014                         | 2013           |
| Cash on hand and tax coupon             | 664,375.04       | 5,787,125.09   | 364,604.42                   | 395,817.00     |
| Cash deposits-saving accounts           | 563,676,828.24   | 120,447,388.04 | 276,961,361.02               | 34,484,516.62  |
| Cash deposits-current accounts          | 24,174,068.39    | 72,138,662.07  | 28,563,862.22                | 72,029,883.41  |
| Fixed deposits not exceeding 3 months   | 14,900,418.85    | 24,175.21      | 24,476.86                    | 24,175.21      |
| Check in hand                           | 5,362,601.92     | 7,494,200.00   | -                            | -              |
| Bill of exchange not exceeding 3 months | 900,000,000.00   | 19,000,000.00  | 900,000,000.00               | 19,000,000.00  |
| Total                                   | 1,508,778,292.44 | 224,891,550.41 | 1,205,914,304.52             | 125,934,392.24 |

**28.2 Non-cash items are as follows :-**

(Unit : Baht)

|  | Consolidated   |                | Separate financial statement |                |
|--|----------------|----------------|------------------------------|----------------|
|  | 2014           | 2013           | 2014                         | 2013           |
| Purchase fixed assets but not yet paid   | 742,560.12     | 1,552,618.15   | 173,052.57                   | 551,135.60     |
| Purchase assets by leased  | 7,189,390.58   | 13,488,047.98  | 6,598,736.37                 | 10,210,094.38  |
| Transfer inventories to property, plant and equipment  | 2,975.00       | -              | -                            | -              |
| Purchase intangible assets but not yet paid  | 11,514,891.10  | -              | -                            | -              |
| Accrued dividend payables  | 25,028.00      | 23,115.99      | 25,028.00                    | 23,115.99      |
| Stock dividend   | 219,990,336.00 | 219,999,945.00 | 219,990,336.00               | 219,999,945.00 |
| Transfer short-term loans from financial institutions to long-term loans from financial institutions | -              | 313,000,000.00 | -                            | -              |
| Transfer advance for shares subscription to investment in subsidiary                                 | -              | -              | 129,600,000.00               | -              |
| Purchase investments in subsidiaries but not yet paid  | -              | -              | 318,485,550.00               | -              |
| Transfer withholding tax to other non-current assets   | -              | -              | 374,775.00                   | -              |
| Transfer investment in subsidiary to investment in jointly controlled                                | -              | -              | -                            | 505,919,500.00 |
| Provision for decommissioning cost   | 1,466,128.15   | 743,492.78     | -                            | -              |

### 28.3 Obtaining control of subsidiary

For the year ended December 31, 2014, the Company purchases “Greenovation Power Co., Ltd” from the other company. The information on obtaining control of subsidiary is as follow :-

(Unit : Baht)

|   |                  |
|---|------------------|
| Cash and cash equivalent                                      | 1,582,373.33     |
| Other receivable  | 562,086.26       |
| Property and equipment  | 4,935,655.22     |
| Intangible asset  | 10,000,000.00    |
| Power purchase agreement                                      | 542,933,611.49   |
| Other payable   | (1,159,004.00)   |
| Short-term loan from director                                 | (18,268,000.00)  |
| Deferred tax liability  | (108,586,722.30) |
| Total purchase price for purchase of investment of subsidiary | 432,000,000.00   |
| <u>Less</u> Advance for share subscription                    | (129,600,000.00) |
| <u>Less</u> Outstanding debts                                 | (172,800,000.00) |
| <u>Less</u> Cash and cash equivalents of subsidiary acquired  | (1,582,373.33)   |
| Cash paid to obtain control net of cash acquired              | 128,017,626.67   |

For the year ended December 31, 2014, the Company purchases “Siam Gunkul Solar Energy Co., Ltd.” from the other company. The information on obtaining control of subsidiary is as follow :-

(Unit : Baht)

|   |              |
|---|--------------|
| Cash and cash equivalent                                      | 182,128.49   |
| Other receivable  | 515,924.98   |
| Intangible asset  | 118,859.82   |
| Power purchase agreement                                      | 270,527.14   |
| Other payable   | (283,335.00) |
| Deferred tax liability  | (54,105.43)  |
| Total purchase price for purchase of investment of subsidiary | 750,000.00   |
| <u>Less</u> Outstanding debts                                 | (375,000.00) |
| <u>Less</u> Cash and cash equivalents of subsidiary acquired  | (182,128.49) |
| Cash paid to obtain control net of cash acquired              | 192,871.51   |

For the year ended December 31, 2014, the Group purchases "Sendai Okura Mega Solar Godo Kaisha" from the other company. The information on obtaining control of subsidiary is as follow :-

(Unit : Baht)

|   |                  |
|---|------------------|
| Cash and cash equivalent                                      | 261.48           |
| Other receivable  | 50,234.99        |
| Power purchase agreement                                      | 634,985,439.73   |
| Deferred tax liability  | (126,997,087.95) |
| Total purchase price for purchase of investment of subsidiary | 508,038,848.25   |
| Less Outstanding debts  | (341,991,125.00) |
| Less Cash and cash equivalents of subsidiary acquired         | (261.48)         |
| Cash paid to obtain control net of cash acquired              | 166,047,461.77   |

## 29. Employee benefit

### 29.1 Provident fund

For the year ended December 31, 2014, the Group recognizes as the employee benefit expense for the payment of contribution into the provident fund at the amount of Baht 4.40 million and Baht 3.06 million in consolidated and separate financial statement, respectively (2013 : Baht 3.63 million and Baht 2.04 million in consolidated and separate financial statement, respectively).

### 29.2 Retirement employee benefit

For the year ended December 31, 2014 and 2013, the Group recognizes the employee benefit expense in case of retirement or termination under the labor law, as follows :

(Unit : Baht)

|                      | Consolidated |              | Separate financial statement |              |
|----------------------|--------------|--------------|------------------------------|--------------|
|                      | 2014         | 2013         | 2014                         | 2013         |
| Current service cost | 1,438,868.00 | 866,074.02   | 935,633.00                   | 485,469.00   |
| Interest cost        | 465,351.00   | 268,585.00   | 317,042.00                   | 186,210.00   |
| Loss from estimation | -            | 4,628,495.00 | -                            | 3,554,950.00 |
| Total                | 1,904,219.00 | 5,763,154.02 | 1,252,675.00                 | 4,226,629.00 |



An item of the employee benefit expense in case of retirement or termination under the labor law for the year ended December 31, 2014 and 2013 are inclusively presented in the line items, as follows :

(Unit : Baht)

|                             | Consolidated |              | Separate financial statement |              |
|-----------------------------|--------------|--------------|------------------------------|--------------|
|                             | 2014         | 2013         | 2014                         | 2013         |
| Cost of sales               | 412,306.00   | 723,159.02   | -                            | -            |
| Administrative expenses     | 914,194.00   | 2,823,938.85 | 732,901.00                   | 2,101,845.15 |
| Management benefit expenses | 577,719.00   | 2,216,056.15 | 519,774.00                   | 2,124,783.85 |
| Total                       | 1,904,219.00 | 5,763,154.02 | 1,252,675.00                 | 4,226,629.00 |

### 30. Expenses by nature

The following expenditure items of expense have been classified by nature :

(Unit : Baht)

|   | Consolidated     |                | Separate financial statement |                |
|---|------------------|----------------|------------------------------|----------------|
|   | 2014             | 2013           | 2014                         | 2013           |
| Change in finished goods and work in process  | 35,213,090.22    | 45,091,006.78  | 26,770,320.75                | 12,412,601.75  |
| Purchased finished goods                      | 626,513,036.99   | 416,878,184.22 | 1,026,436,902.34             | 774,603,197.32 |
| Cost of construction services                 | 1,125,861,052.65 | 613,952,319.26 | 823,316,700.63               | 672,812,874.61 |
| Cost of maintenance services                  | 24,677,830.06    | 20,261,457.95  | 24,537,242.76                | 20,261,457.95  |
| Raw material and supplied used                | 273,890,256.61   | 326,103,549.89 | -                            | -              |
| Management benefit expenses                   | 58,387,095.79    | 46,431,002.13  | 50,602,146.41                | 36,829,884.89  |
| Employee benefit                              | 135,962,152.19   | 113,208,944.81 | 60,794,024.53                | 45,335,144.85  |
| Depreciation and amortization expenses        | 26,349,911.03    | 17,591,524.90  | 9,988,754.21                 | 5,525,959.23   |
| Loss for diminution of inventories (Reversal) | (9,623,055.01)   | (5,029,990.45) | (6,223,234.04)               | 1,964,421.80   |
| Transportation expense                        | 4,478,434.09     | 2,011,409.00   | 3,846,043.84                 | 1,524,579.92   |
| Project consultant fee and other fee          | 57,964,213.01    | 37,602,150.84  | 18,611,871.18                | 31,381,560.92  |
| Outsource fee                                 | 14,047,823.61    | 45,265,827.31  | -                            | -              |
| Development and office service fee            | -                | 11,962,072.00  | -                            | -              |



### 31. Operating segments

The Group identified the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment in the form of type of business operated. The Group has four operating segments which consist of the manufacturing and distributions of electrical hardware segment, the generating and selling electricity segment, the construction service segment and the operation and maintenance service segment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses, finance cost and share of profit or loss in associates and jointly controlled entities.



The reconciliations of each segment total assets to the Group's assets and other material items.

(Unit : Million Baht)

|              | Consolidated  |          |                                    |        |                      |        |                     |          |
|--------------|---|----------|------------------------------------|--------|----------------------|--------|---------------------|----------|
|              | Manufacturing and distribution of electrical hardware |          | Generating and selling electricity |        | Construction service |        | Maintenance service |          |
|              | 2014  | 2013     | 2014                               | 2013   | 2014                 | 2013   | 2014                | 2013     |
| Assets       | 2,913.08  | 1,778.39 | 881.34                             | 547.98 | 245.39               | 167.72 | 3,219.39            | 2,085.52 |
| Depreciation | 7.85  | 7.37     | 8.51                               | 4.09   | 0.05                 | -      | 7.79                | 5.65     |
| Amortization | 2.01  | 0.37     | 0.06                               | 0.03   | -                    | -      | 0.07                | 0.07     |
|              |   |          |                                    |        |                      |        | 24.20               | 17.11    |
|              |   |          |                                    |        |                      |        | 2.15                | 0.47     |
|              |   |          |                                    |        |                      |        |                     | 4,579.61 |

The Group has the revenue from sale of goods to 4 major customers (2013 : 2 major customers) earned by manufacturing and distribution of electrical hardware segment, generating and selling electricity segment and construction service segment in the amount of Baht 1,892.70 million. (2013 : Baht 1,014.41 million).

## 32. Financial instruments

The principal financial risks faced by the Group are interest rate risk, credit risk and foreign currency. The Group did not speculate in or engage in trading of any derivative financial instruments.

### 32.1 Risks from Interest Rates

Risk from interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. Risk from interest rates remains due to bank deposit, loans to related parties, credit facilities owing to the commercial bank and related parties. Due to the fact that such financial assets and liabilities constitute interest rates which are always closed to market interest rate; as a result, the Group anticipates of non material risk from interest rates.

|  | Consolidated                 |        |                             |                 |
|--|------------------------------|--------|-----------------------------|-----------------|
|  | Amount (Unit : million baht) |        | Interest rate per annum (%) |                 |
|  | 2014                         | 2013   | 2014                        | 2013            |
| Saving accounts                          | 563.68                       | 120.45 | 0.0100 - 0.5000             | 0.7500 - 2.5000 |
| Fixed deposits                           | 14.90                        | 0.02   | 1.1250 - 1.6250             | 1.6250 - 1.8500 |
| Bill of exchange                         | 900.00                       | 19.00  | 2.1000 - 4.7500             | 2.1500 - 2.2500 |
| Deposits pledged as collateral           | 47.58                        | 61.94  | 0.3750 - 3.0000             | 0.5000 - 2.3500 |
| Short-term loan from finance institution | 2,109.95                     | 241.61 | 2.0719 - 4.0000             | 2.1046 - 5.9750 |
| Long-term loan from finance institution  | 156.50                       | 313.00 | 6.7500                      | 6.7500 - 7.0000 |
| Obligation under finance lease           | 28.26                        | 28.96  | 1.5920-16.4440              | 2.27477-16.4440 |

|  | Separate financial statements |        |                             |                    |
|--|-------------------------------|--------|-----------------------------|--------------------|
|  | Amount (Unit : million baht)  |        | Interest rate per annum (%) |                    |
|  | 2014                          | 2013   | 2014                        | 2013               |
| Saving accounts                          | 276.96                        | 34.48  | 0.0100 - 0.5000             | 0.5000 - 2.5000    |
| Fixed deposits                           | 0.02                          | 0.02   | 1.1250                      | 1.6250 - 1.8500    |
| Bill of exchange                         | 900.00                        | 19.00  | 2.1000 - 4.7500             | 2.1500 - 2.2500    |
| Deposits pledged as collateral           | 45.72                         | 45.53  | 0.3750 - 3.0000             | 0.6250             |
| Short-term loan to subsidiary            | 7.00                          | -      | 3.7500                      | -                  |
| Short-term loan from finance institution | 2,050.54                      | 122.26 | 2.0719 - 4.0000             | 2.2500 - 5.9750    |
| Short-term loan from subsidiary          | 230.50                        | 45.61  | 3.0000 - 4.6000             | 3.0000 - 5.0000    |
| Obligation under finance lease           | 22.73                         | 22.32  | 2.27477 - 12.00654          | 2.27477 - 12.00654 |

### 32.2 Credit risk

The Group does not expose the risk from credit provision in connection to trade receivable most from the sale of goods whose capability is good at debt repayment. The Group has dealt with these clients for a long time therefore, it is anticipated of non risk derived from non-payment of those trade receivable. Moreover, the Group has no significant concentrations of credit risks.

### 32.3 Foreign currency risk

The Group constitutes material risk from exchange rates in oversea currencies which has been cash at bank, trade receivable, trade payable and trust receipt that are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at December 31, 2014 and 2013, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follow:

| Foreign currency | As at December 31, 2014 |              |                               |              |
|------------------|-------------------------|--------------|-------------------------------|--------------|
|                  | Consolidated            |              | Separated financial statement |              |
|                  | Assets                  | Liabilities  | Assets                        | Liabilities  |
| USD              | 6,830,376.29            | 2,341,578.44 | 6,830,376.29                  | 469,527.73   |
| EURO             | 780,524.45              | 2,566,146.27 | 780,522.22                    | 2,566,146.27 |
| JPY              | -                       | 5,036,815.00 | 50,000,000.00                 | 4,739,815.00 |

| Foreign currency | As at December 31, 2014 |              |                               |             |
|------------------|-------------------------|--------------|-------------------------------|-------------|
|                  | Consolidated            |              | Separated financial statement |             |
|                  | Assets                  | Liabilities  | Assets                        | Liabilities |
| USD              | 972,207.89              | 4,082,725.67 | 972,207.89                    | 428,925.45  |
| EURO             | 2,093.75                | 28,418.78    | 2,018.46                      | 28,418.78   |
| JPY              | -                       | 1,246,700.00 | -                             | 78,400.00   |

### Forward foreign currencies contracts

As at December 31, 2014 and 2013, the Group has performed the forward foreign currencies contract which holds the contract life not exceeding one year as follows :-

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 2014          | 2013          |
| <b>Buying forward foreign exchange contracts</b>               |               |               |
| Buying forward foreign exchange contracts in EURO currency     |               |               |
| Amount EURO 0.27 million at average rate Baht 40.1837 per EURO | 10,738,679.90 | -             |
| Buying forward foreign exchange contracts in USD currency      |               |               |
| Amount USD 0.52 million at average rate Baht 31.2496 per USD   | -             | 16,241,170.83 |
| <b>Fair value of buying forward foreign exchange contracts</b> |               |               |
| Buying forward foreign exchange contracts in EURO currency     | 10,698,881.81 | -             |
| Buying forward foreign exchange contracts in USD currency      | -             | 17,071,359.02 |

|  | Separated financial statement |      |
|--|-------------------------------|------|
|  | 2014                          | 2013 |
| <b>Buying forward foreign exchange contracts</b>               |                               |      |
| Buying forward foreign exchange contracts in EURO currency     |                               |      |
| Amount EURO 0.27 million at average rate Baht 40.1837 per EURO | 10,738,679.90                 | -    |
| <b>Fair value of buying forward foreign exchange contracts</b> |                               |      |
| Buying forward foreign exchange contracts in EURO currency     | 10,698,881.81                 | -    |

### 34.4 Fair value

The carrying amounts of the following financial assets and liabilities approximate to their fair values : cash and cash equivalent, short-term investments, trade receivable and payable, other receivable and payable, loans to and loan from related parties due to the short maturity period.

The carrying amounts of obligation under financial lease and long-term loans approximate fair value due to floating interest rate.

### 33. Promotional privileges

Five subsidiaries has been granted promotional privileges under the Investment Promotion Act B.E. 2520 (or 1977) by the Board of Investment under certain significant conditions. Significant privileges granted to such subsidiaries are summarized below.

| Details  |              |              |              |              |              |              |              |              |  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| 1. Promotion certificate No.   | 2808(1)/2555 | 2809(1)/2555 | 2460(1)/2556 | 2392(1)/2557 | 1813(1)/2556 | 1286(1)/2557 | 1450(1)/2557 | 1451(8)/2557 |  |
| 2. Promotional privileges for  | Wind energy  | Wind energy  | Wind energy  | Wind energy  | Solar energy | Solar roof   | Solar roof   | Solar roof   |  |
| 3. Significant privileges include:   |              |              |              |              |              |              |              |              |  |
| 3.1 Exemption of corporate income tax on net profit for 8 years. In cases where the business incurs a loss during that period of exemption, the loss incurred in such period can be taken as a deduction from net profit of the years after the period of exemption, not exceeding five years. | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      |  |
| 3.2 Exemption of import duty on machinery as approved by the Board.  | 8 years      | 8 years      | 8 years      | 8 years      | 8 years      | 8 years      | 8 years      | 8 years      |  |
| 3.3 Exemption of income tax on dividends paid from the profit of the promoted operation over the above corporate income tax exemption period.  | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      | Granted      |  |



| Details  |                         |                         |                         |                         |                         |                         |                         |                         |                   |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------|
| 3.4 An allowance of fifty percent of the normal rate of corporate income tax on net profit for a period of five years after the expiry date of the corporate income tax exemption period as described in 3.1) above. | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | -                 |
|  | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | -                 |
| 3.5 Permission to deduct double the cost of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing from the date of earning operating income.            | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | -                 |
| 3.6 Permission to deduct the cost of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.   | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | -                 |
| 3.7 Have been granted authorization for export of foreign currencies.  | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | Granted                 | -                 |
| 4. Date of first earning operating income  | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | September 3, 2013 |
| 5. Date of expired privileges  | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | Not started to used yet | September 2, 2013 |

## 34. Commitments and contingent liabilities

- 34.1 As at December 31, 2014, the Group has commitments relating to letters of credit which has been withdrawn in amount of USD 0.08 million and amount of EUR 0.10 million (2013 : USD 5.28 million).
- 34.2 As at December 31, 2014, the Group constitutes contingent liability from issuance of guarantee letter of the bank by amount of Baht 582.30 million, amount of USD 4.01 million and amount of EURO 0.45 million (2013 : amount of Baht 685.65 million, USD 7.64 million and EURO 1.32 million.)
- 34.3 As at December 31, 2014, one subsidiary constitutes obligation commitment in mold contract against various company by amount of Baht 1.34 million (2013 : Baht 0.23 million).
- 34.4 As at December 31, 2014 and 2013, subsidiaries entered into the Power Purchase Agreement with Provincial Electricity Authority ("PEA") Electricity Generating Authority of Thailand ("EGAT") and Metropolitan Electricity Authority("MEA") are as follow :-

| <u>Agreement date</u> | <u>Power electricity size</u> | <u>Term</u>                         |
|-----------------------|-------------------------------|-------------------------------------|
| November 23, 2011     | 50.00 Megawatts               | 5 years/renew automatically 5 years |
| July 10, 2012         | 8.00 Megawatts                | 5 years/renew automatically 5 years |
| July 10, 2012         | 2.00 Megawatts                | 5 years/renew automatically 5 years |
| August 1, 2012        | 0.94 Megawatts                | 5 years/renew automatically 5 years |
| November 1, 2013      | 22.40 Kilowatts               | 25 years                            |
| November 1, 2013      | 241.92 Kilowatts              | 25 years                            |
| November 1, 2013      | 499.20 Kilowatts              | 25 years                            |
| November 27, 2013     | 224.64 Kilowatts              | 25 years                            |
| November 29, 2013     | 538.56 Kilowatts              | 25 years                            |
| December 17, 2013     | 60.00 Megawatts               | 5 years/renew automatically 5 years |
| November 8, 2013      | 873.60 Kilowatts              | 25 years                            |
| November 21, 2013     | 998.40 Kilowatts              | 25 years                            |

- 34.5 The Group was committed the consultant fee to prepare environmental impact reports and engineering feasibility studies. As at December 31, 2014, the Group had outstanding commitments being amount of Baht 10.10 million and AUD 2,946.66 (2013 : Baht 10.79 million).

- 34.6 As at December 31, 2014, the Group has entered into lease and service agreements with the third party. The Group is committed to pay for the rental in amount of Baht 1,250.00 - 129,000.00 per month and amount of USD 3,500.00 per month. (2013 : Baht 1,250.00 - 1,018,508.00 per month and amount of USD 3,500.00 per month).
- 34.7 The Group has obligation commitment in operation and maintenance service of power plant contract in 2 contracts in amount of Baht 65.58 million (2013: Baht 65.58 million). As at December 31, 2014, the Group outstanding obligation remains at Baht 31.42 million (2013 : Baht 44.54 million).
- 34.8 One subsidiary has performed the land rental agreement for transmission line pole installment with the third party in 1 contract for the period 25 years. As at December 31, 2014, such subsidiary outstanding obligation remains at Baht 0.22 million.
- 34.9 One subsidiary has performed the security system and related equipment installment agreement which has the value in amount is Baht 31.30 million. As at December 31, 2014, such subsidiary outstanding obligation remains at Baht 8.90 million.
- 34.10 One subsidiary constitutes obligation commitment of area compensation for generate electricity with third parties in 6 contracts which has the value in amount is Baht 9.71 million. As at December 31, 2014, such subsidiary outstanding obligation remains at Baht 9.30 million.
- 34.11 One subsidiary has performed the land rental agreement for wind turbine and related equipment installment in 1 contract for the period 25 years. As at December 31, 2014, such subsidiary outstanding obligation remains at Baht 2.29 million.
- 34.12 As at December 31, 2014 and 2013, the Company constitutes obligation commitment of power plant from the solar energy agreement and service are as follows :-

|  | Consolidated       |                    | Separate financial statement |                    |
|--|--------------------|--------------------|------------------------------|--------------------|
|  | 2014               | 2013               | 2014                         | 2013               |
| Total value of construction agreements | 1,555,995,003.93   | 4,931,808,860.63   | 1,113,986,285.63             | 4,994,005,442.63   |
| Total revenue from construction        | (1,423,633,659.85) | (3,894,602,767.92) | (1,029,643,341.55)           | (3,956,799,349.92) |
| Balance                                | 132,361,344.03     | 1,037,206,092.71   | 84,342,944.08                | 1,037,206,092.71   |

34.13 The Group was committed the construction services of power plant with third parties at Baht 66.75 million. (2013 : Baht 477.10 million) As at December 31, 2014, the Group had outstanding commitments being amount of Baht 28.25 million (2013 : Baht 464.39 million).

34.14 On September 18, 2014, the Company has signed of Memorandum of Understanding ("MOU") for joining Solar Roof business with East Coast Furnitech Public Company Limited ("ECF") and establish a joint venture company with respect to potential project co-development. The company has proportion in investment of 25.01% and ECF has proportion in investment of 74.99%.

## 35. Prosecuted Cases

In 2008, the Company constitutes prosecuted case in number of one case which is civil case of the Civil Court, black case number at 2933/2008, red case number at 700/2009 while the Company is defendant in the subject of purchasing selling, infringement, damaged fee claimant in capital amount of Baht 8,969,821.12 The Primary Court has adjudicated that the defendant repays amount of Baht 1,533,721.12 plus interest in the rate of 7.50% per annum commenced from the prosecuted date forwards until it will completely repay to the plaintiff and the Company repays charge fees in replacement of the plaintiff. The Company has requested for appeal to dismiss. For the time being, the case in under hearing of the Appeal Court and the Company anticipates that it should win the case finally.

### 36. Events after the reporting period

The Board of Directors' Meeting No. 2/2015 with held on February 21, 2015, has the following resolutions

- Approval to propose to shareholders meeting to pay annual dividends to the Company's shareholders from the Company's operating result of 2014. The dividend is to be paid as stock dividend in the number of 220,000,000 ordinary shares, with par value of Baht 1.00 each, at a ratio of 4 existing ordinary shares to receive stock dividend of 1 share, with a total amount of not exceed Baht 220.00 million, or equivalent to the dividend of Baht 0.250 per share. In the case of any shareholder with a fraction of the shares after the stock dividend distribution, will be entitled to receive cash dividend at the rate of Baht 0.250 per share. In addition the Company will pay a cash dividend at Baht 0.028 per share, or equivalent to amount of not exceed Baht 24.80 million. Total annual dividend payment in form of cash and stock dividend equal to Baht 0.278 per share, equivalent to amount of not exceed Baht 244.80 million.
- Approval to reduce in the Company's registered capital by cancelling 9,664 of the ordinary shares that were unable to be allocated as stock dividend.
- Approval to increase of the Company's registered share capital from Baht 879,990,265.00 to Baht 1,099,990,265.00 by issuing new 220,000,000 ordinary shares with a par value of Baht 1.00 each. The objective of the capital increase is to reserve shares for stock dividend payment.

### 37. Approval of financial statements

These consolidated and separated financial statements were authorized for issue by the Company's board of directors on February 21, 2015.

Smart Energy in Action





บริษัท กันกุลเอ็นจิเนียริ่ง จำกัด (มหาชน)

GUNKUL ENGINEERING PUBLIC COMPANY LIMITED

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