

BCPG Public Company Limited
Management Discussion and Analysis of Business Operation
For the Year Ended December 31, 2016



Summary of Significant Events in 2016

- **February 2016 – First step in international business expansion by acquisition of solar power plants in Japan from SunEdison**

The Company has acquired solar power plants in Japan from SunEdison with the maximum contracted capacity of 164 megawatts (maximum installed capacity of 200 megawatts).

- **March 2016 – Transformation into a public limited company**

The Company was registered to transform into a public limited company on March 25, 2016, and the par value of ordinary shares at Baht 10.0 per share was changed to Baht 5.0 per, by which the Company's number of shares increased from 370.0 million shares to 740.0 million shares.

- **March 2016 – Registered capital increase to Baht 10,000.0 million as the preparation for listing in the Stock Exchange of Thailand**

The Company's registered capital increase for not exceeding Baht 6,300 million added its total registered capital increase from Baht 3,700.0 to Baht 10,000.0 million by an issuance of capital-increase ordinary shares for not exceeding 1,260.0 million shares with a par value of Baht 5.0 per share. The allocations of capital-increase shares were:

(1) Capital-increase shares for not exceeding 660.0 million shares with a par value of Baht 5.0 per shares were offered for sales to the existing shareholders of the Company subject to the right offering. The payments for this portion of capital-increase ordinary shares were completed on March 28, 2016.

(2) Capital-increase shares for not exceeding 600.0 million shares with a par value of Baht 5.0 per shares were allocated in the initial public offering (IPO), including but not limited to: (I) shareholders of BCP for their pre-emptive rights; and (II) general investors.

- **April 2016 – Additional investment in solar power plants in Japan**

The Group of Companies acquired 100% of shares in Huang Ming Japan Company Limited (HMJ) and also acquired certain of key licenses and plots of land to be utilized for the operation of a solar power plant in Japan with the total contracted capacity of 30 megawatts (approximately installed capacity of 36 megawatts).

- **April 2016 – Be selected by drawing lots for the solar farm projects for agricultural cooperatives**

Three solar farm projects for agricultural cooperatives supported by the Group of Companies were selected by drawing lots and would be entitled to enter into the agreements with the Provincial Electricity Authority ("PEA") with the contracted capacity and installed capacity in an aggregate of 12 megawatts; namely,

(1) A 5.0 MW power plant located at Wiset Chai Chan District, Ang Thong Province;

(2) A 5.0 MW power plant located at Bang Pa-in District, Phra Nakhon Si Ayutthaya Province; and

(3) A 2.0 MW power plant located at Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya Province.

- **July 2016 – Commercial operation of Nikaho solar power plant project in Japan**

The Nikaho solar power plant (Project 5), which is located at Akita, Japan with the contracted capacity of 8.8 megawatts (installed capacity of 13.2 megawatts) has commenced the commercial operation. Therefore, 5 solar power plants of the Company have already commenced the commercial operation with the total contracted capacity of 19.5 megawatts (total installed capacity of 26.1 megawatts).

- **September 2016 – Initial public offering and listing in the Stock Exchange of Thailand**

The Company has made its initial public offering (IPO) on 14-16 and 19-20 September 2016 in an aggregate of 590,000,000 shares at Baht 10.00 per share. The purposes of this IPO were to obtain the capital for the Company's local and international business expansions. The Company was listed in the Stock Exchange of Thailand in the energy & utilities sector on September 28, 2016.

- **September 2016 – Settlement of legal dispute in Suimei project**

Godo Kaisha Natosi ("Natosi") (formerly SunEdison Japan SPC 19 Godo Kaisha), an indirect subsidiary, has had the legal dispute with a third party ("Plaintiff"). The Plaintiff filed Natosi and 3 project initiators of the Suimei project (Project 8) (collectively called "Defendant") to Tokyo District Court by claiming that it had the ownership in such project. The estimated claim was approximately JPY 2.2 billion together with the delinquent charge at 6.0 percent per annum starting from April 29, 2015 whereas the Defendant had joint and several liabilities. However, on September 30, 2016, the Plaintiff and Natosi could settle this legal dispute, that is, the judge was confirmed by the Plaintiff that it withdrew the charge and this case was final.

- **December 2016 – Commercial operation of solar farm projects for agricultural cooperatives**

Two solar farm projects for agricultural cooperatives supported by the Group of Companies with the total contracted and installed capacity of 7.0 megawatts have commenced the commercial operation. The 5.0 MW power plant is located at Wiset Chai Chan District, Ang Thong Province, and the 2.0 MW power plant is located at Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya Province. Therefore, the Company, now, has 10 solar power plants in Thailand, which have already commenced the commercial operation with the total contracted capacity of 125.0 megawatts (total installed capacity of 177.0 megawatts).

Summary of the Company and its subsidiaries' operating results for 2016

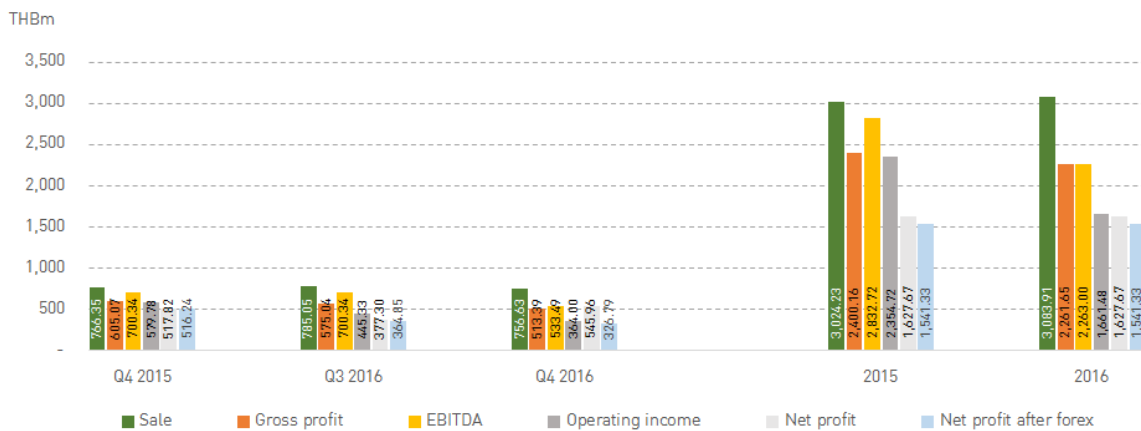
1. Overview

In Q4/2016, BCPG Public Company Limited and its subsidiaries (collectively called "Group of Companies") earned revenues of Baht 756.63 million in total from electric sale or decreased by 1.3% YoY and 3.6% QoQ. Earnings before interest, taxes, depreciation and amortization ("EBITDA")

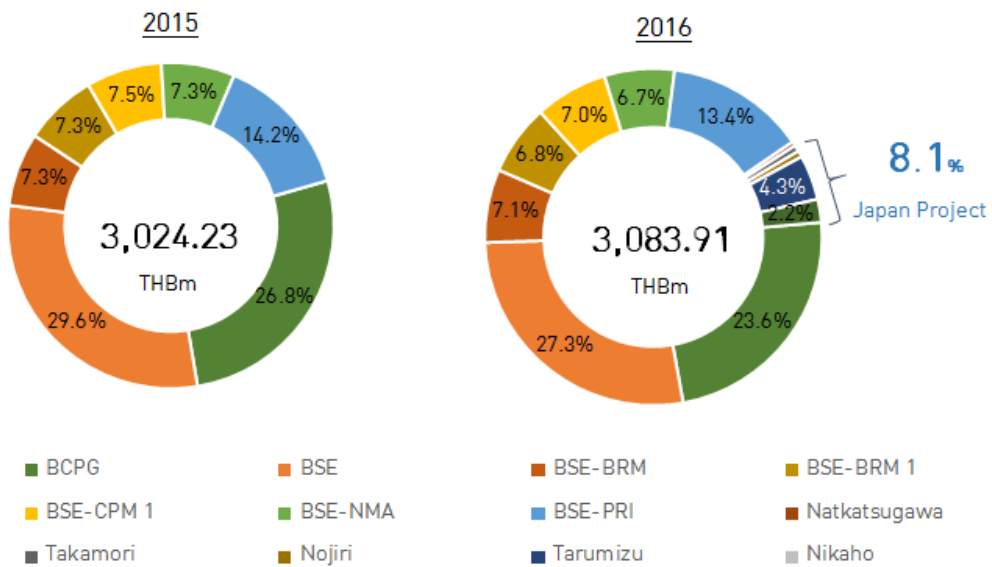
(excluding other revenues and gains (loss) on foreign exchange) were Baht 533.49 million or a decrease of 23.8% YoY and an increase of 10.8% QoQ. The operating profit of the Group of Companies was Baht 364.00 million or a decrease of 37.2% YoY and a rising of 18.3% QoQ. The net profit was recorded at Baht 326.79 million or dropped by 36.7% YoY and 10.4% QoQ. If loss on foreign exchange was not included, the net profit would be Baht 545.96 million.

In FY2016, the Group of Companies has earned revenues totaling Baht 3,083.91 million or an increase of 2.0% YoY. EBITDA (excluding other revenues and gains (loss) on foreign exchange) was Baht 2,663.00 million or fell by 20.1% YoY. The net profit (excluding gains (loss) on foreign exchange) was Baht 1,627.67 million or a decline equivalent to 24.3% YoY.

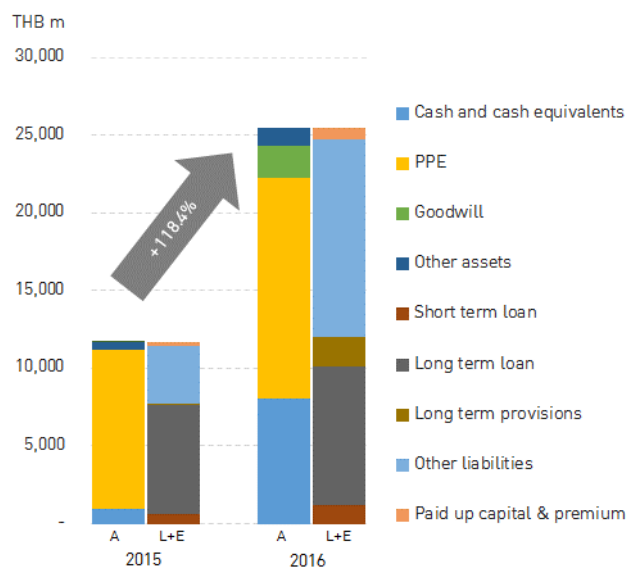
Business Performances of BCPG's Group



Revenues from Each Operating Units for Year 2015-2016



The Structure of Asset Liabilities & Equity



As of the end of 2016, the Group of Companies recorded higher assets to be Baht 25,488.56 million or an increase of 118.4% when compared to the end of 2015. Over 55 percent of such assets were Property, plant and equipment, followed by cash and cash equivalents, which accounted for 31.6% of total assets. Debt-to-Equity ratio of the Group of Companies was equivalent to 0.89 times at the end of 2016 while 1.97 times as of the end of 2015.

2. Summary of operating results

Business Performances of BCPG's Group

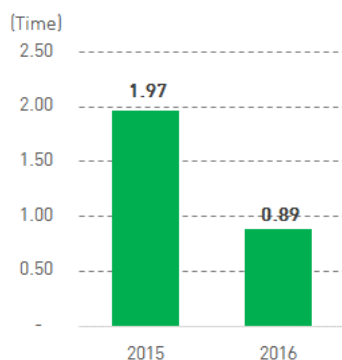
(THBm)	Q4 2015	Q3 2016	Q4 2016	YoY	QoQ	2015	2016	YoY
Sale	766.35	785.05	756.63	-1.3%	-3.6%	3,024.23	3,083.91	2.0%
Gross profit	605.07	575.04	513.39	-15.2%	-10.7%	2,400.16	2,261.65	-5.8%
EBITDA ^{1/}	700.34	598.29	533.49	-23.8%	-10.8%	2,832.72	2,263.00	-20.1%
EBITDA	701.74	599.42	349.16	-50.2%	-41.8%	2,845.15	2,559.45	-10.0%
Operating profit ^{1/}	579.78	445.33	364.00	-37.2%	-18.3%	2,354.72	1,661.48	-29.4%
Net profit ^{2/}	517.82	377.30	545.96	5.4%	44.7%	2,148.95	1,627.67	-24.3%
Net profit after Forex ^{2/}	516.24	364.85	326.79	-36.7%	-10.4%	2,147.37	1,541.33	-28.2%

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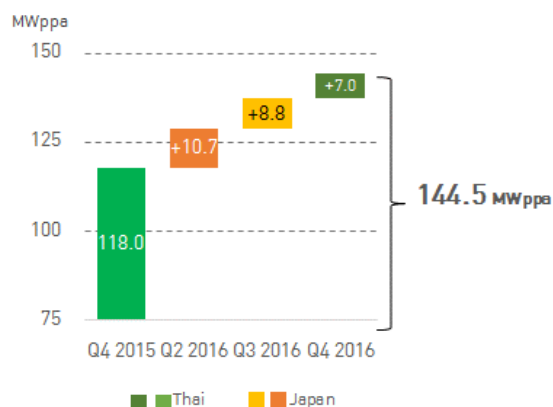
^{1/} EBITDA and operating profit exclude other income and gains (loss) on foreign exchange

^{2/} Net profit excludes gains (loss) on foreign exchange

Revenue Structure classified by Geography



Production Capacity based on PPA



In Q4/2016, the Group of Companies earned the revenues from electric sales amounting to Baht 756.63 million or a decline of 1.3% YoY and 3.6% QoQ, mainly resulted by less irradiance in the country in 2016 if compared with 2015. In addition, the winter in Japan caused less quantity of electricity generated. Also, the base tariff in the country has gradually dropped from Baht 3.54-Kwh in Q4/2015 to Baht 3.06-Kwh in Q4/2016, which resulted to lower revenues from electric sales.

In FY2016, the Group of Companies has acquired, on February 2016, the solar power plants from SunEdison; that is, 5 projects have commenced the commercial operation (with total installed capacity of 26 megawatts) and another 9 projects have been under construction and development (with total installed capacity of 174 megawatts). Therefore, the generating capacity of the Group of Companies has been rising for another 200 megawatts to have the installed capacity of 418 megawatts in total. According to the Business Acquisition Agreement, the Group of Companies would be able to recognize the performance results for its business in Japan from January 2016 onwards. Therefore, the Group of Companies has gained revenues equivalent to Baht 253.31 million in 2016 from the commercial operation of each project. However, some projects have not yet recognized the revenue recognition for the whole year; for example, Nikaho project with the contracted capacity of 8.8 megawatts (installed capacity of 13.2 megawatts) operated the commercial operation in July 2016.

The Group of Companies' revenues from electric sales still have been mainly derived from its business in Thailand, which accounted for 91.8% of total revenues from electric sales. In 2016, the revenues from electric sales in Thailand amounted to Baht 2,830 million, a decline of 6.4% YoY, which were mainly due to less irradiance in the country in 2016 if compared with 2015. Hence, the quantity of generated electricity dropped to 254,397 megawatts per hour or fell by 3.5% YoY. In addition, the base tariff that has gradually dropped to Baht 3.14-Kwh from Baht 3.48-Kwh in 2015 was another factor lowering revenues from electric sales.

For business overview in FY2016, the Group of Companies has earned the revenues from electric sales amounting to Baht 3,083.91 million or increased by 2.0% YoY, which have been positively affected by the marginal revenues from its electricity generating business in Japan. This could compensate the weak revenues in Thailand caused by lower generating quantity and base tariff.

In Q4/2016, the Group of Companies recorded the gross profit in the amount of Baht 513.39 million, fell by 15.2% YoY and 10.7% QoQ as resulted by the plunge of revenues from its business in Japan for 39.2%. Meanwhile, the unit cost of business in Japan was quite high if compared with that in Thailand, and it was the fixed expense; as a result, the Group of Companies had lower gross profit. For EBITDA (excluding other revenues and gains (loss) on foreign exchange) equivalent to Baht 533.49 million or a decline of 23.8% YoY or 10.8% QoQ was due to higher administrative expenses from business expansion, e.g. personnel expenses, consulting fee, expenses for the offering of IPO, and travelling cost, etc. (see details in 2.3), which were reflected in the net profit amounting to Baht 545.96 million or an increase of 5.4 YoY and 44.7 QoQ.

In 2016, the gross profit of the Group of Companies was Baht 2,261.65 million or a drop of 5.8% YoY resulted by the same causes in Q4/2016, e.g. higher expenses and lower revenues from external factors. EBITDA (excluding other revenues and gains (loss) on foreign exchange) equivalent to Baht 2,263.00 million or a decline of 20.1% YoY was due to higher administrative expenses from business expansion, which were also reflected in the net profit amounting to Baht 1,627.67 million or a drop of 24.3% YoY.

2.1. Revenue from Electricity Sales

Revenue Structure of Each Solar Plant

(THB million)	Q4 2015	Q3 2016	Q4 2016	YoY	QoQ	2015	2016	YoY
1. Solar plants in Thailand	766.35	679.70	692.82	-9.6%	1.9%	3,024.23	2,830.60	-6.4%
1.1 BCPG								
Based tariff	61.36	50.79	47.15	-23.2%	-7.2%	245.44	204.45	-16.7%
Adder	145.86	126.88	122.44	-16.1%	-3.5%	567.28	513.60	-9.5%
2. BSE								
Based tariff	65.75	57.21	57.77	-12.1%	1.0%	269.05	240.16	-10.7%
Adder	155.27	143.17	149.84	-3.5%	4.7%	620.48	602.50	-2.9%
1.3 BSE-BRM								
Based tariff	16.54	14.99	14.56	-12.0%	-2.9%	66.65	61.50	-7.7%
Adder	39.44	37.73	37.91	-3.9%	0.5%	154.46	155.05	0.4%
1.4 BSE-BRM 1								
Based tariff	16.32	14.49	14.19	-13.0%	-2.0%	66.08	59.46	-10.0%
Adder	38.88	36.45	36.95	-5.0%	1.4%	153.25	149.81	-2.2%
1.5 BSE-CPM 1								
Based tariff	16.90	14.50	14.81	-12.4%	2.1%	68.37	61.37	-10.2%
Adder	40.02	36.62	38.66	-3.4%	5.6%	158.21	154.97	-2.0%
1.6 BSE NMA								
Based tariff	16.13	14.16	14.18	-12.1%	0.1%	65.96	59.01	-10.5%
Adder	38.45	35.52	37.02	-3.7%	4.2%	152.87	148.56	-2.8%
1.7 BSE-PRI								
Based tariff	34.08	27.63	29.11	-14.6%	5.3%	131.40	118.67	-9.7%
Adder	81.35	69.56	76.18	-6.4%	9.5%	304.73	299.44	-1.7%
Feed-in-Tariff	-	-	2.05	n.a.	n.a.	-	2.05	n.a.
2. Solar plants in Japan	-	105.35	63.81	n.a.	-39.4%	-	253.31	n.a.
2.1 Natkatsugawa	-	3.95	2.75	n.a.	-30.4%	-	12.58	n.a.
2.2 Takamori	-	5.13	3.70	n.a.	-27.9%	-	17.89	n.a.
2.3 Nojiri	-	5.23	3.40	n.a.	-35.0%	-	17.33	n.a.
2.4 Tatumizu	-	39.55	30.23	n.a.	-23.6%	-	130.23	n.a.
2.5 Nikaho	-	51.50	23.73	n.a.	n.a.	-	75.28	n.a.
Total Revenue	766.35	785.05	756.63	-3.6%	-1.3%	3,024.23	3,083.91	n.a.

Production of Each Solar Plant

[MW-hr]	Q4 2015	Q3 2016	Q4 2016	YoY	QoQ	2015	2016	YoY
Total production	66,400	69,074	67,926	2.3%	-1.7%	263,323	273,900	4.0%
Production - Thailand	66,400	61,007	63,021	-5.1%	3.3%	263,323	254,397	-3.4%
BCPG	17,004	15,873	15,319	-9.9%	-3.5%	69,716	64,254	-7.8%
BSE	19,476	17,994	18,834	-3.3%	4.7%	77,790	75,681	-2.7%
BSE-BRM	4,961	4,744	4,768	-3.9%	0.5%	19,418	19,495	0.4%
BSE-BRM 1	4,905	4,583	4,647	-5.3%	1.4%	19,231	18,836	-2.1%
BSE-CPM 1	5,036	4,605	4,862	-3.4%	5.6%	19,826	19,466	-1.8%
BSE-NMA	4,883	4,464	4,653	-4.7%	4.2%	19,212	18,671	-2.8%
BSE-PR1	10,136	8,745	9,575	-5.5%	9.5%	38,130	37,632	-1.3%
CAYA ^{2/}	-	-	162	n.a.	n.a.	-	162	n.a.
CWSC ^{2/}	-	-	200	n.a.	n.a.	-	200	n.a.
Averaged base tariff^{1/}	3.54	3.14	3.06	-13.7%	-2.7%	3.48	3.14	-9.8%
Electricity production - Japan	n.a.	8,067	4,905	n.a.	138.0%	n.a.	19,504	n.a.
Natkatsugawa	n.a.	296	217	n.a.	21.9%	n.a.	977	n.a.
Takamori	n.a.	368	297	n.a.	11.1%	n.a.	1,319	n.a.
Nojiri	n.a.	376	275	n.a.	19.7%	n.a.	1,284	n.a.
Tarumizu	n.a.	3,073	2,251	n.a.	22.9%	n.a.	10,106	n.a.
Nikaho	n.a.	3,953	1,865	n.a.	n.a.	n.a.	5,818	n.a.
Feed-in Tariff	n.a.	40.00	40.00	n.a.	-	n.a.	40.00	n.a.

Remark:

^{1/} Base tariff rates mentioned above excluding Adder

^{2/} Base tariff rate subject to electricity cost with Feed-in-Tariff scheme

2.2. Other Incomes

During Q4/2016, the Group of Companies earned other incomes amounting to Baht 261.37 million, risen by 8,669.2% YoY and 1,824.9% QoQ, which was mainly affected by the gain on bargain purchase with SunEdison about the business acquisition in Japan amounting to Baht 226.59 million. Such profit drove other incomes up to Baht 296.45 million in 2016.

Other Incomes

(ล้านบาท)	Q4 2015	Q3 2016	Q4 2016	YoY	QoQ	2015	2016	YoY
Investment - interest income	2.66	2.49	20.26	662.0%	712.0%	13.68	26.76	95.7%
Gain from bargaining	-	-	226.59	n.a.	n.a.	-	226.59	n.a.
Others	0.32	11.09	14.58	4416.8%	31.5%	0.34	43.10	12620.9%
Other income	2.98	13.58	261.43	8669.2%	1824.9%	14.02	296.45	2015.2%

2.3. Costs and Expenses

Cost of sales and services

In FY2016, the cost of sales and services of the Group of Companies totaled Baht 822.26 million, up by 31.8% YoY mainly due to (1) higher depreciation and amortization of 5 power plants in Japan, and (2) administrative expenses for projects in Japan, e.g. administrative expenses, electricity-water expenses, and corporate tax, etc.

Administrative expenses

In FY2016, the Group of Company recorded the administrative expenses at Baht 600.17 million, up by 1,220.8% YoY mainly due to (1) rising expenses relating to personnel, which involved some expenses for personnel in Thailand that, previously, have been recorded in those of Bangchak Petroleum Public Company Limited (“Bangchak”), and some increasing expenses from the business restructuring and expansion as well as expenses for personnel in Japan, and (2) higher amount of consulting fee amounting to Baht 208.50 million whereas some transactions were not related to the normal business operation, e.g. expenses relating to business acquisition, other consulting fee, organization cost, etc. in an aggregate of Baht 183.96 million. Most expenses were the consulting fee for the business acquisition from SunEdison.

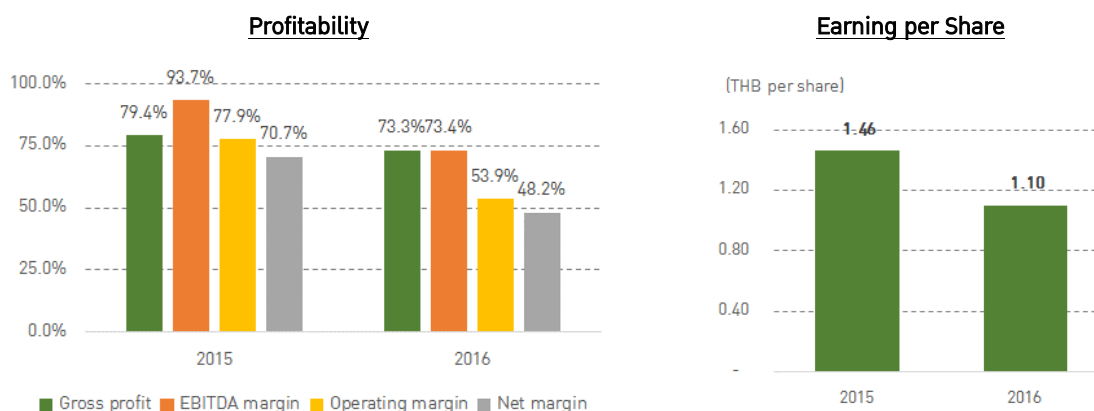
2.4. Financial Cost

At the end of 2016, the Group of Companies recorded the remaining amount of loans totaling Baht 10,150.22 million, up by 39.1% when compared to the end of 2015. In 2016, the Group of Companies had the financial cost at Baht 349.32 million or 4% on average.

2.5. Loss on Foreign Exchange

At the end of 2016, the Company suffered the loss on foreign exchange amounting to Baht 86.34 million mainly deriving from its investment in subsidiaries in Japan and loans in Yen currency granted by financial institutions. More specifically, the loss was from the depreciation of Yen during the end of 2016; however, this impact was an unrealized loss.

2.6. Profitability



3. Financial position of the Group of Companies

3.1. Overview

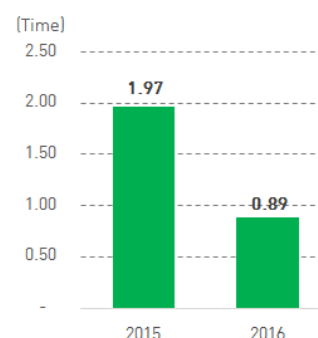
At the end of 2016, the total assets of the Group of Companies were recorded at Baht 25,488.56 million or a 118.4 percent increase if compared to the end of 2015 mainly resulted by additional assets from the business acquisition in Japan from SunEdison, project investments in Japan, and cash received by the offer for sales of capital-increase shares. However, the total liabilities were also higher to be Baht 11,971.85 million or a 54.7% increase if compared to the end of 2015 mainly resulted by loans for investments in power plant projects in Japan, loans for debt repayment to Bangchak, and loans for project development in Japan. The shareholders' equity increased to be Baht 13,516.71 million or up by 243.9% when compared to the end of 2015 mainly caused by the offer for sales of capital-increase shares and higher retained earnings from operations.

The debt-to-equity ratio of the Group of Companies dropped from 1.97 times at the end of 2015 to 0.89 times at the end of 2016.

Summary of Financial Position

THB million	2015	2016
Total assets	11,670.94	25,616.76
Current assets	1,430.96	10,928.43
Non-current assets	10,239.99	14,688.33
Total liabilities	7,740.95	11,374.67
Current liabilities	801.72	1,972.54
Non-current liabilities	6,939.23	9,402.14
Equities	3,929.99	14,242.08
Paid-up capital and premium on share	3,700.00	9,950.00
Retained earning	188.97	1,403.49
Other components of equity	41.03	67.68

Debt to Equity Ratio



Current assets

At the end of 2016, the Group of Companies recorded higher current assets to be Baht 9,181.55 million or an increase of 541.6 percent when compared to the end of 2015 due to:

(1) Cash risen to Baht 8,061.6 million, which was mostly resulted by the offer for sales of capital-increase shares to the Company's existing shareholders in March 2016, the IPO in September 2016 (details of which appear in 3.3), of which is cash in the saving account and 6-month fixed deposit in some financial institutions.

(2) Accounts receivable e.g. power producers/purchasers and other receivables were recorded higher to be Baht 401.1 million, which were mostly resulted by more receivables from the Company's business in Japan.

(3) Other current assets amounting to Baht 232.26 million, which were most resulted by cash refund for value added tax in Japan.

Details of Current Assets

[THBm]	2015	2016	% Change
Current Assets			
Cash or cash equivalent	974.62	7,361.16	655.3%
Short term investment	-	700.00	n.a.
Account receivable	440.80	486.40	10.3%
Other receivable	15.23	401.73	2537.2%
other current asset	0.31	232.26	75939.0%
Total current assets	1,430.96	9,181.55	541.6%

Non-current assets

As of the end of 2016, the Group of Companies recorded higher non-current assets to be Baht 16,307.01 million or an increase of 59.2 percent when compared to the end of 2015 due to:

(1) Land and property, plant and equipment were recorded higher to be Baht 14,194.63 million due to a hike of land and equipment of the business in Japan for Baht 3,982.70 million. Meanwhile, just minor additional investment has been made for the business in Thailand in solar farm projects for agricultural cooperatives; therefore, the ratio of assets in type of land, and property, plant and equipment in Thailand to that in Japan was at 72:28 respectively.

(2) Intangible assets amounting to Baht 2,015.83 mainly due to the fair value of the solar power plants in Japan as acquired from SunEdison with the installed capacity approximately 200 megawatts, which was assessed by an independent appraiser (in accordance with Thailand Financial Reporting Standard, No. 3 (revised 2015) on business combinations, totaling Baht 1,706.28 million. Other intangible assets were the business licenses such as Electric Sale License, Grid Connection License of the solar thermal power plant in Japan.

Details of Non-Current Assets

[THBm]	2015	2016	% Change
Non current assets			
Property Building and equipment	10,219.50	14,194.63	38.9%
Intangible asset	18.52	2,015.83	10786.9%
Deferred tax assets	0.54	9.29	1605.1%
Other non-current assets	1.42	87.26	6036.1%
Non current assets	10,239.99	16,307.01	59.2%

3.2. Liabilities

Current liabilities

At the end of 2016, the Group of Companies recorded higher current liabilities to Baht 2,530.04 million from Baht 801.72 million at the end of 2015 or an increase of 215.6% due to:

(1) Current portion of long-term loans from financial institutions for the business in Thailand amounting to Baht 977.92 million in accordance with the loan agreement and loans for the business in Japan amounting to Baht 126.03 million.

(2) Short-term provisions amounting to Baht 502.16 million, which were the remaining estimated return for the business acquisition in Japan from SunEdison. It was anticipated that this said return would be paid within 2017 under conditions specified in the Share Purchase Agreement.

(3) Project construction payables amounting to Baht 176.46 deriving from Nagi project in Japan and the solar farm projects for agricultural cooperatives.

Details of Current Liabilities

(THBm)	2015	2016	% Change
Current liabilities			
Payable - construction	-	176.46	n.a.
Other payable	120.35	309.43	157.1%
Retention payable	2.17	21.53	892.8%
Dividend payable	-	298.49	n.a.
Short term loan from financial institution	-	89.77	n.a.
Short term loan from related parties	210.00	-	-100.0%
Current portion of long-term loan from financial institution	145.48	1,103.96	658.9%
Current portion of long-term loan from related parties	300.20	-	-100.0%
Financial lease	0.17	-	-100.0%
Contingent liabilities	-	502.16	n.a.
Income tax payable	11.46	0.72	-93.7%
Other current liabilities	11.90	27.52	131.2%
Total current liabilities	801.72	2,530.04	215.6%

Non-current liabilities

At the end of 2016, the Group of Companies recorded higher non-current liabilities to be Baht 9,441.80 million, risen by 36.1% when compared to the end of 2015 due to:

(1) Long-term loans of Baht 8,956.49 million derived from the increasing loans provided for repayments to Bangchak, and business investment in Japan, as well as loans from financial institutions for the business in Japan.

Details of Long-term Loans

[THB million]	2015	2016
Loan from related party	5,692.33	-
Loan from financial institutions		
Loan for Phase II	1,246.64	1,094.44
Loan for investment in Japan solar plants	-	2,904.71
Loan for debt repayment to BCP and for other investment	-	4,957.33
Total loan	6,938.97	8,956.49

Remark: Proportion of Thai Baht to JPY loans was 59:41 respectively (Data at the end of 2016)

- (2) Deferred tax liabilities amounting to Baht 450.89 million.

Details of Non-Current Liabilities

[THBm]	2015	2016	% Change
Non current liabilities			
Long term loan from financial institution	1,246.64	8,956.49	618.4%
Long term loan from related parties	5,692.33	-	-100.0%
Deferred tax liabilities	-	450.89	n.a.
Employee benefit obligations	0.26	4.55	1654.3%
Provision for the decommissioning cost	-	29.87	n.a.
Other liabilities	-	-	n.a.
Total Liabilities	6,939.23	9,441.80	36.1%

3.3. Shareholders' equity

At the end of 2016, the Group of Companies had higher shareholders' equity to be Baht 13,516.71 million from Baht 3,929.99 million or an increase of 243.9 when compared to the end of 2015 due to:

(1) Paid-up capital and share premium amounting to Baht 12,770.90 million from the offer for sales of capital-increase shares in an aggregate of Baht 3,300 million to existing shareholders in March 2016, and the IPO for 590 million shares under the offer price of Baht 10.00 per share in an aggregate of Baht 5,900.00 million in September 2016. Such IPO involved: (a) paid-up capital amounting to Baht 2,950.000 million, which added the paid-up capital to be Baht 9,950.00 million; and (b) share premium after the deduction of expenses relating to the capital increase (e.g. underwriting fee, consulting fee, and capital-increase registration charges) totaling Baht 2,820.90 million.

(2) Retained earnings amounting to Baht 655.72 million from the operating results of the Group of Companies, which would be allocated for the legal reserve amounting to Baht 95.54 million, and the remaining amount would be the unappropriated retained earnings.

(3) Other components of the shareholders' equity amounting to Baht 48.91 million deriving from the currency translation differences from Japanese Yen to Thai Baht.

Details of Shareholders' Equity

[THBm]	2015	2016	% Change
Equities			
Paid up capital	3,700.00	9,950.00	168.9%
Premium share	-	2,820.90	n.a.
Surplus on business restructuring under common control	41.03	41.03	0.0%
Retained earnings	188.97	655.72	247.0%
Other components of equity	-	48.91	n.a.
Equity attributable to owners of the Company	3,929.99	13,516.56	243.9%
Non-controlling interests	-	0.15	n.a.
Total Equity	3,929.99	13,516.71	243.9%

3.4. Key Financial Ratios

At the end of 2016, the liquidity ratio of the Group of Companies grew if compared to the end of 2015 due to improved operating results and capital increase as stated in 3.3. The accounts receivable turnover ratio at the end of 2016 was 6.65 times or the average collection period was 54 days while the accounts payable turnover ratio was 2.61 times with the average collection period of 138 days.

At the end of 2016, the debt-to-equity ratio was improved went up to be 0.89 times due to the operating results of the Group of the Companies and the capital increase. However, the interest coverage ratio dropped to be 7.33 times due to higher interest expenses in line with more loans taken out for the business investment whereas EBITDA dropped.

Key Financial Ratios

	2015 ^{1/}	2016
Liquidity ratio		
Current ratio	1.78	3.63
Quick ratio	1.77	3.10
Account receivable Turnover	n.a.	6.65
Average collection period	n.a.	54
Account payable turnover	n.a.	2.61
Average payment period	n.a.	138
Efficiency ratio		
Return on assets	n.a.	8.8%
Return on fixed assets	n.a.	13.3%
Total asset turnover	n.a.	0.17
Financial policy ratio		
Debt to equity ratio	1.97	0.89
DSCR ratio	13.65	7.33

Remark:

^{1/} Due to the Company's Group does not prepared 2014 financial statement related to business combination of entities under common control, some financial ratios are unable to be calculated the averaged ratio in 2015.

4. Cash flow of the Company and subsidiaries

At the end of 2016, the Group of Companies had cash and cash equivalents amounting to Baht 7,361.16 million or an increase of 655.3 percent when compared to 2015 resulted by net cash flow from the operating results and cash from loans and capital increase in 2016 while net cash spent in investing activities was the expenses relating to the business acquisition from SunEdison in Japan, and the investment on the purchase of land for the solar projects in Japan.

Details of Cash from (used in) Each Activities

(THB million)	2015	2016
Net cash from (used in) operating activities	2,879.77	1,961.05
Net cash from (used in) investing activities	(5,794.24)	(4,873.87)
Net cash from (used in) financing activities	5,204.32	9,364.98
Net increase in cash and cash equivalents	2,289.84	6,452.16
Cash and cash equivalents at 1 January	1,748.25	974.62
Effect of exchange rate change on balances held in foreign currencies	(3,061.90)	0.00
Impact on forex at the end of period	(1.57)	(65.62)
Cash and cash equivalents at 31 December	974.62	7,361.16

The Group of Companies' Business Outlook in 2017

In 2017, the company estimates at least 20% increase in EBITDA from 2016. In Japan, BCPG will start to earn revenue from Nagi Project (14.38 MW installed capacity) which will commercially operate in March and will, for the first year, register full year income from Nikaho Project in Akita prefecture (13.16 MW installed capacity) while in Thailand, there will be more revenue from Solar Coop projects (approximately 12.00 MW total installed capacity). Further income will come from new investment projects of which over 16,000 Million Baht investment budget has been set aside. If proceed as planned, they will generate revenue and profit immediately this year.