



ANNUAL REPORT

รายงานประจำปี

2018

Solartron Public Company Limited (HQ)

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Solartron Public Company Limited (Factory)

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Message from Chairman of the Board and Chief Executive Officer

Dear Shareholders,

2018 marks the beginning of trade war between US-China and India – China which resulted in the extreme reduction of Solar Cell and Solar Module international price and influx of Solar Cells and Solar Modules from the People's Republic of China and the Republic of China.

To counter and cope with such problems, Solartron Public Company Limited decided to reduce our production and adapt our strategy to focus on EPC business with government sector that require domestic Solar Modules with Thai industrial standard.

Moreover, The Ministry of Energy was in the process of public hearing for creation of new Power Development Plan and the uncertainty of such government policy put off investors in power sector from new investment

As a result of the aforementioned problems, Solartron Public Company Limited incurred a comprehensive loss of 383.32 million baht. The company is therefore greatly in need of new business partnership that will continuously enable and provide support us for all our future endeavors and we need to prepare our business operations in consistent with the new Power Development Plan of 2019.

Finally, on behalf of Board of Directors, management team and employees, we would like to thank all shareholders and stakeholders for your confidence in us and your unwavering support. We, the Board of Directors and Management team, shall perform our duty with our full effort while into account our transparency, our liability to the community and environment.

Mr. Cherdpong Siriwit

Chairman of the Board of Director

Mrs. Patama Wongtoythong

Chief Executive officer

Report of Audit Committee



Dear Shareholders,

The Audit committee consists of independent directors who are qualified by law and knowledgeable as well as experience in accounting, finance, laws and organization management. This year, the committee consists of 3 members: Ms. Rawittha Pongnuchit, as the Chairman of the Audit Committee, Mr.Suchat Trisirivattwat and Mr.Akekachat Leelapanyalert as Audit Committee members.

In 2018 the Audit Committee had 4 meetings with the external auditor and the Internal audit department. The Audit Committee carried out board-assigned duties under Solartron's regulations on the criteria and guideline for its Audit Committee, in alignment with the regulations of the Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC). The Committee's policy focused on conformance to corporate good governance and on good internal control as follows;

1. Review of Financial Statements

The Audit Committee reviewed significant data and information in the quarterly and annual financial statement of the Company for the year 2018, as well as the consolidated financial statements of Solartron Public Company Limited and its subsidiaries, which were prepared as for Thai financial Reporting Standards (TFRS) in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items and obtained sufficient clarification from the external auditors, the management, and the internal audit department, confirming that the financial statements and the disclosure in the notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee therefore approved the Financial Statements, which were reviewed and audited by the external auditor without reservation.

In addition, the Committee held a meeting with the external auditors without the presence of the management so as to freely discuss important matters in the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and to be beneficial to users of this financial statement.

2. Review of risk management

The Audit Committee reviewed and monitored the company's risk management effort every quarter in order to ensure that the management adequately managed risks to an acceptable level and accurately identified sufficient risk factors that are required information for the Internal Control. The Committee deems that in 2018, the management had identified sufficient risk factors and was able to mitigate a certain level of risks for the company.

3. Review of internal audit and internal control systems

The Audit Committee, External Auditors and Internal Control Department have collaboratively examined the internal audit and internal control system in every quarter. It has been deemed that the Company's internal audit and internal control system are sufficient and can reasonably establish confidence in the company's achievements in term of efficient and effective operations, reliability of the corporate financial reports, and compliance with applicable rules and policies

4. Review of Corporate Governance

Reviewing Solartron's performance against the business processes, the committee found that Solartron's business had been conducted with virtue, and that in compliance with securities exchange legislation, SET's requirement, and other legislation relevant to its businesses to ensure regular transactions conducted under normal, sensible conditions. The finding indicated good quality system and contact.

5. Appointment of the external auditor and Review of the Audit Fee for 2018

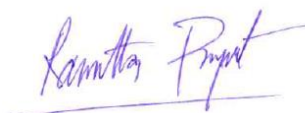
From The selection process of 3 audit firms Office of Pitisevi Co.,Ltd has been selected and appointed as the external auditor of Solartron. Based on the satisfactory results of this performance appraisal and their qualification as independent auditor, the Audit Committee recommended them to the Board. The Board agreed to seek approval at the Shareholders 'meeting. The Board also agreed to seek approval of the Company's audit fee for the year 2018 and the annual audit and quarterly review fee for Solartron's consolidated financial statements and acknowledgement of the annual audit fee for the year 2018 of subsidiaries' financial statements and quarterly review for listed subsidiaries' s financial statements which were audited by Office of Pitisevi and Solartron subsidiaries were responsible for the audit fee.

6. Compliance with the law and regulation of the Securities and Exchange Commission, the SET regulations, and the law related to the Company's operation

The Audit Committee verified the Company's compliance with applicable laws cooperatively with the Legal firm, the Regulatory Compliance Unit and Internal Control Department. No Matters of importance indicating that the Company had violated any law, rules and requirements related to the Company's operations were found.

In summary, the Audit Committee performed its duties as specified in the Board-approved charter with caliber, prudence and adequate independent in equitable interests of stakeholders. In its opinion, Solartron's financial reports were accurate and reliable, and agreed with generally accepted accounting principles. Solartron commanded adequate risk management practices, appropriate internal control and internal audit systems, compliance with good corporate governance, legislations, requirements and obligations relevant to its businesses.

On behalf of the Audit Committee



Mrs.Rawittha Pongnuchit
Chairman of the Audit Committee

1. Financial Highlight of Company (Consolidated)

(Unit: Million Baht, except earnings per Share)

Financial Statements	2016	2017	2018
Cash and cash equivalents	41.10	19.17	23.22
Total current assets	1,344.12	1,187.09	599.32
Total assets	4,012.45	3,735.89	2,974.23
Total current liabilities	1,821.15	1,414.57	1,156.81
Total liabilities	2,047.38	1,900.37	1,496.19
Total shareholders' equity	1,965.07	1,835.52	1,478.03
Operation Results			
Total incomes	1,374.92	968.40	702.73
Revenues from the selling and rendering of services	1,368.56	945.56	693.17
Gross profit	99.97	-250.50	-248.41
Net income	-50.47	-417.42	-380.20
Financial Ratio			
Current ratio (times)	0.74	0.84	0.52
Gross profit (%)	7.30	-26.49	-35.84
Net profit (%)	-3.67	-43.10	-54.10
Return on equity (%)	-2.54	-21.97	-22.95
Return on assets (%)	-1.35	-10.81	-11.36
Assets turnover (times)	0.37	0.25	0.21
Total debts to equity ratio (times)	1.04	1.04	1.01
Interest Coverage Ratio	3.03	-2.43	-2.83
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	-0.09	-0.77	-0.70
	Average 544,124,723 Shares	Average 544,124,723 Shares	Average 544,124,723 Shares

* Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the company excluding comprehensive income by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of prior years' used for the calculation, as presented for comparison purpose, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the share dividends, as if the shares comprising such share dividend had been issued at the beginning of the earliest period reported. Remark * Baht per Share

1. Financial Highlight of Company (Separate)

(Unit: Million Baht, except earnings per Share)

Financial Statements	2016	2017	2018
Cash and cash equivalents	38.46	4.77	0.69
Total current assets	1,980.14	1,290.17	785.94
Total assets	4,217.94	3,433.28	2,720.78
Total current liabilities	1,930.08	1,416.08	1,174.10
Total liabilities	2,156.31	1,552.46	1,191.48
Total shareholders' equity	2,061.63	1,880.81	1,529.30
Operation Results			
Total incomes	2,063.92	1,154.22	723.03
Revenues from the selling and rendering of services	2,053.38	897.96	694.73
Gross profit	190.65	-275.36	-264.08
Net income	44.57	-179.31	-350.51
Financial Ratio			
Current ratio (times)	1.03	0.91	0.67
Gross profit (%)	9.28	-30.66	-38.01
Net profit (%)	2.16	-15.54	-48.48
Return on equity (%)	2.19	-9.10	-20.56
Return on assets (%)	1.14	-4.73	-11.42
Assets turnover (times)	0.53	0.30	0.23
Total debts to equity ratio (times)	1.05	0.83	0.78
Interest Coverage Ratio	7.12	-0.06	-4.70
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	0.08	-0.33	-0.64
	Average 544,124,723 Shares	Average 544,124,723 Shares	Average 544,124,723 Shares

* Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the company excluding comprehensive income by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of prior years' used for the calculation, as presented for comparison purpose, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the share dividends, as if the shares comprising such share dividend had been issued at the beginning of the earliest period reported. Remark * Baht per Share

2. Vision Mission and Strategies

Vision:

The Leader of Solar Technology in Southeast Asia

Mission:

Solartron runs business with the balance between “**Worth**” and “**Value**” for Shareholders, Employees, Stakeholders, Community and the Environment, resulting in numerous corporate social responsibility awards and social acceptance.

Quality Policy:

“We are committed to create sustainable energy for customer”

Solartron determines to do business with the social corporate responsibility and improve the quality of life of the workforce and their families as well as of the community and society at large.

Labor and Social Accountability Policy

Solartron aims on Labor and Social Accountability improvement and ensures for the better quality of standard of living. Solartron is committed to its policy of conducting activities without making undue impacts on its own personnel and properties, those of its contractors, the public, and the ecology alike.

To aid continuous improvement, Solartron promotes:

1. Commitment to improve research and development of Solar cell and modules.
2. Commitment to improve the competency of employees.
3. Commitment to improve customer’s satisfaction.

Health, Safety and Environmental Policy

Solartron recognizes Health, Safety and Environmental Policy. We run business with committed to deliver the good quality of products. Our products are environmental friendly.

Product Certifications and Standards:**1. Factory Management Certified (UKAS, NAC, The Ministry of Labor of Thailand surveillance audit is required)**

- ISO 9001:2015 – Operation (receiving inspection, QC inspection, process inspection, final inspection) SGS, obtained.
- ISO 14001:2015 – SGS, obtained.
- TIS 18001:1999 – SGS, obtained.
- OHSAS18001:2007 – SGS, obtained.
- TLS 8001:2003 – (Thai Labor Standard) The Department of Labor Protection and Welfare, The Ministry of labor, obtained.

2. Product Certified (TÜV: annual surveillance audit is required)

- TÜV Rheinland (Germany), IEC 61215 Edition 2, IEC 61730, obtained.
- TÜV Rheinland (US), ANSI/UL1703-Third Edition, obtained.
- JET Pvm (Japan), IEC 61215 Edition 2, IEC 61730, obtained.
- TIS (Thai Standard), TIS 1843:2553 (IEC 61215 Edition 2), obtained.
- TIS (Thai Standard). TIS 2580-2555 (IEC 61730), obtained.
- MCS Mark, The Microgeneration Product Certification Scheme Mark, product certification for export to UK, obtained.
- RoHS Compliant, Directive 2002/95/EC. EU legislation restricting the use of hazardous substances in electrical and electronic equipment product certification for export to EU, obtained.
- CE Mark, Directive 2004/108/EC, electromagnetic compatibility, product certification for export to EU, obtained.

3. Corporate Social Responsibility Certified: Standard for Corporate Social Responsibility (CSR-DIW), obtained.**4. Green Industry: Systematic environmental management**

3. Nature of Business

Company Development for 2018

Solartron Public Company Limited (SET Stock code: SOLAR) was established since 1986. The Nature of business comprised of 4 business operations.

1. The solar cell and solar module Production Base covering both domestic and export markets.
2. The Engineering, Procurement and Construction Base (EPC) covering important solar power applications for government and private sectors.
3. The Energy Service Company Base (ESCO) covering energy saving for government and private sectors.
4. The Solar farm and Solar rooftop investment base covering all over Thailand

These 4 strong business bases will make Solartron grow sustainably and successfully.

Major Development for 2018

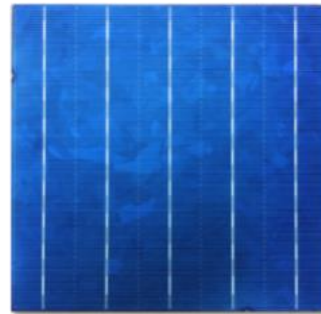
January 2018	Signed 3 O&M contracts of Solar farm with BCPG valued 23 million bahts
January 2018	the Company has transferred 393,098 shares of Solartron Energy 2 Co., Ltd. held by the Company which consisted of 13,096 shares which the par value of Baht 100.- per share at the price of Baht 473.31 per share and 380,002 shares which the par value of Baht 25.- per share at the price of Baht 46.10 per share totaling to Baht 23.72 million to settle its loan from the Company's a director result in decrease in shareholding of this subsidiary from 90% to 51% of the total authorized share capital.
February 2018	Constructed the Solar Powered System for the Border Patrol Police value 22.65 million bahts
March	Signed management contracts for Solartron Energy 1-5 Company Ltd. Valued 12 million bahts
April 2018	Installed the Solar powered system with Infaset Company valued 10.5 million bahts
May 2018	Constructed the solar PV Rooftop for Thammasat University valued 150.5 million bahts.
June 2018	Completed the Solar PV Rooftop for Don Mueang Pattana Company valued 14.2 million bahts
July 2018	Constructed the Solar Powered System for the Royal King's project valued 9 million bahts
August 2018	Installed the Solar Powered System for Dhevavong Company valued 9 million bahts
September 2018	Installed the solar power system for Department of Alternative Energy Development and Sakonnakhon Rajabhat University valued 18 million bahts
October 2018	Constructed the solar PV Rooftop for Sathien Stainless Steel Company
November 2018	Installed Solar water pumping system for Department of underground water valued 91.65 million bahts
November 2018	Signed the Solar PV Rooftop construction contract with BKK United Company valued 6 million bahts
December 2018	Connected the Solar PV rooftop and Solar farm for Narathiwat Rajanagarindra University Valued 121.7 million bahts
December 2018	Constructed the Solar PV rooftop for Royal Thai Air force valued 46 million baht

1. The solar cell and solar module Production Base covering both domestic and export markets.

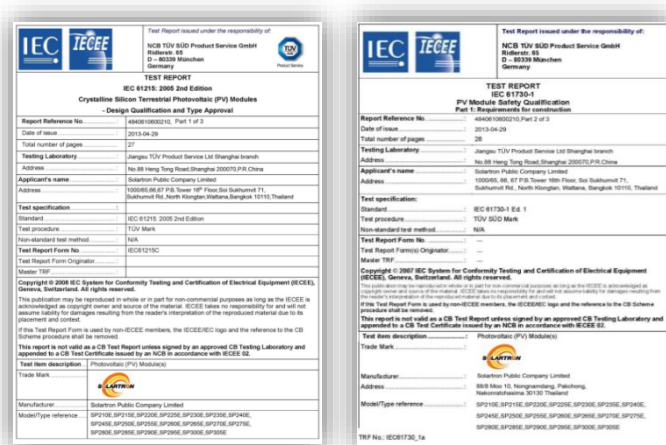
Solar Module



Solar Cell



World Class Quality & Certification



- Qualified, IEC 61215
- Periodic Inspection



IEC 61215 Certified by TUV, Germany

IEC 61730 Certified by

TUV, Germany
CE Mark

ANSI/UL 1703



EMC-Directive 2004/108/EC)

RoHS Compliant



TIS 1843-2553



TIS 2580-2555

TIS 1843-2553, TIS 2580-2555



MCS – PV0222

ANSI/UL1703 by TÜV
Rheinland



JETPV/m certification
(IEC61215, IEC61730)



IEC 61215/IEC 61730



2. The Engineering, Procurement and Construction Base (EPC) covering important solar power applications for government and private sectors.

Solar Rooftop Project, Thammasat University Rangsit Campus



3. The Energy Service Company Base (ESCO) covering energy saving for government and private sectors.

Don Mueang Pattana Company Limited



Narathiwat Rajanagarindra University



Sathien Stainless Steel Plc



4. The Solar farm and Solar rooftop investment base covering all over Thailand

Noi Canal Poultry Cooperative Limited



Bangsaphan Dairy Cooperative Limited



Bangsaphan Rubber Fund Cooperative Limited



4. Risk Factors

Solartron Public Company Limited has realized the significance and indispensability of risk management which will prevent and protect the Company from perniciousness and disadvantage while simultaneously increase our probability in success and accomplishment both in operating and management level. We will ensure that our risk management system is precautionary, transparent, reviewable and auditable. In 2018, We recognize and emphasize on other risks and issues as follows;

1) The Risk of the Reliability an Alternative Energy Development Plan (AEDP)

In 2018, The Ministry of Energy tried to promote AEDP but there were many obstacles from the regulations of other ministries such as the factory license permission from ministry of Industry, the limitation of construction on the green area from ministry of interior. Therefore, it caused a significant drop in solar revenue.

However, the government classified the solar energy as the energy securities to promote the usage of solar energy in both rural area and city rooftop. So the government released all the problems of regulations by setting the Energy Regulatory Commission as a one stop service agent The Company has long term experience in Thai solar business and is a certified body as installer, energy Service Company which implies that it has a capability in bidding and deliver the good quality of solar projects. The company has confidence in doing solar business in Thailand that conform the AEDP. Therefore, the solar investors trust and want to do the solar business with the company.

2) The Volatility of Solar cell and Solar module Price

We sell and buy solar cells and solar modules in term of US dollar/watt. Even though the price per watt goes down, the efficiency per watt goes up. So Solartron focuses on improving the Cell and Module efficiency in order to get the good quality with lowest cost. The Company cooperates with the leader of solar consultant to improve the manufacturing line and product efficiency to gain more watts (power price/watt) and mitigate the risk from the volatility of solar cell and module price.

3) The Risk from the Entrance of New Competitors

Nowadays, the government has fully supported the usage of solar energy. The marketing opportunity attracts both local and foreign investors to invest in solar Rooftop business. These newcomers may seize the company's market share and will affect the company growth in the future. However the newcomers have to meet many requirements such as Thai Industrial Standard (TIS), long term reference for solar system, registered installers, and registered engineers. It takes years to prepare for doing turnkey mega projects.

4) The Volatility of the Exchange Rate

The company imports most of its raw material including wafers, silver paste, junction box etc. Payment term mainly in US dollar. If the rate of US dollar rises comparing to Thai currency, the company cost will increase accordingly.

The company opens letter of credit (L/C) monthly with fully coverage forward contract to protect its exchange rate risk when it expects the vulnerable of the currency.

5. General Information

Company Name	Solartron Public Company Limited	Registrar :
Type of Business	Manufacturing Solar cells and Modules Engineering, Design and Installation of solar power systems, Energy Service Company	Thailand Securities Depository Co., Ltd 62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: +66-2-229 2800 Call Center: +66-2-229 2888
Company Code	0107547000877	Auditor:
Head Office	1000/65,66,67 PB.Tower 16 th Floor Sukhumvit 71 Road, North Klongtan, Wattana, Bangkok 10110 Tel. +66-2-392-0224-6 Fax. +66-2-381-2971, +66-2-381-0936	Miss Wanpen Aoonruan The Certified Public Accountants License No.7750
Module Factory	88/8 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	Pitisevi Company Limited 8/4 SoiVipavadee rangsit 44, Vipavadee rangsit road, Ladyoa. Jatujak, Bangkok Tel. : +66-2-9413584-6 Fax. : +66-2-9413658
Cell Factory	88/9 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	
Website	www.solartron.co.th	Lawyer:
E-mail	agm@solartron.co.th	Mr. Somkiat Ruengsurakiat Bangkok Law Office & Associates Co.,Ltd. 75/20 17 th Fl., Ocean TowerII Bldg., Sukhumvit 21 Road, Klongtoey - Nua, Wattana, Bangkok 10110 Tel. : +66-2-661-6896-9 Fax. : +66-2-661-6895
Registered Capital	870,597,723 Baht	
Registered Ordinary Shares	870,597,723 Shares	
Par Value	1 Baht	
Registered Ordinary Share with paid	2. 544,124,723 Shares 3.	
Registered Capital with paid	544,124,723 Baht	
Established Date	November 12, 1986	
Date of registration converted into a public company	September 24, 2004	

Subsidiaries	SOLARTRON ENERGY 1 CO.,LTD.	SOLARTRON ENERGY 2 CO.,LTD.	SOLARTRON ENERGY 3 CO.,LTD.	SOLARTRON ENERGY 4 CO.,LTD.	SOLARTRON ENERGY 5 CO.,LTD.
Company Code	0105558000472	0105558000456	0105558000481	0105558000545	0105558000537
Registered Capital	1,000,000 Baht	100,000,000 Baht	100,000,000 Baht	100,000,000 Baht	105,000,000 Baht
Registered Ordinary Shares	10,000 Shares	1,000,000 Shares	1,000,000 Shares	1,000,000 Shares	1,050,000 Shares
Par Value	100 Baht	100 Baht	100 Baht	100 Baht	100 Baht
Number of Shares	9,996 Shares	509,998 Shares	999,996 Shares	999,996 Shares	535,498 Shares
% of Share holding	99.96%	51%	100.00%	100.00%	51.00%
Registration Date	5 JANUARY 2015				
Type of Business	The Engineering, Procurement and Construction of Solar Power System. and Investment in Solar Grid Connected System				
Head Office	1000/65,66,67 PB.Tower 16 th Floor Sukhumvit 71 Road, North Klongtan, Wattana, Bangkok 10110				

6. Shareholder Structure

As of December 31, 2018, the company has a registered capital of Baht 870,597,723 consisting of 870,597,723 ordinary shares with par value of 1 Baht. The paid up capital of Baht 544,124,723 consisting of 544,124,723 ordinary shares with par value of 1 Baht.

The list and percentage of the first 10 major shareholders in company's shareholder record are as follows:

Rank	Name	Number of Share	%
1	Mr.Suksit Petaumpai	65,215,800	12%
2	Mr.Srisak Dejkitvigrom	59,018,400	11%
3	Mr.Vasin Dejkitvigrom	46,500,000	9%
4	Mr.Chuchat Petaumpai	30,015,900	6%
5	Miss Namfon Wattanachai	25,925,000	5%
6	Mr.Akaradej Rojmeta	21,528,882	4%
7	Mr.Pupaa Taechanarong	9,998,566	2%
8	Thai NVDR Ltd	9,596,112	2%
9	Miss Warangkana Techaiya	7,399,999	1%
10	Mr. Sangchai Apichartthanapat	5,370,000	1%
	Total for Top ten Major shareholders	280,568,659	52%
	Others	263,556,064	48%
	Total paid up capital	544,124,723	100%

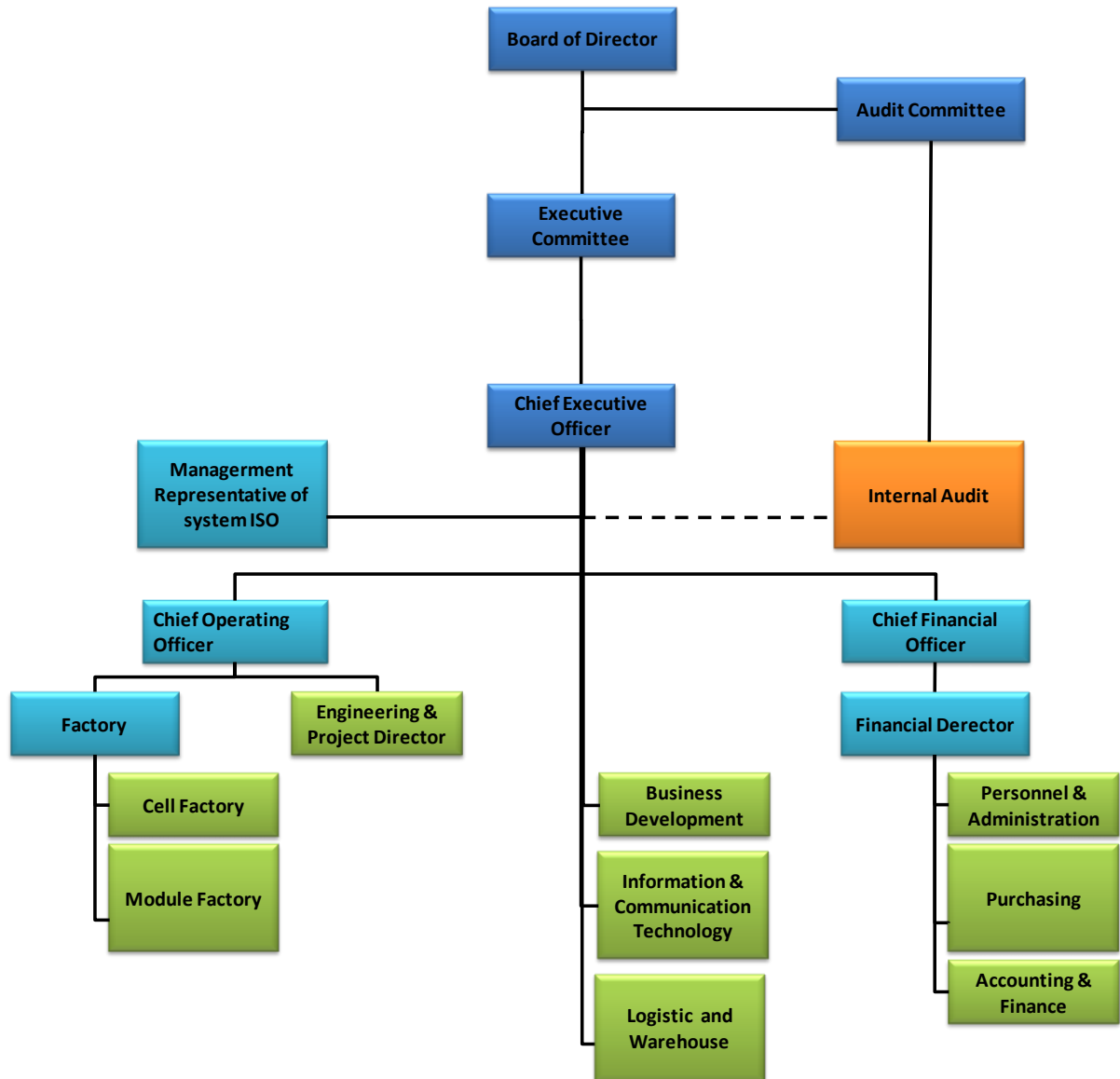
7. Dividend Policy

The maximum company dividend policy is approximately 40 % of its Net Profit after deduction of tax and legal reserves. Factors that are considered include corporate operation results, financial position, liquidity, and business expansion plans. The dividend payment requires approval from corporate shareholders and/or the Board of Directors.

8. Company Structure

Organization Chart

Solartron Public Company Limited



Management Structure

Management structure of company consists of 2 Committees, The Board of Directors and Audit Committee. Each Committee has duties and responsibilities as follows:

Board of Directors

As of December 31, 2018, the Company's Board of Directors comprises of:

1	Mr. Cherdpong Siriwit	Chairman / Director
2	Ms. Patama Wongtoythong	Deputy Chairman / Director / Company Secretary
3	Mr. Akaradej Rojmeta	Director
4	Dr. Dusit Kruangam	Director
5	Mr. Kitti Pintavirooj	Director
6	Ms. Rawittha Pongnuchit	Independent Director / Audit Committee
7	Mr. Suchat Trisirivattwat	Independent Director / Audit Committee
8	Mr. Akekachat Leelapanyalert	Independent Director / Audit Committee

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

1. To undertake the duties in accordance with laws, objectives and requirements of the company and resolutions of the shareholders with due care and integrity for interest of the company.
2. To set the business policies and direct the operations of the company and supervise the management to ensure effectiveness and compliance with the prescribed policies and to maximize the economic value of the business and business stability to shareholders.
3. To arrange a reliable accounting system, financial reports internal control procedures and suitable internal audit system with consistent follow-up.
4. To approve the quarterly and financial reports and the annual investment budget
5. To monitor the operating results of the company, and provide advice/suggestions / decisions with due care on the agenda proposed in the meeting of the board of directors.
6. To appoint/remove the subcommittee on specific matters as deemed suitable.
7. To arrange a policy on business supervision, ethics and employee ethics as a guideline on business conducts and to arrange and supervise the administrative work in accordance with the good governance principles consistently.
8. To approve the key transactions of the company such as acquisition or disposal of assets, expansion of the investment projects, determination of the authority to be assigned and any action required by laws and to look after the conflict of interest among stakeholders of the company.
9. To approve and/or grant consent on the inter-company transactions between the company and its subsidiaries in accordance with related notifications, requirements and guidelines of the Stock Exchange of Thailand.

10. To report any shareholding by himself/herself and his/her spouse and children in the meeting of the board of directors every quarter and to immediately inform the company if there is any purchase or sale of sharer (securities) of the company.

The Executive Committees

As of December 31, 2018, the Company's Executive Committee comprises of:

1. Ms. Patama Wongtoythog Chairman of the Executive Committee
2. Mr. Akaradej Rojmeta Executive Committee

Scope of duties and responsibilities of the Board of Executive Committee

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies and supervise the overall work
2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees.
3. Have the power to dismiss, lie off, and discharge employees as appropriate.
4. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
5. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
6. Approve the appointment of advisors needed in the corporate operations.
7. Deal with affairs concerning the Company's general operations.

Table 1: A summary of approved financial amounts of transactions according to the Company's authorization manual

Approved Financial Amounts for Important Transactions	BOD	EXCOM	CEO
1. Approval of Annual Budget	More than THB 200 Million	Less than THB 200 Million	Less than THB 50 Million
2. Approval of Changing/Increasing of Annual Budget or Investment Budget	Change more than 25 %	Change 15 25 %	Change not over 15 %
3. Approval of purchasing and procurement	More than THB 200 Million	Less than THB 200 Million	Less than THB 50 Million

Note : (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the company, the Stock Exchange of Thailand and Securities, and Exchange Commission.

(2) BOD: Board of Directors, EXCOM: Executive Committee, and CEO: Chief Executive Officer

Audit Committee

As of December 31, 2018, the Audit Committee comprises of:

1. Mrs. Rawittha Pongnuchit Chairman of Audit Committee

2. Mr. Suchat Trisirivattwat Audit Committee
3. Mr. Akekachat Leelapanyalert Audit Committee

Scope of duties and responsibilities of the audit committee

The scope of duties of the Audit Committee has been made in accordance with the notifications issued by the Stock Exchange of Thailand:

1. To verify in assuring that the Company's financial report is correct and accurate and sufficiently disclosed.
2. To verify in assuring that the Company shall have the appropriated effective internal control and internal audit systems on cooperation with the internal auditor. And, To consider the independence of the internal audit unit as well as to provide the approval for the appointment, transfer, termination of the chief of the internal audit unit or any other agencies responsible for the internal audit.
3. To verify in assuring that the Company has acted in compliance with the law on Securities and Exchange Commission, the Stock Exchange of Thailand, provisions of Stock Exchange or the laws relating to the Company's business.
4. To consider, select, propose to appoint the independent person or persons to perform the duty as the Company's auditor and to propose the remuneration for such person/persons, considering the reliability, resources adequacy, workloads and personnel's experiences as well as participating in the meeting with the auditor without the involvement of the Management for at least once a year.
5. To consider the related items or the items that would have the conflict of interest to meet the requirement of law or the provision of the Stock exchange to assure that such items are reasonable and resulted in the maximum benefit to the Company.
6. To prepare the report of the Audit Committee's activities, consisting of the opinions about the preparation process and the disclosure of the Company's accurate, complete and reliable financial report, including the options relating to the adequacy of the Company's internal control system by disclosing it in Company's annual report. Such report must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
 - 6.1 The opinions about the accuracy, completion and reliability of the Company's financial report.
 - 6.2 The opinions about the adequacy of the Company's internal control system.
 - 6.3 The opinions about the act in compliance with law on Securities and Exchange Commission and Stock Exchange of Thailand, provisions of Stock Exchange or the laws relating to the Company's business.
 - 6.4 The opinions about the appropriateness of the auditor.
 - 6.5 The opinions about the items that may post the conflict of interest.
 - 6.6 The number or the meeting of the Audit Committee and each member's meeting participation.

- 6.7 The overall opinions or the observations obtained by the Audit Committee from the operation as required in the charter.
- 6.8 Other items as deemed to be known by shareholders and general investors under the scope and responsibility assigned to them by the Company's Board of Directors.
7. Any other operations as assigned by the Company's Board of Directors with the approval of the Audit Committee who directly responsible for the Company's Board of Directors who shall remain to be responsible for the Company's operation against the third party.
8. To verify and amend the Audit Committee charter to be up to date and to suit with the Company's conditions and circumstances.

Independent Director Selection Criteria

1. Not holding shares exceeding 1% of the total shares with voting rights of the Company, its parent Company, its associated company, or any potential conflicting person, which shall be inclusive of the shares held by those related persons;
2. Not being nor having been a director participating in the management, employee, officer, consultant who receiving regular salary, or controlling person over the Company, or potential conflicting person, excepting that he/she has no such characteristic for at least two years before the date of filling of the application with the Officer;
3. No being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, ,major shareholder, controlling person of the Company or its subsidiary company;
4. Not having nor having had any business relationship with the Company, its parent company, its associated company, or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a dependent direction, including not being nor having been a major shareholder, a dependent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before the date of filling of the application with the office.
5. Not being nor having been an auditor of the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person, and not being a major shareholder, a dependent director, an executive, or partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person except that he/she has no characteristic for at least two years before the date of filling of the application with the Office;
6. Not being nor having been any professional services provides including a legal advisor and a financial advisor, obtaining service fees of more than Baht 2 million per annum from the Company, its parent company, its subsidiary company, its associated company, or potential conflicting person. If a professional adviser is a legal entity, this will include a major

shareholder, a dependent director, an executive, or a partner of such professional services provider except he/she has no such characteristic for at least two years before the date of filling of the application with the Office;

7. Not being a director appointed to represent any director of the Company, a major shareholder, or a shareholder who is a related person of the Company's major shareholder;
8. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the Company's operation.

Directors' and Executives' remuneration

1. Directors' Remuneration

The board of directors determines clear policies and guidelines for payment of directors' remunerations. For transparency, the remunerations are proposed to shareholders annually. They are adequate and motivational so that the company is able to keep highly qualified directors. Directors serving in committees receive appropriate remunerations corresponding to more duties and responsibilities. Remunerations are divided into 2 categories:

- 1) Regular remunerations are paid for non-executive directors monthly with/without board meetings.
- 2) Meeting remunerations are paid for directors who attend a board meeting.

2. Remunerations for the Management

Remunerations for the Management are in line with the Company's procedures and policies, and in relation to corporate operation results and each individual's performance. Amounts of the remunerations are motivational and enable the company to achieve loyalty among the competent Management.

3. Remuneration for the Board of Directors

According to the company annual general shareholder meeting of April 30, 2018, The compensation for the committee members was set as follows:

Remuneration	Monthly payment / person	Meeting allowance / Time/person
The Board of Directors	12,000 THB	25,000THB
Audit Committee	4,000 THB	20,000THB
Nomination and Remuneration Committee	-	20,000THB

Remark: The Chairman of every committee will get the compensation 20% more than the committee members.

Monetary Remuneration

The total remuneration was paid as follows:

Monetary Remuneration	2016	2017	2018
Total remuneration (Baht)	2,561,400.00	2,677,400.00	2,420,400.00
Number of Committee Member (Persons)	7	8	8

Type of remuneration	Meeting allowance and monthly payment	Meeting allowance and monthly payment	Meeting allowance and monthly payment
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Others Remuneration

The Company has the provident fund for the employees that started working in August 20, 2004 while employees pay 5% of their salary and the company will match an additional 5% each month into the provident fund.

The number of Board of Directors Meeting and Audit Committee Meeting and the Attendance by Individual Member of Fiscal Year 2018 and 2017

Name	Board of Directors Meeting		Audit Committee Meeting		Annual General Meeting	
	2018	2017	2018	2017	2018	2017
Mr.Cherdpong Siriwit	5/5	7/7	-	-	1/1	1/1
Ms.Patama Wongtoythong	5/5	7/7	-	-	1/1	1/1
Mr.Akaradej Rojmeta	4/5	6/7	-	-	1/1	1/1
Mrs.Rawittha Pongnuchit	3/5	5/7	3/4	3/4	1/1	1/1
Mr.Suchat Trisirivattwat	4/5	7/7	3/4	4/4	1/1	1/1
Mr.Akekachat Leelapanyalert	3/5	3/7	3/4	2/4	1/1	1/1
Dr. Dusit Kruangam	4/5	5/7	-	-	1/1	1/1
Mr. Kitti Pintavirooj	5/5	4/7	-	-	1/1	-

Directorships and Executive Development

The company has provided training and human resources development programs for all of its personal through internal and external training. It allows the board to participate in its operations and ventures. Corporate directors and executives have participated in training courses organized by accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the Audit Committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions.

New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly. This is to enhance confidence among shareholders.

Personnel Development Policy

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to grow in their fields. All employees are required to receive training that

is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

In addition, the company has focused on developing better quality of life of employees. Also, the company has focused more on developing employees' knowledge and understanding about health and environmental safety in the workplace.

Succession Plans

The corporate board of director realizes that succession plans become necessary in case the Chief Executive Officer or top executives are not able to work. To ensure readiness for the circumstance, the Company has prepared its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

Supervision of Use of Inside Information

The company prohibits its directors and the Management from using inside information concerning important matters including trading of securities before publication for personal gains. Preventive measures against the use of inside information by the directors and the management are as follows:

1. The company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to executives advising those who receive important inside information that affects prices of securities not to trade corporate securities within that one month and not to disclose the important inside information before the corporate financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to corporate employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.

The Board of Directors

Mr.Cherdpong Siriwit
Chairman of the Board of Director

**Academic Background**

Master Degree M.A. Economics, Georgetown University, U.S.A.

Bachelor Degree B.A. Economics (Honor), Thammasat University

Work Experience

Present Chairman of the Board of Directors, Solartron PCL.
 Chairman Advance Finance PCL.
 Chairman, Thai Sugar Millers Co., Ltd.
 Independent Director/Audit Committee/Risk Management Committee, Thoresen PCL.

2006 - 2009 Audit Committee/Nomination Committee, PTT Chemical PCL.

2005 - 2008 Chairman of the Board of Directors, PTTEP PCL.

2005 - 2007 Chairman of the Board of Directors, Rayong Refinery Co., Ltd.

2004 - 2008 Chairman of the Board of Directors, Thai Oil PCL

2003 - 2008 Chairman of the Board of Directors, PTT PCL

2003 - 2008 Chairman of the Board of Directors, Ratchaburi Electricity Generating Holding PCL

2003 - 2004 Chairman of the Board of Directors, Electricity Generating Authority of Thailand

2002 - 2006 Permanent Secretary, Ministry of Energy

Training Program

Diploma, The Joint State-Private Sector Course, National Defense College, Class 40

Politics and Governance in Democratic System for Executives Class, King Prajadhipok's Institute Class 5

The Civil Service Executive Development Program I, The Civil Service Training Institute, Class 13/1993

Capital Market Academy Leadership Program, (CMA) Class 5

Director Accreditation Program (DAP), Class 8/2004

Role of the Chairman Program (RCP), Class 10/2004

Director Certification Program (DCP), Class 104/2008

Number of Shares held

-0%-

The Board of Directors

Mrs.Patama Wongtoythong**Chief Executive Officer****Deputy Chairman of the Board and the company secretary****Academic Background**

Master Degree	Master of Business Administration (Finance, Policy and Planning) University of Missouri, U.S.A.
Bachelor Degree	Bachelor of Business Administration (Accounting), Thammasat University

Work Experience

2008 - Present	Chief Executive Officer, Solartron PCL Chairman of Executive Committee , Solartron PCL
2014 - Present	Chairman of Audit Committee, Netbay PCL
2015 - Present	Director, SOLARTRON ENERGY 1-5 CO.,LTD.

Training Program

Advanced Master of Management, NIDA
 Top Executive Program, Thailand Energy Academy "(TEA Class 7)
 Director Accreditation Program (DAP) class 54/2005
 Director Certification Program (DCP) class 54/2005
 Fraud Prevention and Information Security Governance
 Full Scale Internal Auditing and Control Program
 Future and Derivatives for Investor Program
 The Governance Role of the Board in the Preparation and Response to Unforeseen
 Crisis and the Oversight of (Foreign) Subsidiaries
 GRC: Tool for Board Governance
 Thailand Competitiveness: Making Corporate Governance Productive

Number of Shares held

0.11 %

The Board of Directors

Mr.Akaradej Rojmeta
Director

**Academic Background**

Master Degree	Master of Business Administration, Tarleton University, Texas, U.S.A.
Bachelor Degree	Bachelor of Business Administration, Thammasat University

Work Experience

2004 - Present	Director, Solartron PCL
2015 - Present	Director, SOLARTRON ENERGY 1-5 CO.,LTD
2006 - Present	Director, Netbay PCL
2007 - 2008	Chief Executive Officer, Solartron PCL

Training Program

2004	Director Accreditation Program (DAP) class 27/2004
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Number of Shares held	3.96 %
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The Board of Directors

Professor Dr.Dusit Kruangam
Director



Academic Background

Doctor of Philosophy	Electrical Engineering, Faculty of Science Engineering, Osaka University, Japan.
Master Degree	Electrical Engineering, Faculty of Science Engineering, Osaka University, Japan.
Bachelor Degree	Electrical Engineering, Faculty of Engineering, Nagoya University, Japan.

Work Experience

2016 - present	Member of Board of Directors, Solartron PCL
2009 - present	Chairman and Member of Board of Directors, MD, Thai Solar Future Co., Ltd.
2008 - 2009	Deputy MD, Ekarat Solar Co., Ltd.
2005 - 2008	Member of Board of Directors, Deputy CEO, Solartron PCL..
1988 - 2005	Professor, Department of Electrical Engineering, Faculty of Engineering, Chulalongkorn University.

Training Program

2005	Director Accreditation Program (DAP) class 42/2005
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Number of Shares held -0%-

The Board of Directors

Mr. Kitti Pintavirooj
Director

**Academic Background**

Master Degree	Master of Laws in Admiralty, Tulane University, USA
Master Degree	Master of Comparative Laws, University of Miami, USA Barrister-at-law, institute of Legal Education, Thailand
Bachelor Degree	Bachelor of law, Thammasat University

Work Experience

2017 - present	Director, Solartron PCL
2012 - present	Secretary General of Thai Life Assurance Association
2015 - present	Chief Officer – Legal, Compliance and Regulatory Affairs Allianz Ayudhya Assurance PCL
2012 - 2014	Chief Officer (New Business Development, Legal and Compliance, Regulatory Affairs, Internal Audit etc) Allianz Ayudhya Assurance PCL
1987 - 2012	Regional General Counsel (Thailand and Vietnam) American International Assurance Co.,Ltd

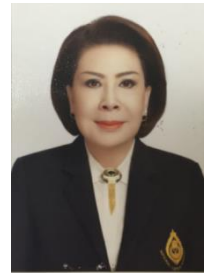
Training Program

2012	Thailand Insurance Leadership Program 2
2002	Graduate Diploma in Management of Public Economy, The College of Politics and Governance King Prajadhipok's Institute
2002	Director Certification Program

Number of Shares held 0.0009%

The Board of Directors

Mrs.Rawittha Pongnuchit
Chairman of Audit Committee
Independent Director



Academic Background

Master Degree	Master of Political Science, Thammasat University
Bachelor Degree	Bachelor of Law, Ramkhamhaeng University

Work Experience

Subcommittee member, The Agreement Audit, Ministry of Transportation and Communication

Inspector-General, Ministry of Finance

Deputy Director-General, the Revenue Department

Director of Bureau of Tax Appeals, the Revenue Department

Lawyer 9 (Expert in protection and counter destroying of the tax system), Office of Tax Auditing, the Revenue Department

Deputy Finance Ministry Spokesman

Secretariat to the Revenue department

The Revenue Department Spokesman

Clearing Director of Thai Asset Management Corporation

Chairman of the Audit Committee / Director of KTB Law Co., Ltd.

Advisor to the Finance Minister

Member of the Doing Business of Alien Committee, the Department of Trade Development, the Ministry of Commerce

Member and Chairman of the Audit Committee of Sukhumvit Assets Management Co., Ltd.

Director, Member of the Audit Committee, and Chairman of the Selection and Remuneration Committee of Thai Petrochemical Industry PCL

Director, Member of the Audit Committee, of the Thai Credit Guarantee Corporation

Director of Airport Authority of Thailand PCL

Representative of the Ministry of Finance in the Committee of the Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sport

Directorship**Other Listed Companies**

Independent Director, Chairman of Audit Committee, Solartron PCL.

Independent Director, Chairman of Audit Committee of Synnex (Thailand) PCL

Independent Director , Audit Committee, Sakol Energy PCL

Independent Director ,Audit Committee, Pranda Jewelry PCL

Number of Shares held

-0%-

The Board of Directors

Mr.Suchat Trisirivattwat
Audit Committee
Independent Director

**Academic Background**

Master Degree	Master of Science (Accounting), Thammasat University
Bachelor Degree	Bachelor of Business Administration (Accounting), Thammasat University

Work Experience

2004 - Present	Independent Director, Audit Committee, Solartron PCL.
2006 - 2015	Managing Director, Indara Insurance PCL
2006 - 2013	Director, Klangdong Lime and Expert Environment Co., Ltd.

Training Program

Advance Audit Committee Programs class 1/2009

- MIA 5/2009
- MFR 8/2008
- MIR 6/2009
- MFM 1/2009

Role of the Compensation Committee Program class 5/2008

Chartered Director Class 3/2008

The Role of the Chairman Program 13/2006

Director Certification Program (DCP) class 72/2006

Improving the Quality of Financial Report 4/2006

Audit Committee Program (ACP) class 1/2004

Director Accreditation Program (DAP) class 21/2004

Number of Shares held

-0%-

The Board of Directors

Mr.Akekachat Leelapanyalert
Audit Committee
Independent Director



Academic Background

Bachelor Degree Bachelor of Business Administration (First Class Honors) Chulalongkorn University

Work Experience

2014 - present Independent Director, Audit Committee, Solartron PCL.
 2013 - present Managing Director, Corporate Strategy Division, Apple Wealth Securities PCL.
 2013 - 2014 Managing Director, Business Development and Corporate Strategy Division, Apple Wealth Securities PCL.
 2012 - 2013 Director in Investment Banking Department, Country Group Securities PCL.
 2007 - 2009 Analyst in Investment Banking Department, Phatra Securities PCL.

Training Program

Director Accreditation Program (DAP) class 123/2016
 Advanced Audit Committee Program (AACP) class 23/2016

Number of Shares held -0%-

9. Corporate Governance

Policy of Corporate Governance

The Board of Directors has always realized the importance of conducting business in compliance with good corporate governance principles. The Board resolved corporate governance policy in written to comply with the principles of corporate governance stated by the Stock Exchange of Thailand (SET) as well as rules and regulations of the Securities Commission (SEC) which cover the following categories:

- Rights of shareholders and equitable treatment of shareholders
- Role of stakeholders,
- Disclosure and transparency
- Role and Responsibilities of the Board of Directors

1. Rights of shareholders and equitable treatment of shareholders

1. The Company always respects rights of its shareholders: basic shareholder rights as prescribed the law, ownership right through appointment of the Board of Directors, and other rights as appropriate. The Company takes care of its shareholders more than legal requirements, such as provision of information, news, updates through the corporate website. Important news for shareholders is notified by letters. Shareholders are welcome to visit the Company by request.
2. The Company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items concerning issues to be decided. A notice of a meeting and support documents are sent to corporate shareholders at least 30 days in advance. The notice for the 2018 shareholders meeting was posted on the Company's website so that shareholders could study all the information prior to receiving the notice in documentation.
3. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is www.solartron.co.th. Inquiries and requests for further information may be e-mailed to agm@solartron.co.th
4. The Company facilitates and encourages its shareholders to exercise their rights and votes. There are two closing times of the transfer book. The transfer book is closed for shareholders' right to attend a shareholders meeting, allowing the shareholders to consider and approve the annual dividend payment. The book is closed again for shareholders' right to receive dividends, allowing the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. The meetings are notified in newspapers. Shareholders can register about one hour prior to each meeting. Should a shareholder not be able to physically present at a meeting, they

- may appoint their proxy or an independent director as their proxy to attend and vote in the meeting.
5. The Company held the Annual General Meeting1/2018 on April 30, 2018, where all directors were present. Corporate shareholders were given opportunities to directly inquire the corporate directors and committees. The Company does not deprive its shareholders of access to corporate information. All important information, for instance, is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.
 6. The Company allows its shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there shall be at least 5% of total shares. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the Board of Directors' meeting will consider and select the proposals. Shareholders will be informed about the Board's meeting resolutions and reasons in detail regarding the proposals through the Company's website and corporate shareholders did not propose any additional matters to be included in the shareholders' meeting agendas. Moreover, the Company encourages its shareholders to electronically submit the Board their inquiries related to shareholders' meeting agendas via its website prior to shareholders' meeting dates.
 7. The Company has facilitated nomination of candidates for corporate directors by shareholders. Guidelines for the procedure and criteria have been provided. For instance, registered mail can be used for shareholders' submission of their nominations to the Company's Secretarial Division. Periods of time for accepting shareholders' director nominations are defined. Forms for nominees' profiles are provided. The procedure for nominees' declaration of their consent is explained. Detailed information regarding the nomination is posted on the Company's website. After nominations are accepted, the board of directors' meeting will consider the nominations. However, up to the present there has been no nomination from corporate shareholders.
 8. The Company provides information on a shareholders' meeting for its shareholders on the corporate website. Hard copies of the same information are also sent to corporate shareholders. Shareholders' meeting notices and support documents are sent to shareholders at least 14 days in advance.
 9. In the annual shareholders meeting notice, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. It nominated corporate independent directors. Shareholders were provided with standard proxy forms for indicating their opinions in voting.

10. Agenda of the 2018 annual shareholders' meeting notice covered appointments of directors, consideration of directors' remuneration, appointment of an independent auditor and determination of their remuneration, dividend payment, and other important matters, such as the issuance and offering of the Company's warrants, and allocation of new ordinary shares. Necessary information for shareholders' decision was presented.
11. In the 2018 AGM, the Chair informed corporate shareholders about procedures relevant to the meeting including voting procedure. The shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statements and operating results. In director appointment, the shareholders voted on each nominated director. Voting cards were used in case of disagreement over the meeting agenda. The meeting was recorded on video.
12. In minutes of the 2018 Annual General Shareholders' Meeting, names of all the directors physically present/absent were shown. All corporate directors were present. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the corporate website within 14 days after the AGM.
13. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing.
14. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders' meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years. The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board's meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

2. Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, for instance, customers, employees, trading partners, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

Rights of shareholders: They are defined in “Rights of Shareholders and Equitable Treatments of Shareholders” section.

Rights of employees: The Company respects its employees’ legal rights according to the Labor Protection Act and related laws. It ensures fair and equal treatment for all employees regardless of their ranks, nationalities, religious beliefs, and gender. Employees are entitled to benefits according to their positions without discrimination. For transparency and fairness in employees’ promotions and pay raises, the Company has established a committee comprising of Management of different departments. To support its growth, the Company encourages its employees’ knowledge and skill development through in-house and outside training. Provident fund has been set for corporate employees’ security. The Company upholds Thai Labor Standard 8001 on human rights and social responsibility. It was given full and highest accreditation by the Department of Labor Protection and Welfare, Ministry of Labor, with the Thai Labor Standard (TLS: 8001).

Rights of customers: Apart from customers’ rights specified in contracts, the Company cares about their satisfaction. Follow-up and customer satisfaction evaluating systems have been established. Follow-ups and satisfaction evaluations are done periodically in line with ISO 9001:2008, ISO 14001: 2004, OHSAS 18001:2007 and TLS8001: 2003. The aim is to promote long-term relationships between the Company and customers.

Rights of trading partners: Most of the Company’s relationships with its trading partners are in the form of joint ventures. The Company always respects its trading partners’ legal rights and rights as specified in joint venture agreements. It adheres to integrity, equality, and rights of benefits corresponding to their investments.

Rights of creditors: The creditors’ rights specified in trade agreements are respected. The Company has earned trust among its creditors from ethical operations. Information and updates concerning the Company and its financial status are provided for the Company’s creditors.

Rights of the community and environment: The Company has always been responsible to the society and environment. It strictly complies with applicable laws, such as environmental and factory laws. The Company collaborates with the government sector and agencies, helps developing public

infrastructure, provides financial supports, and promotes social activities that bring understanding and sustainable development to the community.

For projects that may have a potential impact on the community and environment, the company conducts public hearings and tries to minimize those effects. Specific procedures have been set for environmental and social factor studies, minimizing environmental and social impact, along with feasibility studies. The company had conducted public hearings and analyses of impacts on the community and environment.

The company always realizes the importance of all groups of stakeholders as mentioned. It also values all suggestions, opinions, and comments that enable development, improvement and correction of the corporate operations. All stakeholders can contact the company to report improper incident, complain, request for clarifications or correction, or make any suggestions via email: support@solartron.co.th or faxing the internal audit office at 02-381-2971. In the previous year, there was no wrongdoing reported to the company.

3. Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently through channels that are trustworthy and equally easy to access for the public. The followings are corporate practices:

1. Annual statements (Form 56-1) and annual reports are disclosed through the SET channels and corporate website, www.solartron.co.th. There are also updates related to the company and the industry posted on the website to facilitate decision-making of those involved.
2. The company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the company's compliance with established policies, summarized business ethics, and directors' training background were disclosed.
3. A statement of the Board of Directors' responsibilities for the company's financial statements is provided along with the auditor's report in the corporate annual report. The contents include the certification that the company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and that the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Board Chairman and Managing Director.
4. Contents of the Company's website consist of organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.

5. The company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. A team set up to coordinate communications between the company, investors, and shareholders can be reached by email at support@solartron.co.th.

4. Responsibilities of the Board of Directors

1. The structure of the Board consisted of 8 directors. 3 out of 8 are independent directors and. The company's Board of Directors possesses skills and expertise in various fields, such as accounting, finance, law, governance, production technology, personnel, purchasing, marketing, real estate, internal audit, and information technology. Detailed profiles, qualifications, experiences, and ownership of directors are included in Form 56-1.

Category of Directors

Name	The Board of Directors	Audit Committee	Nomination and Remuneration Committee
Mr. Cherdpong Sirivit	/	-	-
Ms. Patama Wongtoythong	/	-	/
Mr. Akaradej Rojmeta	/	-	/
Ms. Rawittha Pongnuchit	/	/	-
Mr. Suchat Trisirivattwat	/	/	/
Mr. Akekachat Leelapanyalert	/	/	-
Dr. Dusit Kruangam	/	- -	-
Mr. Kitti Pintavirooj	/	- -	-

2. It is required that during the annual general meeting, one third (1/3) or close to one third of corporate directors resign. Each director's term is two years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The company has not determined how many terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the company's business to serve in the Board.
3. The Board of Directors has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, as well as defined their functions and responsibilities. For transparency and independence in the work, the majority of the committee members are

independent directors, and chairs of the committees are independent directors. To maintain true independence of the corporate committees, the Chair of the Board is not the chair or a member of those committees. The committees serve 2 years. In case that a committee serves until the end of its term and a new committee has not yet been appointed, the former committee still continues to work until a new committee has been appointed. At the end of their term, if a director is not re-elected, their position in their current committee shall end automatically. If there is a new director in a committee, that director shall remain in the position as long as the committee's term.

4. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to corporate executives as well.
5. The company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency. The current corporate vision has been reshaped from being a sugar manufacturer to a producer of alternative energy which is environmentally friendly. The new vision is based on the idea that sugar is an energy source for human beings. Ethanol fuels automobiles. Fertilizer nourishes plants. Electricity energizes appliances. Corporate investments are in line with such vision.
6. The board has established corporate governance policy as follows: "The Company is committed to corporate governance to build trust among shareholders, employees, and customers, as well as to create sustainable competitive advantage. It emphasizes internal control, internal audit, and risk management, as well as ensures that managements implement policies effectively in compliance with legislation and business ethics." The policy has been communicated throughout the Company. The company ensures that its personal understands and complies with the corporate governance. The work and corporate policies are always evaluated and reviewed annually.
7. The board has set a written ethics and codes of business conduct for the company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Company's human resources department evaluates, reviews, and revises the codes of conduct.
8. Conflicts of Interest Prevention, The board of directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The Audit Committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.

9. Efficient Administrations and Internal Control, the company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of corporate resources, and protection and corporate assets. The corporate internal audit provides analyses, audits, evaluations, advice, and recommendations to support corporate activities. The Audit Committee independently reviews and audits adequacy and efficiency of the company's internal control and internal audit once a year. The opinions on the corporate internal control system are included in the annual report.
10. Risk Management, the risk management committee engages in establishing the total risk management. Adequacy and efficiency of the company's risk management system will be reviewed at least once a year. The early warning system will be in place for irregularity scanning.
11. The board of director sets at least 4 board meeting every 3 months, and 1 additional meeting: one is a meeting before one month of annual shareholders' meeting and the other one is a meeting for annual budget, each director of the board is notified in advance. For the flow of the company's operations, there are monthly executive meetings where the board entitles the meeting to make decisions. In every board meetings, the board of directors is informed about matters that have been approved by the Company's executive meeting to ensure that the board is able to supervise, control, and monitor the work of managements on a regular basis.
12. In board meetings, the chairman, managing director, and secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.
13. The board's secretary sends meeting documents to each director in advance of the meeting date. The documents are concise. Confidential issues that cannot be disclosed in writing or prior to the meetings are brought to be discussed during the meeting.
14. In a board of directors meeting, the chairman of the board allocates adequate meeting time for managements' presentations and comprehensive directors' discussions. The chairman encourages careful consideration in the meeting. Directors pay attention to each issue presented in the meeting, including issues concerning governance of the company. Top executives from different departments attend the board meeting to present details on the issues that they are responsible for in order to facilitate the Board's decision-making. The Board also has a chance to know more about the top executives, as well as has access to important additional information through the top executives. Directors may request more information about issues in the meeting from the company's secretary.
15. Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are

disclosed. The board sets a meeting every 3 months in a year, and the executive committee has monthly meetings concerning the company's operating results. Information from the executive committee meetings is presented to the corporate board of directors.

In 2018, the board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually. The board considered the evaluation results and put forward recommendations for improvement.

5. Selection of Directors and Management

Board of director appointed 3 directors as a member of the Nominating and Remuneration Committee. 2 out of 3 members are company's independent directors. This committee has planned to determine policies, regulations, and procedures for nomination of directors in order to select and nominate qualified personnel to the Board of Director and shareholder for consideration in annual general shareholders' meeting. However, the criteria for consideration must be not less than the qualifications specified in Section 68 of the SEC ACT B.E. 2535 (including the revised version) and related announcements of the SEC. The election of directors is organized in line with the following Company's regulations:

1. The corporate Board of Directors consists of a lease four directors, which not less than half of the number of directors must reside in the Kingdom. The directors must be qualified individuals who do not possess characteristics as prohibited by the laws.
2. The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:
 - a) One vote per share is allowed for a shareholder.
 - b) Shareholders vote for each individual nominated as a director. The number of vote(s) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in (a). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a direct remaining, the chairperson shall be granted the final vote.

In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total.

6. Use of inside information

According to Corporate Governance policy, the Company prohibits its directors, the executives, and employees from using inside information concerning important matters including trading of securities before publication for others or personal gains. Directors, executives, and

employees have the right to trade corporate a security within one month before the corporate financial statements is publicized.

7. Public relations to promote the corporate governance culture

- Provided corporate governance training as part of the orientation curriculum for new directors.
- Provided corporate governance training as part of the orientation curriculum for new employees.

10. Corporate Social Responsibilities

As government policy in Alternative Energy Development Plan(AEDP) which focuses on developing in main nation energy, cutting down dependency on fuel importing and enforcing nation energy stability with acceptable price and environmental friendly.

Solartron as solar cells and Solar modules producer is proud to produce clean energy especially during the peak time that every sector consumes a lot of electricity. Reducing energy consumption and increasing energy efficiency with solar energy sources are now more important than ever. in 2018, Thailand consumed electricity the most in summer at 30,000 Megawatts which is also the high peak demand, Public’s cooperation for power saving was required.

Through continuous innovation , Solartron can produce solar cells and solar module with higher conversion efficiency. Increased efficiency means more energy is created from the same surface rea, helping to higher module energy yield that make high return of investment for Solartron customer.

In addition, solar water pumping system is the solution to prevent drought for rural non electrified area and can reduce the summer outbreak coming from the dirty water.

Solartron teams is proudly to produce the good quality of solar power system to serve the community and promote clean energy product for reducing global warming.

SOLARTRON Product Certificate

	ISO 9001 : 2015 : NAC
	ISO 9001 : 2015 : UKAS
	OHSAS 18001 : 2007
	TIS 18001 : 2554
	ISO 14001 : 2015;NAC
	ISO 14001 : 2015 : UKAS
	CSRDIW TLS 8001-2003

Solar Water Pumping System



Green Industry



11. Internal Control and Risk Management

The Board is responsible for the Company's system of internal control. The audit committee, a sub-committee of the Board, is chartered to oversee the internal control system within the company that operates to safeguard the company's assets and shareholders' investments. Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting, assist compliance with laws and regulations, and strengthens overall risk management of the environment within which the business operates. The audit committee, supported by both the internal and external auditors, evaluates working of internal control within the company on an on-going basis, reporting the results to the Board regularly. The AC is assisted by external auditor and the internal auditors in its review and supervision of internal control operations within the Company. Both the external auditors and internal auditors are independent of Management. The Internal Audit Department reports functionally and directly to the AC and coordinates with the external auditors in providing information and opinions on internal control. The mission and annual work plan of the Internal Audit Department form the basis upon which the systems within the Company relating to internal control, risk management and corporate governance are reviewed and reported to the AC and Board of Directors.

On an annual basis, the AC also evaluates the sufficiency and effectiveness of the internal control system of the Company by reference to the following five factors;

1) Internal Environment

The Company establishes a control strong working environment with an appropriate organization structure reinforced with policy and planning, error free execution and continual monitoring and feedback mechanism. Business transactions are subject to Code of Business Ethics, and employees are held accountable to stated Code of Conduct, Misconduct, and fraudulent act, are investigated on a timely basis and reported upward to Senior Management, Internal Audit and Audit Committee.

The Company provides each department with clearly stated objectives and goals, including strategies and operating procedures. These objectives and goals align Company's mission with business plan and risk factors.

2) Risk Assessment

The Company leverages on its Risk Management Committee (RMC) and the experience and networking depth of its Senior Management to identify adverse and risky events on a timely basis so that the appropriate response measure can be developed and deployed.

The Company has a risk management policy which governs the operation of the Risk Management Committee (RMC) to review and update the risk factors underlying the businesses. The assessment and resulting response are documented in the RMC report which is shared with both the Audit Committee and the Board.

3) Control Activities

The Company has clear policies, and guidelines that define key control activities in each operation. These policies and guidelines are reviewed on a regular basis to ensure they are consistent with and the relevant to current operating environment.

4) Information and Communication

The Company has management information systems and communication channels through which key information relating to corporate governance, policies and regulations, procedures and practice can be communicated to employees to guide them in their personal conduct, business activities and as feedback for improving their performance in the future.

5) Monitoring and Assessment

The Company commands a performance tracking system by having a sub-committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement an internal audit Department, reporting to the Audit Committee, reviews compliance with the company's formulated internal control system.

Risk Management

Amid rapid changes in the current business environment, the risk management process is crucial for the formulation of plans to systematically tackle business uncertainties. Besides applying the international Coso at the operational, business/functional group and divisional levels Solartron has integrated this standard into its work processes and the formulation of risk management for every investment project. By structuring its management of risks to cover all business groups, requiring them to observe a standardized risk management system, Solartron ensures that the company and its affiliates will fully achieve their long-term and short-term goals in line with the sustainable approach for business, environmental, and social development.

Risk management outcomes

This year Solartron examined internal and external factors threatening its business operations, exchange rates, business competition, economic conditions, public, megatrends, and the growth of relevant technologies and innovations, which include alternative-energy and energy storage-related technologies, and the progress of Electric Vehicle (EV) development Solartron also considered the needs and expectations of its stakeholders in analyzing impacts and future trends for the formulation of its risk management plans and identification of business opportunities.

In enhancing the assessment efficiency of risk factors and their risk-related management fall into the following elements: corporate level and investment-project level Solartron's

Corporate risk management

The first step of corporate risk management is to assess key internal and external risk factors, including future trends potentially affecting Solartron's short-term and long-term goals. Besides covering strategic, operational, and financial risks, the assessment includes risks concerning legal compliance, employees' safety and occupational health, together with operational impacts on the environment, society and communities, which may affect Solartron credibility. Key risk indicators (KRI) have also been developed to be used in the monitoring process to stay vigilant for emerging threats,

To fully achieve its business goals, Solartron has prepared management plans for the assessed risk factors and impacts as follows:

Risks of volatility in raw material prices

In managing risks arising from the volatility of raw-material prices, which affect the revenue has implemented the following short-term and long-term plans:

- Closely monitored raw material price movements and constantly developed new tools to manage price-related risks and product spreads,
- Pursued business profits by procuring raw materials from local suppliers at reasonable prices and developed work processes to add value to products.
- Increased the proportion of Solartron new businesses that generate steady revenue streams

Risks relating to the management of raw materials and supply chain

In ensuring an efficient operation within its supply chain and timely delivery of raw materials, machinery, equipment and services for its production and selling activities, which are crucial for its business continuity and cost control Solartron undertakes the following risk management measures:

- Entered into term contracts for Solar wafer from foreign and domestic sources to maintain a stable supply
- Classified high-value groups of raw-material and merchandise suppliers, including service providers, to conduct risk assessment on their adequacy, including their economic, social and environmental impacts, to ensure Solartron business continuity.

Risks arising from energy-related technologies and innovations

Technological changes and innovations are external factors threatening the current business. Solartron has analyzed and assessed such risks while identifying opportunities offered by technological progress and innovations

- Solartron Established Knowledge Center to create a green ecosystem, promote and drive innovations that support green energy products, leading to a dynamic breakthrough of Solartron businesses with and awareness of resource values.

Risks of impacts on communities and society

Focusing on sustainably cooperating with communities, society, and the environment in its business conduct, Solartron has improved and developed its processes to operate safely without affecting communities and society through the following risk management measures:

- Consistently applied the Safety Integrity Level and Risk-Based Inspection systems throughout its processes, to plan proper maintenance and repair schedules for equipment to mitigate accident risks.
- Developed a safety system after TIS/OHSAS 18001.
- Organized activities to promote knowledge, understanding, and safety awareness among these in surrounding communities, including schools, temples, and residential, by conducting evacuation and fire-fighting drills, installing communication systems and community alarms at all strategic locations, and inviting community representatives to observe emergency drills.

- **Global warming risks**
- Besides defining emergency response measures to mitigate potential impacts of global climate change Solartron focuses on contributing to the reduction of carbon dioxide emission as follows.
 - Closely monitored potential of climate change, including floods, with effective plans in place to manage low to high levels of impact and ensure business continuity.

12. Transactions with Related Parties

Connected Transaction with Parties with Possible Conflict of Interest

During the year 2018, the Company entered into the connected transactions with the parties or persons who might have conflict of interest to the Company. Most of the transactions were related to sales and purchased of spare parts and services. The said transactions were engaged in accordance with the conditions mutually agreed between the Company and the related parties, which relied on the normal business conditions. The Company already disclosed information on such connected transactions, such as description of transactions, transactions value, and pricing policy in note 5 in the financial statements.

Necessity and Reasonableness

Most of the connected transactions are the transactions undertaken to support previous project of business of the Company. To enter into each previous, the Company always makes a decision based on the utmost good faith for the Company's benefits without any conflict of interests.

Procedures for Connected Transaction

The Company has clearly stated the procedures for connected transaction in an authorized manual of the Company which aligns with the regulations of the Stock Exchange of Thailand.

Policy and Possibility in conducting the Connected Transaction in Future

The Company has to enter into the connected transactions, but such transactions shall be conducted based on the normal business conditions by not transferring any benefits to the parties who might have the conflict of interest with the Company. The Company shall assign The Audit Committee or the external auditor or independent specialists to consider an appropriate value, and disclose type of transaction, value, and rational in conducting the transactions to the shareholders as required by the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Named	Retaliation	Description	Size of activities (Baht)		The necessary and reasonable of activities and policy to set the price
			2017	2018	
Solartron Energy 1	Subsidiary Hold by Solartron 99.96 %	(1) Interest revenue	364,921	380,301	Using the bank overdraft rate which is equal to 7% year. A management fee for engineering, financial accounting, procurement, administration and human resource.
		(2) Revenue service	720,000	720,000	
		(3) Trade accounts	898,800	1,669,220	
		(4) Short-term loans from subsidiary	5,300,000	5,700,000	
		(5) Accrued interest receivable	970,948	1,351,249	
Solartron Energy 2	Subsidiary Hold by Solartron 90 %	(1) Interest revenue	31,548	24,164	Using the bank overdraft rate which is equal to 7% year. A management fee for engineering, financial accounting, procurement, administration and human resource. Construction cost of 2MW solar power plant is based on the market price
		(2) Interest expense	100,445	15,649	
		(3) Revenue service	1,200,000	1,200,000	
		(4) Revenue which installation services	2,240,710	-	
		(5) Cost of Sale which installation services	3,467,418	-	
		(6)Trade accounts	5,934,500	-	
		(7) Short-term loans from subsidiary	500,000	-	
		(8) Accrued expense	-	-	
		(9) Revenue received in advance	-	-	
		(10) Short-term loans for subsidiary	-	800,000	
		(11) Revenue from O&M	420,000	928,000	
Solartron Energy 3	Subsidiary Hold by Solartron 100 %	(1) Interest expense	159,562	-	Using the bank overdraft rate which is equal to 7% year. A management fee for engineering, financial accounting, procurement, administration and human resource. Installation cost of Solar rooftop system is based on the market price
		(2) Revenue service	1,200,000	1,200,000	
		(3)Revenue which installation services	2,155,196	66,026,530	
		(4) Revenue from O&M	2,000,000	2,400,000	
		(5) Revenue	-	14,260	
		(6) Cost of Sale which installation services	5,157,033	64,850,149	
		(7)Trade receivable	167,785,461	181,408,505	
		(8) Accrued expense	-	-	
		(9) Revenue received in advance	37,263,240	34,791,666	
		(10) Short-term loans for subsidiary	-	-	
Solartron Energy 4	Subsidiary Hold by Solartron 100 %	(1) Interest expense	2,240,000	2,240,000	Using the bank overdraft rate which is equal to 7% year.
		(2) Revenue service	720,000	720,000	
		(3) Trade accounts	834,600	385,200	

		(4) Short-term loans for subsidiary	32,000,000	32,000,000	A management fee for engineering, financial accounting, procurement, administration and human resource.
		(5) Accrued expense	4,167,671	4,156,405	
Solartron Energy 5	Subsidiary Hold by Solartron 51 %	(1) Interest expense	17,452	-	Using the bank overdraft rate which is equal to 7% year.
		(2) Interest revenue	11,101	1,515	
		(3) Revenue service	1,200,000	1,800,000	A management fee for engineering, financial accounting, procurement, administration and human resource.
		(4) Revenue which installation services	30,688,364	-	
		(5) Cost of Sale which installation services	8,610,702	-	Construction cost of 7MW solar power plant is based on the market price
		(6) Trade receivable	29,510,900	4,084,740	
		(7) Accrued expense	-	-	
		(8) Revenue received in advance	-	-	
		(9) Short-term loans for subsidiary	-	-	
		(10) Revenue from O&M	1,344,000	1,959,000	
SLTT Joint Venture	Joint Venture Agreement with Thai Polycons Plc., and share the profit or loss and responsibility at the percentage of 50% equally.	(1) Revenue which installation services	-	-	Establishing a Joint Venture entity, under 50:50 partnership agreement, in order to construct and install solar rooftop systems for Ek-chai Distribution System Co., Ltd. (Tesco Lotus Thailand)
		(2) Revenue from Sale of goods	16,750	19,766	
		(3) Revenue service	653,445	895,659	
		(4) Interest Revenue	17,467	166,332	
		(5) Cost of Sale which installation services	653,445	-	
		(6) Trade receivable	4,605,611	5,413,376	
		(7) Revenue received in advance	633,558	-	
		(8) Short-term loans for subsidiary	-	2,900,000	
Thai Solar Future Co., Ltd	A director of this company is a director of the company	(1) Revenue from Sale of goods	1,281,680	206,292	Designing, vending and installation of solar cells, solar modules and solar systems which are based on the market price
		(2) Cost of Sale which installation services	-	-	
		(3) Advance Payment	1,940,008	-	
		(4) Trade payable	45,730,679	26,299,143	
		(5) Trade accounts	-	220,732	
		(6) Revenue service	-	2,259,699	

Transactions with Related Parties

The above connected transactions are reasonable, equitable and in line with an ordinary and usual course of the Company's business and / or supporting an ordinary and usual course of the Company's business and / or supporting an ordinary and usual course of the Company's business

13. Management Discussion and Analysis

Management's Discussion and Analysis of Financial Positions and Operating results for the year ended December 31, 2018 as follows:

1) The operating results and profitability

The Company (Separate) operation results for the year end of 2018 on December 31, 2018 recorded the comprehensive net (loss) income of (350.51) million Baht decreasing in amount of 171.20 million baht or representing 95.48% from the same period on December 31, 2017 in the comprehensive net (loss) income of (179.31) million Baht and the year ended of 2018 Earnings per Share of (0.64) Baht.

The Company (Consolidated) operation results for the year end of 2018 on December 31, 2018 recorded the comprehensive net (loss) income of (380.20) million Baht decreasing in amount of 37.22 million baht or representing 8.92% from the same period on December 31, 2017 in the comprehensive net (loss) income of (417.42) million Baht and the year ended of 2018 Earnings (loss) per Share of (0.70) Baht.

1.1 Total Revenues

Separate, The Company had total revenues in the year end of 2018 amounting to 723.04 million Baht and comparing to the year end of 2017 of 1,154.22 million Baht respectively which a decrease of 431.18 million Baht, or decreased by 37.36% The total revenues are divided to sales and other income as follows:

(Separate)

Total Revenues	Year 2018		Year 2017		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	694.74	96.09%	897.96	77.80%	(203.22)	-22.63%
-Revenue from sales of goods which installation service and construction of solar power plant	483.91	66.93%	659.56	57.14%	(175.65)	-26.63%
-Revenue from sales of goods and OEM	210.83	29.16%	238.40	20.65%	(27.57)	-11.56%
- Gain from investment transference	12.91	1.79%	228.24	19.77%	(215.33)	100.00%
Other incomes	15.39	2.13%	28.02	2.43%	(12.63)	-45.07%
Total Revenues	723.04	100.00%	1,154.22	100.00%	(431.18)	-37.36%

Sales Revenues

Separate, the year end of 2018 The Company had sales amounting to 694.74 million Baht comparing to the year end of 2017 of 897.96 million Baht a decrease amounted to 203.22 million Baht, representing a decrease of 22.63%

As the year ended 2018, the company has decreased in sales by.

- The water pumping systems sales decrease from year ended 2017 of 2.00 million baht.

-The street light systems sales decrease from year ended 2017 of 22.06 million baht.

- The Solar rooftop systems sales decrease from year ended 2017 of 223.17 million baht.

Gain from investment transference

The Company financial statement, the company has transferred part of 2 subsidiaries share held by the company to settle its loans payables to other company and a director. The company recorded a gain on the transference of the investment in subsidiaries of the year 2018 amount 12.91 million baht for 1.79 of total revenues and the year 2017 amount 228.24 million Baht in profit accounting for 19.77% of total revenues.

Other Incomes

The Company financial statement, the year end of 2018 The Company had sales amounting to 15.39 million Baht comparing to the year end of 2017 of 28.02 million Baht an decrease amounted to 12.63 million Baht, representing an increase of 45.07% because of gain on exchange rate

1.2 Total Revenues

The Company consolidated had total revenues in the year end of 2018 amounting to 702.74 million Baht and comparing to the year end of 2017 of 968.41 million Baht respectively which a decrease of 265.67 million Baht, or decreased by 27.43% The total revenues are divided to sales and other income as follows:

(Consolidated)

Total Revenues	Year 2018		Year 2017		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	693.18	98.64%	945.56	97.64%	(252.38)	-26.69%
-Revenue from sales of goods which installation service and construction of solar power plant	390.98	55.64%	622.06	64.24%	(231.08)	-37.15%
-Revenue from sale of Electricity	91.37	13.00%	85.10	8.79%	6.27	100.00%
-Revenue from sales of goods and OEM	210.83	30.00%	238.40	24.62%	(27.57)	-11.56%
- Gain from investment transference	-	0.00%	-	0.00%	0.00	100.00%
Other incomes	9.56	1.36%	22.85	2.36%	(13.29)	-58.16%
Total Revenues	702.74	100.00%	968.41	100.00%	(265.67)	-27.43%

Sales Revenues

Consolidated, the year end of 2018 The Company had sales amounting to 693.18 million Baht comparing to the year end of 2017 of 945.56 million Baht a decrease amounted to 252.38 million Baht, representing a decrease of 26.69%

As the year end of 2018, the company has decreased in sales by.

- The water pumping systems sales decrease from year ended 2017 of 2.00 million baht.

-The street light systems sales decrease from year ended 2017 of 22.06 million baht.

- The Solar rooftop systems sales decrease from year ended 2017 of 223.17 million baht.

Other Incomes

Consolidated, the year end of 2018 The Company had sales amounting to 9.56 million Baht comparing to the year end of 2017 of 22.85 million Baht an increase amounted to 13.29 million Baht, representing an increase of 58.16% because of increase of gain on exchange rate

1.3 Cost of sales and Selling and Administrative Expenses

(Separate)

Financial Statement	Year 2018		Year 2017		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	694.74	100.00%	897.96	100.00%	(203.22)	-22.63%
Cost of sales	958.82	138.01%	1,173.32	130.67%	(214.50)	-18.28%
Total Selling& Admin Expenses	110.17	15.86%	135.83	15.13%	(25.66)	-18.89%
- Distribution costs	18.97	2.73%	19.02	2.12%	(0.05)	-0.26%
-Administrative Expenses	91.20	13.13%	116.81	13.01%	(25.61)	-21.92%

Cost of Sales

The Company financial statement, the year end of 2018 the Company had the cost of sales of 958.82 million Baht. Comparing to the year end of 2017 of 1,173.32 million Baht a decreases amount 214.50 million Baht or 18.28% from decrease of sales volume.

Selling and Administrative Expenses

The Company financial statement, the year end of 2018 the Company had the selling and administrative expenses of 110.17 million Baht. Comparing to the year end of 2017 of 135.83 million Baht, an increases amount 25.66 million Baht or 18.89%

1.4 Cost of sales and Selling and Administrative Expenses

(Consolidated)

Financial Statement	Year 2018		Year 2017		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	693.18	100.00%	945.56	100.00%	(252.38)	-26.69%
Cost of sales	941.59	135.84%	1,196.06	126.49%	(254.47)	-21.28%
Total Selling& Admin Expenses	117.74	16.99%	145.87	15.43%	(28.13)	-19.28%
- Distribution costs	18.97	2.74%	19.02	2.01%	(0.05)	-0.26%
-Administrative Expenses	98.77	14.25%	126.85	13.42%	(28.08)	-22.14%

Cost of Sales

Consolidated, the year end of 2018 the Company had the cost of sales of 941.59 million Baht. Comparing to the year end of 2017 of 1,196.06 million Baht a decreases amount 254.47 million Baht or 21.28% from decrease of sales volume.

Selling and Administrative Expenses

Consolidated, the year end of 2018 the Company had the selling and administrative expenses of 117.74 million Baht. Comparing to the year end of 2017 of 145.87 million Baht, a decreases amount 28.13 million Baht or 19.28%

Profit

(The Company financial statement)

Financial Statement	Year 2018		Year 2017		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	694.74	100.00%	897.96	100.00%	(203.22)	-22.63%
Cost of Sales	958.82	138.01%	1,173.32	130.67%	(214.50)	-18.28%

Gross Profit	(264.08)	-38.01%	- 275.36	-30.67%	11.28	-4.10%
Selling and Admin expenses	110.17	15.86%	135.83	15.13%	(25.66)	-18.89%
Operating Profit	(345.95)	-49.80%	(154.93)	-17.25%	(191.02)	123.29%
Finance costs	(41.51)	-5.97%	(62.14)	-6.92%	20.63	-33.20%
Income Tax (expenses)	36.95	5.32%	37.76	4.21%	(0.81)	-2.15%
Net Profit for the year	(350.51)	-50.45%	(179.31)	-19.97%	(171.20)	95.48%

Gross Profit

The Company financial statement, the year end of 2018 the Company had Gross Profit (loss) amounted to (264.08) million Baht, Comparing to the year end of 2017 of (275.36) million Baht, a decrease of amount 25.66 million Baht or 18.89%

Operating Profit

The Company financial statement, the year end of 2018 the Company had had operating profit (loss) amounted of (345.95) million Baht, Comparing to the year end of 2017 of (154.93) million Baht, a decrease of amount 191.02 million Baht or 123.29%

Net Profit

The Company financial statement, the year end of 2018 the Company had net profit (loss) amount of (350.51) million Baht, Comparing to the year end of 2017 of (179.31) million Baht, a decrease of amount 171.20 million Baht or 95.48%.

Profit

(Consolidated)

Financial Statement	Year 2018		Year 2017		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	693.18	100.00%	945.56	100.00%	(252.38)	-26.69%
Cost of Sales	941.59	135.84%	1,196.06	126.49%	(254.47)	-21.28%

Gross Profit	(248.41)	-35.84%	(250.50)	-26.49%	2.09	-0.83%
Selling and Admin expenses	117.74	16.99%	145.87	15.43%	(28.13)	-19.28%
Operating Profit	(356.59)	-51.44%	(373.52)	-39.50%	16.93	-4.53%
Finance costs	(59.62)	-8.60%	(78.98)	-8.35%	19.36	-24.51%
Share of profit(loss)in Joint Venture	(0.19)	-0.03%	(2.16)	0.00%	1.97	-91.20%
Income Tax (expenses)	36.20	5.22%	37.24	3.94%	(1.04)	-2.79%
Net Profit for the year	(380.20)	-54.85%	(417.42)	-44.15%	37.22	-8.92%
Owners of the parent	(383.32)	-55.30%	(417.42)	-44.15%	34.10	-8.17%

Gross Profit

Consolidated, the year end of 2018 the Company had Gross Profit (loss) amounted to (248.41) million Baht, Comparing to the year end of 2017 of (250.50) million Baht, a decrease of amount 2.09 million Baht or 0.83%

Operating Profit

Consolidated, the year end of 2018 the Company had had operating profit (loss) amounted of (356.59) million Baht, Comparing to the year end of 2017 of (373.52) million Baht, a decrease of amount 16.93 million Baht or 4.53%

Net Profit

Consolidated, the year end of 2018 the Company had net profit (loss) amount of (380.20) million Baht, Comparing to the year end of 2017 of (417.42) million Baht, a decrease of amount 37.22 million Baht or 8.92%.

Net Profit (loss) Attributable to: Owners of the parent

Consolidated, the year end of 2018 the Company had net profit (loss) amount of (383.32) million Baht, Comparing to the year end of 2017 of (417.42) million Baht, a decrease of amount 34.10 million Baht or 8.17%.

2) Ability to manage assets.

2.1 Asset Component – Separate

Table compares the statement of financial position for the year ended of 2018 and December 31, 2017

(Separate)

	Unit : Million Baht			
	Separate			
	Dec 31,2018 (Audited)	%	Dec 31,2017 (Audited)	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	0.69	0.03%	4.77	0.18%
Trade accounts and other receivables - net	252.14	9.27%	478.89	17.60%
Unbilled receivables	198.03	7.28%	80.08	2.94%
Retention receivables	3.79	0.14%	1.94	0.07%
Short - term loans to subsidiary	5.70	0.21%	5.80	0.21%
Short - term loans to JV	2.90	0.11%		
Inventories - net	286.05	10.51%	666.05	24.48%
Other current assets	<u>36.64</u>	<u>1.35%</u>	<u>52.64</u>	<u>1.93%</u>
Total current assets	<u>785.94</u>	<u>28.89%</u>	<u>1,290.17</u>	<u>47.42%</u>
NON - CURRENT ASSETS				
Deposits at banks held on collateral	45.56	1.67%	134.23	4.93%
Investments in subsidiaries	199.55	7.33%	210.36	7.73%
Property, plant and equipment - net	1,579.22	58.04%	1,718.89	63.18%
Intangible assets - net	14.83	0.55%	18.17	0.67%
Deferred tax assets	85.90	3.16%	48.69	1.79%
Other non - current assets	<u>9.77</u>	<u>0.36%</u>	<u>12.76</u>	<u>0.47%</u>
Total non - current assets	<u>1,934.83</u>	<u>71.11%</u>	<u>2,143.10</u>	<u>78.77%</u>
TOTAL ASSETS	<u>2,720.77</u>	<u>100.00%</u>	<u>3,433.27</u>	<u>126.19%</u>

Asset Quality

The Company financial statement, the year end of 2018 the Company had total assets of 2,720.77 million Baht, comparing to December 31, 2017 of 3,433.27 million Baht, a decrease of amount 712.50 million Baht or 20.75% from the decrease in trade accounts and other receivables-net and inventories.

2.2 Asset Component - Consolidated

Table compares the statement of financial position for the year ended of 2018 and December 31, 2017

(Consolidated)

	Unit : Million Baht			
	Consolidated		Consolidated	
	Dec 31,2018 (Audited)	%	Dec 31,2017 (Audited)	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	23.22	0.78%	19.17	0.64%
Trade accounts and other receivables - net	125.23	4.21%	376.72	12.67%
Unbilled receivables	110.94	3.73%	26.84	0.90%
Retention receivables	3.79	0.13%	1.94	0.07%
Short - term loans to subsidiary	-	0.00%	-	0.00%
Short - term loans to JV	2.90	0.10%		
Inventories - net	286.05	9.62%	666.05	22.39%
Other current assets	47.19	1.59%	96.37	3.24%
Total current assets	599.32	20.15%	1,187.09	39.91%
NON - CURRENT ASSETS				
Deposits at banks held on collateral	45.56	1.53%	134.23	4.51%
Investments in subsidiaries	-		-	
Investments in joint venture	0.68	0.02%	0.86	0.03%
Property, plant and equipment - net	2,197.17	73.87%	2,311.68	77.72%
Intangible assets - net	14.83	0.50%	18.18	0.61%
Right to use the land	20.80	0.70%	21.70	0.73%
Deferred tax assets	85.90	2.89%	48.69	1.64%
Other non - current assets	9.97	0.34%	13.46	0.45%
Total non - current assets	2,374.91	79.85%	2,548.80	85.70%
TOTAL ASSETS	2,974.23	100.00%	3,735.89	125.61%

Asset Quality

Consolidated, the year end of 2018 the Company had total assets of 2,974.23 million Baht, comparing to December 31, 2017 of 3,735.89 million Baht, a decrease of amount 761.66 million Baht or 20.39% from the decrease in trade accounts and other receivables-net and inventories.

3) Adequacy of liquidity and capitalization

3.1 Liquidity - Separate

Components of cash flows

Table compares cash flows for the year end of 2018 and 2017

(The Company financial statement)

Unit: Million Baht

Statement of Cash Flows	Dec 31, 2018	Dec 31, 2017
Net cash provided by(used in) operating activities	(5.30)	644.02
Net cash provided by(used in) investing activities	95.86	(74.12)
Net cash provided by(used in) financing activities	(94.64)	(603.59)
Net increase(decrease) in cash and cash equivalents	(4.08)	(33.69)
Cash and cash equivalents at beginning of the period	4.77	38.46
Cash and cash equivalents at end of the period	0.69	4.77

The Company financial statement, the year end of 2018 the Company had net cash flow provided by (used in) operating activities decrease as 5.30 million Baht, comparing to the year end of 2017 increase as 644.02 million Baht because of the year end of 2018 decrease of trade accounts and other receivables-net ,increase unbilled receivables , decrease inventories and decrease trade accounts and other payables.

In the year end of 2018 the Company had net Cash flow provided by (used in) investing activities increased as 95.86 million Baht, comparing to the year end of 2017 decrease as 74.12 million Baht

In the year end of 2018 the Company had net Cash flow provided by (used in) financing activities decreased as 94.64 million Baht, comparing to the year end of 2016 decrease as 603.59 million Baht because of the year end of 2018 decrease bank overdraft and short-term loans from financial institutions, decrease Repayment of discounted bills of exchange and decrease short-term loan from directors.

The company's operating, investing and financing cash flows for the year end of 2018 effect net decrease in cash and cash equivalents of 4.08 million Baht to 4.77 million Baht in cash at beginning of period. Cash at end of period were 0.69 million Baht.

Liquidity Ratio

The Company financial statement, the year end of 2018 the Company current ratio increased as 0.67 comparing to December 31, 2017 as 0.91 times.

3.2 Liquidity - Consolidated

Components of cash flows

Table compares cash flows for the year end of 2018 and 2017

(Consolidated)

Unit: Million Baht

Statement of Cash Flows	Dec 31, 2018	Dec 31, 2017
Net cash provided by(used in) operating activities	74.91	178.62
Net cash provided by(used in) investing activities	28.05	(29.62)
Net cash provided by(used in) financing activities	(98.92)	(170.93)
Net increase(decrease) in cash and cash equivalents	4.04	(21.93)
Cash and cash equivalents at beginning of the period	19.17	41.10
Cash and cash equivalents at end of the period	23.21	19.17

Consolidated, the year end of 2018 the Company had net cash flow provided by (used in) operating activities increase as 74.91 million Baht, comparing to the year end of 2017 increase as 178.62 million Baht because of the year end of 2018 decrease trade accounts and other receivables , decrease inventories and decrease trade accounts and other payable.

In the year end of 2018 the Company had net Cash flow provided by (used in) investing activities increased as 28.05 million Baht, comparing to the year end of 2017 decrease as 29.62 million Baht

In the year end of 2018 the Company had net Cash flow provided by (used in) financing activities decreased as 98.92 million Baht, comparing to the year end of 2017 decrease as 170.93 million Baht because of the year end of 2018 decrease bank overdraft and short-term loans from financial institutions, decrease Repayment of discounted bills of exchange and decrease long-term loan from financial institution.

Consolidated, operating, investing and financing cash flows for the year end of 2018 effect net increase in cash and cash equivalents of 4.05 million Baht to 19.17 million Baht in cash at beginning of period. Cash at end of period were 23.22 million Baht.

Liquidity Ratio

Consolidated, the year end of 2018 the Company current ratio increased as 0.52 comparing to December 31, 2017 as 0.84 times.

4) Source of funds

4.1) Source of funds - Separate

4.1.1 Capital Structure

The Company financial statement, the year end of 2018 the Company's resulting in a debt to equity (D/E Ratio) is 0.78 times while December 31, 2017 level of 0.82 times for the period.

4.1.2 Shareholders

The Company financial statement, the year end of 2018 the Company's shareholders of 1,529.30 million Baht, Comparing to December 31, 2017 of 1,880.81 million Baht, a decrease of amount 351.51 million Baht or 18.69% because of net loss.

4.1.3 Liabilities

The Company financial statement, the year end of 2018 the Company's had total liabilities of 1,191.48 million Baht, December 31, 2017 total liabilities of 1,552.47 million Baht a decreased as 360.99 million Baht or 23.25% by decrease of trade accounts and other current payables.

4.2) Source of funds - Consolidated

4.2.1 Capital Structure

Consolidated, the year end of 2018 the Company's resulting in a debt to equity (D/E Ratio) is 1.01 times while December 31, 2017 level of 1.04 times for the period.

4.2.2 Shareholders

Consolidated, the year end of 2018 the Company's shareholders of 1,478.03 million Baht, Comparing to December 31, 2017 of 1,835.52 million Baht, a decrease of amount 357.49 million Baht or 19.48% because of net loss.

4.2.3 Liabilities

Consolidated, the year end of 2018 the Company's had total liabilities of 1,496.19 million Baht, December 31, 2017 total liabilities of 1,900.37 million Baht a decreased as 404.18 million Baht or 21.27% by decrease of trade accounts and other current payables.

Solartron Public Company Limited and Its Subsidiaries

Auditor's Report and Financial Statement

For The Year Ended December 31, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SOLARTRON PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of SOLARTRON PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of SOLARTRON PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of SOLARTRON PUBLIC COMPANY LIMITED and its subsidiaries and of SOLARTRON PUBLIC COMPANY LIMITED as at December 31, 2018, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements. My opinion on the consolidated and separate financial statements is not modified with respect to any of the key audit matters described below, and I do not express an opinion on these individual matters.

INDEPENDENT AUDITOR'S REPORT (Con't) -2-**Key Audit Matters (Con't)**

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying consolidated and separate financial statements as a whole.

Key audit matter and how audit procedures respond for each matter are described below.

Revenue recognition for long - term contracts

The Group has revenues from contracts for construction of solar power plant and installation of solar rooftop system with several government agents and public sectors. In 2017, the Group has such revenues included in profit and loss amounting to Baht 281.45 million in the consolidated financial statement and Baht 374.38 million in the separate financial statement accounting for 53.89% of total revenues in the consolidated statement of comprehensive income and 40.60% of total revenues in the statement of separate comprehensive income. The Company has disclosed its policies on revenue recognition for services provided under long - term contracts and cost estimates for projects under long - term contracts in Note 4.1.1 to the financial statements. I identified revenue recognition and estimation of project cost and relevant expenses to be areas of significant risk in audit. This is because these areas require management to exercise significant judgement to assess the percentage of completion.

I examined the revenue recognition and estimation of project cost under long-term contracts by randomly selecting contracts that the Company made with customers to test of the internal controls relating to the method that management used in estimating the percentage of completion, budget cost and estimated expenses to be incurred from the project delay and the recording of related transactions. I also read the contracts to consider the conditions relating to revenue recognition and inquired of management about the terms of and risks associated with these contracts. In addition, I evaluated the approach that the Company applied in estimating the percentage of completion, total costs throughout the project and provision for project delay by inquiry of the management and project manager on the progress of the project and examined other relevant documents.

INDEPENDENT AUDITOR'S REPORT (Con't) -3-**Other Information**

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the consolidated and separate financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (Con't) -4-**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Con't) -5-**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements** (Con't)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for my audit opinion.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Wanpen Unruan.

(Wanpen Unruan)

Certified Public Accountant (Thailand) No. 7750

OFFICE OF PITISEVI CO., LTD.

8/4, Floor 1st, 3rd, Soi Viphavadee Rangsit 44,
Chatuchak, Bangkok

February 27, 2019

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht					
		Consolidated			Separate		
		December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	
Note			(Restated)				
ASSETS							
CURRENT ASSETS							
	Cash and cash equivalents	7	23,216,663	19,169,161	19,169,161	690,621	4,769,032
	Trade accounts and other current						
	receivable - net	6.2, 8	125,233,898	376,717,737	376,717,737	252,144,238	478,886,349
	Unbilled receivables	6.2, 9	110,936,445	26,836,683	26,836,683	198,027,880	80,085,771
	Retention receivables		3,792,242	1,936,741	1,936,741	3,792,242	1,936,741
	Short - term loans to subsidiaries	6.2	-	-	-	5,700,000	5,800,000
	Short - term loan to joint venture	6.2	2,900,000	-	-	2,900,000	-
	Inventories - net	10	286,051,860	666,054,455	666,054,455	286,051,860	666,054,455
	Other current assets	11	47,189,342	96,373,526	96,373,526	36,637,740	52,640,351
	Total current assets		599,320,450	1,187,088,303	1,187,088,303	785,944,581	1,290,172,699
NON - CURRENT ASSETS							
	Deposits at banks held on collateral	12	45,564,551	134,231,779	134,231,779	45,564,551	134,231,779
	Investments in subsidiaries - net	13	-	-	-	199,548,950	210,358,600
	Investments in joint venture	14	681,119	866,203	866,203	-	-
	Property, plant and equipment - net	15	2,197,166,882	2,311,677,269	2,311,677,269	1,579,220,502	1,718,886,096
	Intangible assets - net	16	14,825,923	18,175,484	18,175,484	14,825,923	18,175,484
	Land rights	17	20,799,653	21,701,716	21,701,716	-	-
	Deferred tax assets	18	85,895,865	48,690,319	48,690,319	85,895,865	48,690,319
	Other non - current assets		9,974,077	13,461,367	13,461,367	9,777,854	12,762,185
	Total non - current assets		2,374,908,070	2,548,804,137	2,548,804,137	1,934,833,645	2,143,104,463
	TOTAL ASSETS		2,974,228,520	3,735,892,440	3,735,892,440	2,720,778,226	3,433,277,162

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION (Con't)****AS AT DECEMBER 31, 2018**

		Unit : Baht					
		Consolidated			Separate		
		December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	
Note			(Restated)				
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Bank overdraft and short - term							
	loans from financial institutions	19	451,700,881	447,897,064	447,897,064	448,591,055	444,029,873
	Payable under factoring contracts	20	10,885,828	-	-	10,885,828	-
Trade accounts and other							
	current payables	6.2, 21	260,772,925	523,571,946	523,571,946	262,117,597	524,014,540
	Discounted bills of exchange	22	40,000,000	50,000,000	50,000,000	40,000,000	50,000,000
	Debentures	23	-	34,300,000	34,300,000	-	34,300,000
	Short - term loans from subsidiary	6.2	-	-	-	32,800,000	32,000,000
	Short - term loans from directors	6.2	128,940,106	116,619,666	116,619,666	128,940,106	116,619,666
	Short - term loans from other persons	24	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000
Current portion of liabilities under							
Long - term loans from							
	financial institutions	25	187,868,109	142,094,250	142,094,250	160,463,109	115,668,000
Liabilities under							
	hire - purchase contracts	26	583,271	555,748	555,748	583,272	555,748
	Provision for employee benefits	27	9,863,468	2,868,720	2,868,720	9,863,468	2,868,720
	Revenue received in advance	6.2, 9	2,153,223	25,494,305	25,494,305	16,681,317	25,494,305
	Accrued income tax		366,253	255,260	255,260	-	-
	Other current liabilities		16,679,098	23,915,928	23,915,928	16,177,979	23,528,503
	Total current liabilities		1,156,813,162	1,414,572,887	1,414,572,887	1,174,103,731	1,416,079,355
NON - CURRENT LIABILITIES							
Long - term loans from financial							
	institutions - net	25	322,008,750	464,978,859	464,978,859	-	115,565,109
Liabilities under hire - purchase							
	contracts - net	26	251,475	834,746	834,746	251,475	834,746
	Provision for employee benefit - net	27	17,121,273	19,985,981	19,985,981	17,121,273	19,985,981
	Total non current liabilities		339,381,498	485,799,586	485,799,586	17,372,748	136,385,836
	TOTAL LIABILITIES		1,496,194,660	1,900,372,473	1,900,372,473	1,191,476,479	1,552,465,191

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION (Con't)****AS AT DECEMBER 31, 2018**

	Note	Unit : Baht				
		Consolidated			Separate	
		December 31, 2018	December 31, 2017 (Restated)	January 1, 2017	December 31, 2018	December 31, 2017
SHAREHOLDERS' EQUITY						
Share capital						
Authorized share capital						
870,597,723 common shares						
	29	870,597,723			870,597,723	
544,124,723 common shares						
			544,124,723	544,124,723	544,124,723	
Issued and paid - up share capital						
544,124,723 common shares						
		544,124,723	544,124,723	544,124,723	544,124,723	
Premium on share capital						
		1,218,760,870	1,218,760,870	1,218,760,870	1,218,760,870	
Retained earnings (deficit)						
Appropriated - Legal reserve						
		55,965,054	55,965,054	55,965,054	55,965,054	
Unappropriated						
	4	(657,023,758)	(272,708,244)	(44,467,710)	61,961,324	
Other components of shareholders' eq						
	4	236,424,992	228,240,534	-	-	
Equity attributable to owners of the parent						
		1,398,251,881	1,774,382,937	1,774,382,937	1,529,301,747	
Non - controlling interests						
		79,781,979	61,137,030	61,137,030	-	
TOTAL SHAREHOLDERS' EQUITY						
		1,478,033,860	1,835,519,967	1,835,519,967	1,529,301,747	
TOTAL LIABILITIES AND SHAREHOLDERS' E						
		2,974,228,520	3,735,892,440	3,735,892,440	2,720,778,226	

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2018**

		Unit : Baht				
		Consolidated		Separate		
		2018	2017	2018	2017	
		(Restated)				
Note						
REVENUES						
Revenue from sales of goods with installation services						
	and construction of solar power plants	6.1	390,976,810	622,058,391	483,905,888	659,562,660
	Revenue from sales of electricity		91,368,743	85,096,860	-	-
	Revenue from sales of goods and hire of work	6.1	210,826,542	238,399,892	210,826,542	238,399,892
	Gain from investment transference	6.1, 13	-	-	12,906,910	228,240,534
	Other incomes	6.1	9,558,327	22,847,149	15,390,748	28,019,002
	Total revenues		702,730,422	968,402,292	723,030,088	1,154,222,088
EXPENSES						
Cost of sales - sales of goods which installation services						
	and construction of solar power plants	6.1	663,155,253	779,276,392	719,996,190	792,363,952
	Cost of sales - electricity		39,609,843	35,822,861	-	-
	Cost of sales - goods and hire of work		238,827,554	380,955,983	238,827,554	380,955,983
	Distribution costs		18,970,454	19,023,875	18,970,454	19,023,875
	Administrative expenses		98,774,977	126,847,460	91,195,331	116,807,094
	Finance costs	6.1	59,617,783	78,985,123	41,513,318	62,145,293
	Total expenses		1,118,955,864	1,420,911,694	1,110,502,847	1,371,296,197
PROFIT (LOSS) BEFORE SHARE OF PROFIT (LOSS)						
IN JOINT VENTURE AND INCOME TAX			(416,225,442)	(452,509,402)	(387,472,759)	(217,074,109)
	Share of profit (loss) in joint venture	14	(185,085)	(2,156,935)	-	-
PROFIT (LOSS) BEFORE INCOME TAX			(416,410,527)	(454,666,337)	(387,472,759)	(217,074,109)
	Income tax (expenses)	18.2	36,202,268	37,242,490	36,956,944	37,761,345
NET PROFIT (LOSS) FOR THE YEAR			(380,208,259)	(417,423,847)	(350,515,815)	(179,312,764)
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Defined loss plan remeasurement						
	Employee benefit - net from income tax	18.2	(994,409)	(1,505,673)	(994,409)	(1,505,673)
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR			(381,202,668)	(418,929,520)	(351,510,224)	(180,818,437)

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht							
		Consolidated							
		ส่วนของบริษัทใหญ่							
Note	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other component of shareholders' equity	Total equity attribute to the parent	Non - controlling interest	Total shareholder's equity	
			Appropriated legal reserve	Unappropriated	Gain from investment transference				
	Balance as at January 1, 2017	544,124,723	1,218,760,870	55,965,054	146,218,905	-	1,965,069,552	(399)	1,965,069,153
4	Accumulated of correction errors	-	-	-	-	224,209,009	224,209,009	4,031,525	228,240,534
	Non - controlling interest increased during the year	-	-	-	-	-	-	61,139,800	61,139,800
	Comprehensive income (loss) for the year								
	Profit (loss) for the year	-	-	-	(417,421,476)	-	(417,421,476)	(2,371)	(417,423,847)
18.2	Comprehensive income (loss) for the year	-	-	-	(1,505,673)	-	(1,505,673)	-	(1,505,673)
	Balance as at December 31, 2017	544,124,723	1,218,760,870	55,965,054	(272,708,244)	224,209,009	1,770,351,412	65,168,555	1,835,519,967
	Balance as at January 1, 2018 (Before Adjustment)	544,124,723	1,218,760,870	55,965,054	(44,467,710)	-	1,774,382,937	61,137,030	1,835,519,967
4	Accumulated of correction errors	-	-	-	(228,240,534)	224,209,009	(4,031,525)	4,031,525	-
	Balance as at January 1, 2018 (After Adjustment)	544,124,723	1,218,760,870	55,965,054	(272,708,244)	224,209,009	1,770,351,412	65,168,555	1,835,519,967
	Non - controlling interest increased during the year	-	-	-	-	-	-	11,500,578	11,500,578
	Comprehensive income (loss) for the year								
	Profit (loss) for the year	-	-	-	(383,321,105)	12,215,983	(371,105,122)	3,112,846	(367,992,276)
18.2	Comprehensive income (loss) for the year	-	-	-	(994,409)	-	(994,409)	-	(994,409)
	Balance as at December 31, 2018	544,124,723	1,218,760,870	55,965,054	(657,023,758)	236,424,992	1,398,251,881	79,781,979	1,478,033,860

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht					
Separate					
Retained earnings (deficit)					
หมายเหตุ	Issued and paid-up		Appropriated		Total shareholder's equity
	share capital	Share premium	legal reserve	Unappropriated	
Balance as at January 1, 2017	544,124,723	1,218,760,870	55,965,054	242,779,761	2,061,630,408
Comprehensive income (loss) for the year					
Profit (loss) for the year	-	-	-	(179,312,764)	(179,312,764)
Comprehensive income (loss) for the year	-	-	-	(1,505,673)	(1,505,673)
Balance as at December 31, 2017	544,124,723	1,218,760,870	55,965,054	61,961,324	1,880,811,971
Comprehensive income (loss) for the year					
Profit (loss) for the year	-	-	-	(350,515,815)	(350,515,815)
Comprehensive income (loss) for the year	-	-	-	(994,409)	(994,409)
Balance as at December 31, 2018	544,124,723	1,218,760,870	55,965,054	(289,548,900)	1,529,301,747

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2018**

	Note	Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss before income tax		(380,208,259)	(454,666,337)	(387,472,759)	(217,074,109)
Reconciliations of net profit (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expenses	15, 16, 17	181,446,202	180,660,030	148,831,413	151,291,884
Bad debt		-	1,277,180	-	1,277,180
Doubtful accounts	8	2,105,069	6,604,265	2,105,069	6,604,266
Reversal of allowances for doubtful accounts	8	(1,774,875)	(1,847,070)	(1,774,875)	(1,847,070)
Loss from discount of inventory	10	3,917,353	2,346,620	3,917,353	2,346,619
Reversal of loss from discount of inventory	10	(247,959)	(608,789)	(247,959)	(608,789)
Allowance for impairment of inventories		-	-	-	999,600
Written- off withholding tax		22,053	-	-	-
Employee retirement benefit	27	3,842,039	2,327,950	3,842,039	2,327,950
Written - off project asset to expenses		-	4,500,000	-	-
Loss (gain) from disposal of assets	15	(129,076)	(342,783)	(129,076)	(342,783)
Loss from written-off of assets		3,297	1,641	3,297	1,641
Share of loss (profit) in Joint Venture		185,085	2,156,935	-	-
Unrealized (gain) loss on exchange rate		100,656	651,974	100,656	651,973
Gain from investment transference	13	-	-	(12,906,910)	(228,240,534)
Interest income		(15,649)	(17,567)	(405,981)	(425,137)
Interest expenses		66,216,349	78,985,123	50,014,638	62,145,293
Loss from operating activities before changes in operating assets and liabilities		(124,537,715)	(177,970,828)	(194,123,095)	(220,892,016)
Decrease (Increase) in operating assets:-					
Trade accounts and other current receivables		250,856,519	(258,333,351)	227,346,907	181,585,260
Unbilled receivables		(98,627,856)	164,717,268	(117,942,108)	241,300,168
Retentions receivables		(1,855,501)	4,285,759	(1,855,501)	4,285,759
Inventories		376,333,200	182,935,013	376,333,200	178,842,905
Other current assets		15,185,384	36,870,757	16,002,611	39,333,357
Other non-current assets		623,597	(20,130)	142,372	(20,130)

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF CASH FLOWS (Con't)****FOR THE YEAR ENDED DECEMBER 31, 2018**

	Note	Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES (Con't)					
Increase (Decrease) in operating liabilities:-					
Trade accounts and other current payables		(272,879,931)	275,973,759	(275,447,626)	273,322,001
Construction revenue received in advance		(8,812,988)	25,494,305	(8,812,988)	3,460,320
Employee benefit obligations		(955,010)	-	(955,010)	-
Other current liabilities		(7,236,830)	(21,071,311)	(7,350,524)	(21,422,570)
Cash provided by (used in) operating activities		128,092,869	232,881,241	13,338,238	679,795,054
Interest paid		(54,355,867)	(50,282,399)	(34,385,211)	(32,301,341)
Receipt (Paid) of Income tax		1,177,025	(3,974,156)	2,841,960	(3,473,159)
Net cash provided by (used in) operating activities		74,914,027	178,624,686	(18,205,013)	644,020,554
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease (Increase) in deposits at banks held on collateral		88,677,687	(2,916,779)	88,667,228	(2,916,779)
Purchase of investments in subsidiaries		-	-	10,809,650	(66,750,000)
Short - term loans to subsidiaries	6.2	-	-	(1,200,000)	(800,000)
Receipt from short - term loans to subsidiaries	6.2	-	-	1,300,000	3,405,000
Short - term loan to joint venture	6.2	(2,900,000)	-	(2,900,000)	-
Purchase of property, plant and equipment	15	(57,875,749)	(24,851,706)	(1,007,816)	(5,218,005)
Purchase of intangible assets		-	(2,220,660)	-	(2,220,660)
Receipt from disposal assets		132,015	347,537	132,015	347,537
Interest Income		15,649	17,567	57,227	31,933
Net cash provided by (used in) investing activities		28,049,602	(29,624,041)	95,858,304	(74,120,974)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in bank overdraft and short - term					
loans from financial institutions		3,803,817	(136,948,052)	4,571,642	(140,815,242)
Increase in payable under factoring contracts		10,885,828	-	10,885,828	-
Receipt of issuing discounted bills of exchange		-	1,116,000,000	-	1,116,000,000
Repayment of discount bills of exchange	22	(10,000,000)	(1,666,000,000)	(10,000,000)	(1,666,000,000)
Interest paid for discounted bill of exchange		(7,590,774)	(29,057,202)	(7,590,774)	(29,057,202)
Receipt of issuing debenture		-	34,300,000	-	34,300,000

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF CASH FLOWS (Con't)****FOR THE YEAR ENDED DECEMBER 31, 2018**

	Note	Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES (Con't)					
Repayment of debenture	23	(34,300,000)	-	(34,300,000)	-
Receipt of short - term loans from subsidiaries	6.2	-	-	800,000	2,600,000
Repayment of short - term loans from subsidiaries		-	-	-	(55,550,000)
Receipt of short - term loans from directors	6.2	46,337,000	249,460,000	46,337,000	249,460,000
Repayment of short - term loans from directors	6.2	(10,300,000)	(43,460,000)	(21,109,650)	(43,460,000)
Receipt of short - term loans from other persons	24	-	100,000,000	-	100,000,000
Repayment of short - term loans from other persons	24	-	(53,000,000)	-	(53,000,000)
Receipt of long - term loans from financial institutions		-	391,500,000	-	-
Repayments of long - term loans from financial institutions	25	(97,196,250)	(131,272,891)	(70,770,000)	(115,612,891)
Repayments of hire - purchase contracts		(555,748)	(2,450,229)	(555,748)	(2,450,229)
Net cash provided by (used in) financing activities		(98,916,127)	(170,928,374)	(81,731,702)	(603,585,564)
Net increase (decrease) in cash and cash equivalents		4,047,502	(21,927,729)	(4,078,411)	(33,685,984)
Cash and cash equivalents at beginning of the year		19,169,161	41,096,890	4,769,032	38,455,016
Cash and cash equivalents at end of the year		23,216,663	19,169,161	690,621	4,769,032

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

1. Non - cash items

1.1 Purchase of asset on credit	15	4,814,678	193,326	4,814,678	12,017
1.2 Transfer investment to repay the loan					
from director	6.2,13	10,809,650	-	10,809,650	-
2. Unutilized credit facilities for future working capital		407,522,105	688,931,261	392,631,930	674,798,451

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2018****1. GENERAL INFORMATION**

SOLARTRON PUBLIC COMPANY LIMITED (“Company”) was incorporated as a limited company in Thailand on November 12, 1986 and the Company registered to be a public company limited under the Limited Public Company Act B.E.2535 with the Department of Business Development on September 24, 2004. The Company's head office is located at 1000/65, 66, 67, P.B. Tower 16th Floor, Soi Sukhumvit Road, North Klongton, Wattana, Bangkok and its branch office which is the location of the factory is located at 88/8 and 88/9 Moo 10, Nong Nam Daeng Sub - District, Pak Chong District, Nakornratchasima Province.

The Company is engaging in manufacturing and distribution, selling and installation of solar-cell systems and related equipment and construction of solar power plant. All subsidiaries are incorporated to principle business in produce and distribute of electricity from solar energy and construction work.

Subsidiaries' Operation

Two subsidiaries has engaged in installation of solar power plants under the solar farm project with three cooperatives which had rights to distribute electricity to the Provincial Electricity Authority (PEA) at total capacity of a megawatt. The Commercial operation Date (COD) was December 30, 2016. In addition, another subsidiary had delivered its first phase of work (within December 2016) in compliance with the solar rooftop installation contract with a university at the capacity of 21 megawatt. In accordance with the term of contract, it shall delivery the installation work into 3 phases and the project shall be completed within December 2017. Later, the Company and party to the contract had extended the completion of the contract until the work is completed.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**2.1 Basis of preparation of financial statements**

The statutory financial statements 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 consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions under The Royal Patronage of His Majesty the King (“FAP”) and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.1 Basis of preparation of financial statements (Con't)

The consolidated and separate financial statements have been presented in accordance with Thai Accounting standard No. 1 (Revised 2017) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, B.E. 2559" dated October 11, 2016 under the Accounting Act B.E. 2543. which is effective for the preparation of financial statements of the Public Company Limited for the accounting period commencing on or after January 1, 2017.

The consolidated and separate financial statements are presented in Thai Baht, which is the Company's and its subsidiaries' functional currency rounded in financial statements to the nearest Baht unless otherwise stated.

2.2 Basis of preparation of consolidated financial statements

A) The consolidated interim financial statements include the financial statements of Solartron Public Company Limited and its subsidiaries and share profit of joint venture. The details of subsidiaries as follows :

	Operation		Percentage of Holdings	
	Type of business	Location	2018	2017
Subsidiaries held by Company				
:				
Solartron Energy 1 Co., Ltd. (*)	Produce and distribute of electricity from solar energy	Thailand	99.96%	99.96%
Solartron Energy 2 Co., Ltd. (**)	Produce and distribute of electricity from solar energy	Thailand	51.00%	90.00%
Solartron Energy 3 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%	100.00%
Solartron Energy 4 Co., Ltd. (*)	Produce and distribute of electricity from solar energy	Thailand	100.00%	100.00%
Solartron Energy 5 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	51.00%	51.00%

(*) The subsidiary has not commenced commercial activity

(**) On January 10, 2018, the Company has transferred it's a subsidiary's shares to a director to settle its loans resulting in change in the Company's percentage of shareholding in these subsidiary. However, after the shares transformation, the Company still have control power over the subsidiary (See Condensed Note 13 to the financial statements).

B) Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

C) The financial statement of these companies have been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

E) Investment in associate is accounted for using the equity method and is recognized initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

F) The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

G) Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiaries, any non-controlling interests and the other components of equity related to the subsidiaries. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiaries, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

H) Non-controlling interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

I) The financial statements of the subsidiaries and associate are prepared for the same reporting period as the parent company.

J) The financial statements of the subsidiaries and associate are prepared based on the same significant accounting policies as the parent company for the same accounting items or similar accounting events.

K) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.

L) Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Principles of separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.1 Adoption of new accounting standards effective in the current year

In current year, the Company has applied the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), and Interpretations (TSIC and TFRIC) as announced by the Federation of Accounting Professions as follows:-

Thai Accounting Standards

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Venture
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standards

TFRS 2 (revised 2017)	Share - Based Payments
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.1 Adoption of new accounting standards effective in the current year (Con't)

Thai Financial Reporting Standards (Con't)

TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
<u>Thai Accounting Standards Interpretations</u>	
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
<u>Thai Financial Reporting Standards Interpretations</u>	
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.1 Adoption of new accounting standards effective in the current year (Con't)

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company.

3.2 New Financial Reporting Standards announce during the year not yet adopted

In current year, the Federation of Accounting Professions has issued Notification regarding the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) which were announced and these have been published in the Royal Gazette. The Company has not applied such standards before the effective period as follows:

3.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019

Thai Accounting Standards

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Venture
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.2 New Financial Reporting Standards announce during the year not yet adopted (Con't)

3.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019 (Con't)

Thai Financial Reporting Standards

TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 2 (revised 2018)	Share - Based Payments
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers

Thai Accounting Standards Interpretations

TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standards Interpretations

TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.2 New Financial Reporting Standards announce during the year not yet adopted (Con't)

3.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020

Thai Accounting Standards

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.

TFRS 15 Revenue from Contracts with Customers

This standard is established a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It replaces existing revenue recognition standards as follows:

Thai Accounting Standard

TAS 11 (revised 2017) Construction contracts

TAS 18 (revised 2017) Revenue

Interpretations

TSIC 31 (revised 2017) Revenue - barter transactions involving advertising services

TFRIC 13 (revised 2017) Customer loyalty programmes

TFRIC 15 (revised 2017) Agreements for the construction of real estate

TFRIC 18 (revised 2017) Transfers of assets from customers

This newly Thai Financial reporting statement has no impact to the financial statement and not relevant to recognized rental income of the company and its subsidiaries

3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

3.2 New Financial Reporting Standards announce during the year not yet adopted (Con't)

3.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020 (Con't)

The set of TFRSs related to financial instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled as follows:

Thai Accounting Standard

- TAS 101 Bad and Doubtful Debts
- TAS 103 Disclosures in the Financial Statements of Bank and Similar Financial

Institutions

- TAS 104 Accounting for Troubled Debt Restructuring
- TAS 105 Accounting for Investment in Debts and Equity securities
- TAS 106 Accounting for Investment Companies
- TAS 107 Financial Instruments: Disclosure and Presentation

The management of the company and its subsidiary is still evaluating the possible impact on the set of TFRS, related to financial instruments will be applied.

4. CORRECTION OF SIGNIFICANT ERROR

In the year 2018, the Company corrected material prior period error in respect of gain from transfer of investment in subsidiary which was previously recognized in the consolidated statement of comprehensive income to be recognized directly in equity.

The effect of the restatement of the comparative amount for the prior period financial statements are as follows :

	Unit : Baht		
	Before Adjustment	Effect of the restatement	After Adjustment
Consolidated statement of financial position			
as at December 31, 2017			
Retained earnings (deficit)	(44,467,710)	(228,240,534)	(272,708,244)
Other component of shareholder's equity	-	224,209,009	224,209,009
Non-controlling interests	61,137,030	4,031,525	65,168,555
Consolidated statement of comprehensive income			
For the year 2017			
Gain from investment transference - decrease	228,240,534	(228,240,534)	-

5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

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

5.1 Recognition of revenues and expense

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow the enterprise and the amount of the revenue can be measured reliably.

5.1.1 Revenue from construction of solar power plant and long - term sales of goods with installation service

Revenue from long - term construction of solar power plant and installation service is recognized by the percentage of completion method which is based on comparison of actual construction costs incurred up to the end of the year and total anticipated total construction costs to be incurred to complete the project, The revenue recognized but not yet due per contract is presented as "Unbilled receivable" under current assets and the revenue not yet recognized but due per contract is presented as "Construction revenue received in advance" under current liabilities.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.1 Recognition of revenues and expense (Con't)

5.1.2 Revenue from short - term sales of goods with installation service

Revenue from short - term sales of goods with installation service is recognized when the installation is completed, the customer has accepted the installation service and sale invoices has been issued to the customer.

5.1.3 Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers. No revenue is recognised if there is continuing management involvement with the goods.

5.1.4 Proceeds from services are recognized when services are rendered.

5.1.5 Revenues from distribute electricity is shown net of value added tax and discounts. Sales under the Power Purchase Agreements (PPA) are calculated based on agreements and recognized according when electricity is delivered to and accepted by the customer.

5.1.6 Others income and expense is recognized on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalent consist of cash on hand, bank deposits, and all highly liquid investments with financial institution with an original maturities of 3 months or less, which are not restricted to any use and including call notes receivable and term notes receivable maturing within 3 months or less and not subject to withdrawal restrictions.

Time deposits with maturity exceed 3 months period but less than 12 months period are recorded as temporary investment.

Cash at bank that have restricted in use are presented separately as "Deposits at bank held as collateral" under non-current assets in the statement of financial position.

5.3 Trade accounts and other current receivables and allowance of doubtful account

Trade accounts and other current receivables are stated at the net realizable value.

The Company and its subsidiaries provides allowance for doubtful account for estimated losses that may incur in collection of receivables. The allowance is generally based on collection experiences, the analysis of debt aging and its current financial position.

5.4 Inventories

The Company value its inventories at the lower of cost or net realizable value with the net of allowance for loss on obsolete inventories, cost are using weighted average method.

Comprises all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work - in - progress, cost includes an appropriate share of labor and overhead based on normal operating capacity.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.4 Inventories (Con't)

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

Allowance for diminution in inventory value is provided, where necessary, for slow-moving and deteriorated inventories based on current condition of the inventory and for the cost higher than net realizable value.

5.5 Investments

Investments in subsidiaries.

Investments in subsidiaries in the separate financial statements are measured at cost net of impairment losses (if any).

Investment in joint venture.

Investment in joint venture in the separate financial statements is measured at cost.

Investment in joint venture in the consolidated financial statements is accounted for using the equity method of accounting under the equity method of accounting investment in joint venture is initially recognized at cost and adjusted thereafter to recognize company and its subsidiaries and movements in other comprehensive income. When company and its subsidiaries of losses in joint venture equals or exceeds its interests in the joint venture. The company and its subsidiary does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint ventures.

5.6 Property, plant and equipment and depreciation

Land is presented at cost amount net allowance for impairment loss (if any).

Land improvement, plant and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

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

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

The Company and its subsidiaries depreciate their cost, after deducting residual value by the straight - line method over the assets useful live at the following rates:-

Land improvement	5, 10, 20 years
Buildings and improvement	5 - 25 years
Machinery and equipment plant	5 - 20 years
Solar power plant	21 years
Furniture, fixture, office equipment	5 years
Vehicles.	5 years

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.6 Property, plant and equipment and depreciation (Con't)

No depreciation is provided for land and assets under construction and installation.

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

5.7 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of the Company and its subsidiaries.

5.8 Intangible asset and amortization

Intangible assets that are acquired by the Company and have finite useful lives are present at historical cost net of accumulated amortization and net allowance for impairment (it any).

Intangible assets with finite lives are amortized on a systematic basis by the straight-line method, over the economic useful live and tested for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization of intangible assets are based on their economic useful lives as follows:

Software Computer	5 years
Certificates	25 years

5.9 Leasehold rights and amortization

Leasehold rights are stated at cost less accumulated amortization and allowance for loss on impairment (if any).

Leasehold right is amortized straight - line method over the lease period (21 years)

5.10 Employee benefits

5.10.1 Short - term employee benefits

Short - term employee benefit obligations, which include salary, wages, bonuses, contributions to the social security fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

5.10.2 Defined contribution plans

The Company, its subsidiaries, and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.10 Employee benefits (Con't)

5.10.3 Employee Benefit plans

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income or loss.

5.11 Debentures

Debentures are initially recorded at cost by calculating from the fair value of the money received, which comprised of the fund received net by the direct costs from the issuances of debentures. Interest bearing liabilities are presented at cost and expenses related to the occurrence of liabilities are recorded as expenses for the year.

5.12 Provision

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.13 Foreign currencies transaction

Transactions in foreign currencies are converted into Baht at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on the date. Gain or loss on exchange rates are recognized as income or expenses for the reporting period.

The Company and its subsidiaries enters into financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts establish a predetermined exchange rate ("forward rate") at which the Company and its subsidiaries will pay foreign currency amounts on a predetermined future date. At the statements of financial position date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)**5.13 Foreign currencies transaction (Con't)**

Unrealized gains or losses that result from the translation are recognized as part of the financial costs. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statements of financial position.

5.14 Income tax

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

Current income tax :

The Company and its subsidiary provide income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax :

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

The Company and its subsidiary recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.16 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associate companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

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

5.17 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiaries estimate the asset's recoverable amount.

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

An impairment loss is recognized in profit or loss

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exist, the Company estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.18 Lease

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements on the basis of their relative fair values. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.18 Lease (Con't)

Finance lease - Lessee

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight - line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in profit or loss.

Operating lease - Lessee

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on straight - line method over the lease term.

5.19 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment results that are reported to the Managing Director (the Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise of mainly investments assets, land, premises and equipment and deferred tax assets.

5.20 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables and financial liabilities carried on the statement of financial position include bank overdraft, short - term loans and long - term loan from financial institutions, trade and other payable and liabilities under hire - purchase contracts. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.21 Fair value measurement (Con't)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting date, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.22 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Significant accounting judgments and estimates are as follows:-

5.22.1 Recognition and derecognition of assets and liabilities

In considering whether to recognize or derecognized assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.22.2 Estimation construction project costs

The Company estimates costs of construction project by the Company's engineer to estimate the construction materials, labour cost and other miscellaneous cost to be incurred to complete to project, taking into account the tendency of fluctuation in construction material. Estimates are reviewed consistently or whenever actual costs differ significantly from the figures used in the original estimate.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.22 Significant accounting judgments and estimates (Con't)

5.22.3 Allowance for doubtful accounts

Allowance for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumption could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

5.22.4 Allowance for obsolescence and diminution

Allowance for obsolescence and diminution in value of inventories are intended to adjust the value of inventories for probable losses. The management uses judgment to establish allowances for estimated losses for each outstanding inventories. The allowances for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

5.22.5 Property plant and equipment and depreciation

In calculating depreciation on building and equipment, the management estimates useful lives and salvage values of the Company's building and equipment and reviews estimated useful lives and salvage values if there are any changes.

5.22.6 Impairment of assets

The management is required to review assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.22.7 Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

5.22.8 Provision for employee benefit

In providing retirement employee benefit, the management is required to use judgment to determine the probability that its employee will work until retired by considering the past information which will be revised annually. The assumptions applied in the annual calculation are based on cost of service in the past and terms of employment benefit.

6. RELATED PARTY TRANSACTIONS

The Company has certain transactions with subsidiaries Related company, joint venture and related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

Related party except subsidiaries and joint venture described in Note 2.2 to the financial information is as follows:0

	Relationship	Operation		Percentage of Holdings	
		Type of business	Location	2018	2017
Fac Rent Co., Ltd	1	Warehouse rental	Thailand	-	-
Thai Solar Future Co., Ltd	2	Exploration, design and installation of solar cells	Thailand	-	-
SLTT Joint Venture	3	Distribute and installation of solar power plants and related equipment	Thailand	-	-

The nature of relationship among the Company with other related company and joint venture

1. A director of this company is a closed member of the Company's director
2. A director of this company is a director of the company
3. Joint Venture Agreement with a company and share the profit or loss and responsibility at the percentage of 50% equally.

6.1 The significant transactions with related company are as follows :

Pricing policies		Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
Subsidiaries					
Revenue from sales of goods with installation services and construction of solar power plants	Per contract	-	-	46,364,499	33,740,269
Management incomes	Per contract	-	-	5,640,000	5,040,000
Interest incomes	7% per annum	-	-	405,981	407,570
Interest expenses	7% per annum	-	-	2,255,649	2,517,459
Joint Venture					
Revenue from sales of goods with solar cells installation services	Per contract	581,034	653,445	581,034	653,445
Revenue from sale of goods	Market price	19,766	16,740	19,766	16,740
Interest incomes	7% per annum	166,332	17,567	166,332	17,567

6. RELATED PARTY TRANSACTIONS (Con't)

6.1 The significant transactions with related company are as follows : (Con't)

		Unit : Baht			
		Consolidated		Separate	
Pricing policies		2018	2017	2018	2017
Related company					
Revenue from sale of goods	Market price	206,292	1,281,681	206,292	1,281,681
Cost of sales - sales of goods with solar cells installation services	Market price	28,511,815	-	28,511,815	-
Related persons					
Gain from investment transformation	Per contract	-	-	12,906,910	70,496,234

Management's benefit expenses

The Company and its subsidiaries had salaries, bonus, meeting allowances, contributions to the social security fund, provident funds, other welfare and post-employment benefits to their directors and management recognized as expenses as follows :

		Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
Short - term benefits		27,769,280	33,936,264	27,769,280	33,936,264
Post - employment benefits		1,104,952	906,057	1,104,952	906,057
Total		28,874,232	34,842,321	28,874,232	34,842,321

6.2 The outstanding balances of accounts with related companies are as follows :

		Unit : Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
Trade accounts and other current receivables					
Subsidiaries		-	-	140,793,281	115,454,429
Joint Venture		5,579,708	4,605,611	5,579,708	4,605,611
Related Company		220,732	1,940,008	220,732	1,940,008
Total		5,800,440	6,545,619	146,593,721	122,000,048
Unbilled receivables					
Subsidiaries		-	-	87,091,434	53,249,088

6. RELATED PARTY TRANSACTIONS (Con't)

6.2 The outstanding balances of accounts with related companies are as follows : (Con't)

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts and other current payables				
Subsidiaries	-	-	4,174,054	4,167,671
Related Company	26,299,143	45,730,679	26,299,143	45,730,679
Total	26,299,143	45,730,679	30,473,197	49,898,350
Construction revenue received in advance				
Joint venture	791,948	633,558	791,948	633,558

Short - term loans to subsidiaries

The movement of short - term loans to subsidiaries are as follow:-

	Interest Rate (% p.a.)	Unit : Baht			
		Separate			As at Dec 31, 2018
		As at Jan 1, 2018	Movement during the year		
			Increase	Repayment	
Subsidiaries	7.00%	5,800,000	1,200,000	(1,300,000)	5,700,000

The above - mentioned loans which were due in February to May 2019.

Short - term loans to joint venture

The movement of short - term loans to joint venture are as follow:-

	Interest Rate (% p.a.)	Unit : Baht			
		Consolidated and Separate			As at Dec 31, 2018
		As at Jan 1, 2018	Movement during the year		
			Increase	Repayment	
Joint venture	7.00%	-	2,900,000	-	2,900,000

The above - mentioned loans were due in February and May 2019.

6. RELATED PARTY TRANSACTIONS (Con't)

6.2 The outstanding balances of accounts with related companies are as follows :

Short - term loans from subsidiary

The movement of short - term loans from subsidiary are as follow:-

	Interest Rate (% p.a.)	Unit : Baht			
		Separate			
		As at	Movement during the year		As at
		Jan 1, 2018	Increase	Repayment	Dec 31, 2018
Subsidiary	7.00%	32,000,000	800,000	-	32,800,000

The Company was granted loans from 2 subsidiaries by issuing 3 promissory notes. The loans were due within April 2019.

Short - term loans from directors

The movement of short - term loans from directors are as follow.-

	Interest Rate (% p.a.)	Unit : Baht			
		Consolidated and Separate			
		As at	Movement during the year		As at
		Jan 1, 2018	Increase	Repayment	Dec 31, 2018
Directors 1	-	6,000,000	6,087,000	(3,800,000)	8,287,000
Directors 2	5.00%	110,619,666	40,250,000	(30,216,560)	120,653,106
Total		116,619,666	46,337,000	(34,016,560)	128,940,106

The Company was granted loans from 2 directors by issuing promissory note due on demand. During the year, the Company had repaid part of its loan from the second director in cash and by transferring shares of a subsidiary as described in Note 13 to the financial statement

6.3 Other Information

The Company have been mortgaged as contract to install of 3 subsidiaries and a joint venture as described in Note 12 to the financial statement.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Cash in hand	142,191	121,035	117,191	102,611
Deposits at banks				
- savings account and current account	22,648,815	18,626,657	147,773	4,244,952
- 3 months fixed deposits	425,657	421,469	425,657	421,469
Total	23,216,663	19,169,161	690,621	4,769,032

The above - mentioned fixed deposits received interest at the rates of 1.00% per annum.

8. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET

Trade accounts and other current receivables - net, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Trade accounts receivable</u>				
Trade accounts receivable -				
Domestic - subsidiaries	-	-	136,531,632	107,154,533
Trade accounts receivable -				
Domestic - joint venture	3,369,403	3,399,286	3,369,403	3,399,286
Trade accounts receivable -				
Domestic - related company	220,732	-	220,732	-
Trade accounts receivable				
Domestic - other companies	124,196,642	252,370,583	110,505,594	239,275,310
Trade accounts receivable - Foreign	5,224,170	124,176,645	5,224,170	124,176,645
Total trade accounts receivable	133,010,947	379,946,514	255,851,531	474,005,774
<u>Less</u> allowances for doubtful accounts	(26,247,157)	(25,916,963)	(26,247,157)	(25,916,963)
Trade accounts receivable - net	106,763,790	354,029,551	229,604,374	448,088,811
<u>Other current receivables</u>				
Other current receivables - subsidiaries	-	-	2,910,400	7,297,400
Other current receivables - joint venture	2,043,973	1,206,325	2,043,973	1,206,325
Advance payment	5,632,078	9,331,760	5,530,498	9,248,160
Accrued interest - subsidiaries	-	-	1,351,249	1,002,496
Accrued interest - joint venture	166,332	-	166,332	-
Accrued interest - other companies	407,376	657,367	407,376	657,367
Advance payments - related company	-	1,940,008	-	1,940,008

8. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET (Con't)

Trade accounts and other current receivables - net, consist of.- (Con't)

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Other current receivables</u> (Con't)				
Advance payments - other companies	6,391,435	5,969,426	6,391,435	5,958,426
Project receivable	1,781,106	1,722,081	1,781,106	1,722,081
Prepaid expenses	2,047,808	1,861,219	1,957,495	1,765,275
Total other current receivables	18,470,108	22,688,186	22,539,864	30,797,538
Total trade accounts and other current receivables - net	125,233,898	376,717,737	252,144,238	478,886,349

Trade accounts receivable aged by number of days are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Accounts receivable not yet due	17,989,658	183,395,482	29,820,582	173,009,266
Accounts receivable over due :				
Under or equal to 3 months	26,639,110	149,662,237	55,076,413	151,093,053
Over 3 months to 6 months	10,196,685	15,565,811	30,533,743	20,150,230
Over 6 months to 12 months	41,873,765	6,867,090	42,199,760	105,297,331
Over 12 months	36,311,729	24,455,894	98,221,033	24,455,894
Total	133,010,947	379,946,514	255,851,531	474,005,774
<u>Less</u> Allowances for doubtful accounts	(26,247,157)	(25,916,963)	(26,247,157)	(25,916,963)
Net	106,763,790	354,029,551	229,604,374	448,088,811

Movements of allowance for doubtful accounts are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance for the period/year	25,916,963	19,882,587	25,916,963	19,882,587
<u>Add</u> Increase during period/year	2,105,069	7,881,446	2,105,069	7,881,446
<u>Less</u> Reversal during period/year	(1,774,875)	(1,847,070)	(1,774,875)	(1,847,070)
Ending balance for the period/year	26,247,157	25,916,963	26,247,157	25,916,963

9. UNBILLED RECEIVABLES AND CONSTRUCTION REVENUE RECEIVED IN ADVANCE

Unbilled receivables and construction revenue received in advance, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Long term construction contract value with				
- Subsidiaries	-	-	379,465,380	287,574,000
- Joint venture	791,693	191,948	791,963	191,948
- Other companies	381,979,171	475,201,846	381,979,171	475,201,846
Total long-term construction contract value	382,770,864	475,393,794	762,236,514	762,967,794
Retentions as per contract	2,492,242	636,741	2,492,242	636,741

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Unbilled Receivables				
Revenue recognize on percentage of completion basis				
Subsidiaries	-	-	107,355,006	90,512,328
Other companies	269,718,355	118,889,378	269,718,355	118,889,378
Total	269,718,355	118,889,378	377,073,361	209,401,706
<u>Less</u> Value of contract billed	(158,781,910)	(92,052,695)	(179,045,481)	(129,315,935)
Receivables not yet billed	110,936,445	26,836,683	198,027,880	80,085,771

Construction revenue received in advance

Value of contract billed				
Subsidiaries	-	-	34,791,666	-
Joint Venture	791,948	633,558	791,948	633,558
Other companies	32,923,469	315,055,222	25,650,497	315,055,222
Total	33,715,417	315,688,780	61,234,111	315,688,780
<u>Less</u> Revenue recognized on percentage of completion basis	(31,562,194)	(290,194,475)	(44,552,794)	(290,194,475)
Construction revenue received in advance	2,153,223	25,494,305	16,681,317	25,494,305

10. INVENTORIES - NET

Inventories - net, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Finished goods	167,233,525	388,292,735	167,233,525	388,292,735
Work in process	-	66,680,687	-	66,680,687
Raw materials	83,529,403	168,488,583	83,529,403	168,488,583
Spare part and supplies	40,702,015	39,646,894	40,702,015	39,646,894
Goods in transit	-	4,689,245	-	4,689,245
Total	291,464,943	667,798,144	291,464,943	667,798,144
<u>Less</u> Allowance for diminution in value of inventories	(5,413,083)	(1,743,689)	(5,413,083)	(1,743,689)
Net	286,051,860	666,054,455	286,051,860	666,054,455

Allowance for diminution in value of inventories consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Balance at beginning of the year	1,743,689	5,859	1,743,689	5,859
<u>Add</u> Provide allowance during the year	3,917,353	2,346,619	3,917,353	2,346,619
<u>Less</u> Reversal during year	(247,959)	(608,789)	(247,959)	(608,789)
Balance at ending of the year	5,413,083	1,743,689	5,413,083	1,743,689

11. OTHER CURRENT ASSETS

Other current assets consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Revenue Department Receivable	29,246,014	78,516,479	27,933,112	42,337,478
Undue input vat	17,936,537	17,855,516	8,696,237	10,299,802
Other current assets	3,791	1,531	8,391	3,071
Total	47,189,342	96,373,526	36,637,740	52,640,351

12. DEPOSITS AT BANKS HELD ON COLLATERAL

Deposits at banks held on collateral consist of.-

Type of deposits	Interest Rate (% per annum)		Unit : Baht			
			Consolidated		Separate	
	2018	2017	2018	2017	2018	2017
3 - 12 months fixed deposits	0.65 - 1.375	0.65 - 1.375	41,200,000	133,297,500	41,200,000	133,297,500
Saving account	0.375	0.375	4,364,551	934,279	4,364,551	934,279
Total			45,564,551	134,231,779	45,564,551	134,231,779

The above - mentioned fixed accounts have been mortgaged as collateral under a credit facility agreement of the company and its subsidiaries amounting to Baht 24.72 million and mortgaged as contract to install of 3 subsidiaries and a joint venture amounting to Baht 0.01 million.

13. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries - net consist of.-

	Authorized Share (Thousand Baht)		Paid-up share (Thousand Baht)		Percentage of holding (%)	
	2018	2017	2018	2017	2018	2017
	Solartron Energy 1 Co., Ltd.	1,000	1,000	1,000	1,000	99.96
Solartron Energy 2 Co., Ltd.	100,000	100,000	33,250	33,250	51.00	90.00
Solartron Energy 3 Co., Ltd.	100,000	100,000	100,000	100,000	100.00	100.00
Solartron Energy 4 Co., Ltd.	100,000	100,000	33,250	33,250	100.00	100.00
Solartron Energy 5 Co., Ltd.	105,000	105,000	105,000	105,000	51.00	51.00

	Unit : Thousand Baht			
	Separate			
	Cost method		Dividend for Period	
	2018	2017	2018	2017
Solartron Energy 1 Co., Ltd.	998	998	-	-
Solartron Energy 2 Co., Ltd.	12,749	23,559	-	-
Solartron Energy 3 Co., Ltd.	100,000	100,000	-	-
Solartron Energy 4 Co., Ltd.	33,250	33,250	-	-
Solartron Energy 5 Co., Ltd.	53,550	53,550	-	-
Total	200,547	211,357	-	-
<u>Less</u> Allowance for diminution in value	(998)	(998)	-	-
Net	199,549	210,359	-	-

13. INVESTMENTS IN SUBSIDIARIES - NET (Con't)

As at January 10, 2018, the Company has transferred 393,098 shares of Solartron Energy 2 Co., Ltd. held by the Company which consisted of 13,096 shares which the par value of Baht 100.- per share at the price of Baht 473.31 per share and 380,002 shares which the par value of Baht 25.- per share at the price of Baht 46.10 per share totaling to Baht 23.72 million to settle its loan from the Company's a director result in decrease in shareholding of this subsidiary from 90% to 51% of the total authorized share capital.

The Company had gain from abovementioned share transference to settle its debt amounting to Baht 12.91 million to recognized in separate statement of comprehensive income for the year ended December 31, 2018.

14. INVESTMENT IN JOINT VENTURE

Investment in joint venture consist of the following :

	Share of profit (loss)		Unit : Baht			
	Percentage of Investment		Consolidated		Separate	
	(%)		Equity Method		Cost Method	
	2018	2017	2018	2017	2018	2017
SLTT Joint Venture	50.00	50.00	681,119	866,203	-	-

The Company has entered into a Joint Venture Agreement with Thai Polycons Plc., under the name "SLTT Joint Venture" in order to engage in a construction project to a company whereby both parties agreed to work together and shared the profit or loss and responsibility at the percentage of 50% equally. The project was completed.

15. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net consist of.-

	Unit : Baht								
	Consolidated								
	Land and Land improvement	Buildings and Buildings improvement	Machinery and Equipment	Solar power plant	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Solar plant Construction in process	Total
Cost									
As at January 1, 2017	55,556,589	201,808,187	1,949,904,586	71,354,163	17,788,853	35,822,043	9,362,524	550,894,942	2,892,491,887
Purchase during the year	-	-	2,258,568	7,227,648	1,305,204	-	2,270,000	11,983,612	25,045,032
Disposal during the year	-	-	(1,790)	-	(18,500)	(2,371,028)	-	-	(2,391,318)
Transfer in (out) during the year	(6,206,785)	-	3,074,600	458,116,088	-	-	(11,368,924)	478,614,318	(34,999,339)
As at December 31, 2017	49,349,804	201,808,187	1,955,235,964	536,697,899	19,075,557	33,451,015	263,600	84,264,236	2,880,146,262
Accumulated depreciation									
As at January 1, 2017	21,983,527	47,647,934	273,389,232	317,756	11,187,436	28,076,080	-	-	382,601,965
Depreciation for the year	1,952,153	9,640,939	129,999,223	28,498,157	2,706,139	3,870,595	-	-	176,667,206
Disposal during the year	-	-	(149)	-	(13,748)	(2,371,026)	-	-	(2,384,923)
As at December 31, 2017	23,935,680	57,288,873	403,388,306	28,815,913	13,879,827	29,575,649	-	-	556,884,248
Allowance for impairments loss									
As at January 1, 2017	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
As at December 31, 2017	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
Net book value									
As at January 1, 2017	23,048,876	153,099,694	1,676,515,354	71,036,407	6,601,417	7,745,963	9,362,524	550,894,942	2,498,305,177
As at December 31, 2017	14,889,938	143,458,755	1,551,847,658	60,083,951	5,195,730	3,875,366	263,600	84,264,236	2,311,677,269

15. PROPERTY, PLANT AND EQUIPMENT – NET (Con't)

	Unit : Baht								
	Consolidated								
	Land and Land improvement	Buildings and Buildings improvement	Machinery and Equipment	Solar power plant	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Solar plant Construction in process	Total
Cost									
As at January 1, 2018	49,349,804	201,808,187	1,955,235,964	88,899,864	19,075,557	33,451,015	263,600	532,062,271	2,880,146,262
Purchase during the year		40,500.00	5,715,502	13,000	82,518			56,840,938	62,692,458
Disposal during the year			(1,804,556)		(1,261,329)	(117,500)		-	(3,183,385)
Transfer in (out) during the year			263,600	67,169,560			(263,600)	(67,169,560)	-
As at December 31, 2018	49,349,804	201,848,687	1,959,410,510	156,082,424	17,896,746	33,333,515	-	521,733,649	2,939,655,335
Accumulated depreciation									
As at January 1, 2018	23,935,680	57,288,874	403,388,306	28,815,913	13,879,827	29,575,649	-	-	556,884,248
Depreciation for the year	1,952,156	9,632,330	129,657,630	31,683,392	2,117,431	2,153,669	-	-	177,196,608
Disposal during the year	-	-	(1,804,464)	-	(1,257,918)	(114,767)	-	-	(3,177,149)
As at December 31, 2018	25,887,836	66,921,204	531,241,472	60,499,305	14,739,340	31,614,551	-	-	730,903,707
Allowance for impairments loss									
As at January 1, 2018	10,524,186	1,060,560	-	-	-	-	-	-	11,584,746
As at December 31, 2018	10,524,186	1,060,560	-	-	-	-	-	-	11,584,746
Net book value									
As at January 1, 2018	14,889,938	143,458,755	1,551,847,658	60,083,951	5,195,730	3,875,366	263,600	532,062,271	2,311,677,269
As at December 31, 2018	12,937,782	133,866,925	1,428,169,038	95,949,743	3,157,406	1,718,964	-	521,733,649	2,197,166,882

Depreciation for the year ended December 31, consist of:-

	2018	2017
Production cost and cost of goods sold	171,537,343	171,175,681
Administrative expense	5,659,265	5,491,525
Total	<u>171,196,608</u>	<u>176,667,206</u>

15. PROPERTY, PLANT AND EQUIPMENT – NET (Con't)

	Unit : Baht						Total
	Separate						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	
Cost							
As at January 1, 2017	49,349,804	201,808,187	1,949,904,586	17,788,853	35,822,043	4,862,524	2,259,535,997
Purchase during the year	-	-	1,654,818	1,305,204	-	2,270,000	5,230,022
Disposal during the year	-	-	(1,790)	(18,500)	(2,371,028)	-	(2,391,318)
Transfer in (out) during the year	-	-	3,028,400	-	-	(6,868,924)	(3,840,524)
As at December 31, 2017	<u>49,349,804</u>	<u>201,808,187</u>	<u>1,954,586,014</u>	<u>19,075,557</u>	<u>33,451,015</u>	<u>263,600</u>	<u>2,258,534,177</u>
Accumulated depreciation							
As at January 1, 2017	21,983,527	47,647,934	273,389,232	11,187,436	28,076,080	-	382,284,209
Depreciation for the year	1,952,153	9,640,939	129,994,224	2,706,139	3,870,595	-	148,164,050
Disposal during the year	-	-	(149)	(13,748)	(2,371,026)	-	(2,384,923)
As at December 31, 2017	<u>23,935,680</u>	<u>57,288,873</u>	<u>403,383,307</u>	<u>13,879,827</u>	<u>29,575,649</u>	<u>-</u>	<u>528,063,336</u>
Allowance for impairments loss							
As at January 1, 2017	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2017	<u>10,524,186</u>	<u>1,060,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,584,745</u>
Net book value							
As at January 1, 2017	16,842,091	153,099,694	1,676,515,354	6,601,417	7,745,963	4,862,524	1,865,667,043

As at December 31, 2017 14,889,938 143,458,755 1,551,202,707 5,195,730 3,875,366 263,600 1,718,886,096

15. PROPERTY, PLANT AND EQUIPMENT – NET (Con't)

	Unit : Baht						Total
	Separate						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	
Cost							
As at January 1, 2018	49,349,804	201,808,187	1,954,586,014	19,075,557	33,451,015	263,600	2,258,534,177
Purchase during the year	-	40,500	5,699,476	82,518	-	-	5,822,494
Disposal during the year	-	-	(1,804,556)	(1,261,329)	(117,500)	-	(3,183,385)
Transfer in (out) during the year	-	-	263,600	-	-	(263,600)	-
As at December 31, 2018	<u>49,349,804</u>	<u>201,848,687</u>	<u>1,958,744,534</u>	<u>17,896,746</u>	<u>33,333,515</u>	<u>-</u>	<u>2,261,173,286</u>
Accumulated depreciation							
As at January 1, 2018	23,935,680	57,288,873	403,383,307	13,879,827	29,575,649	-	528,063,336
Depreciation for the year	1,952,156	9,632,330	129,626,265	2,117,431	2,153,669	-	145,481,852
Disposal during the year	-	-	(1,804,464)	(1,257,918)	(114,767)	-	(3,177,149)
As at December 31, 2018	<u>25,887,836</u>	<u>66,921,203</u>	<u>531,205,108</u>	<u>14,739,340</u>	<u>31,614,551</u>	<u>-</u>	<u>670,368,039</u>
Allowance for impairments loss							
As at January 1, 2018	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2018	<u>10,524,186</u>	<u>1,060,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,584,745</u>
Net book value							
As at January 1, 2018	14,889,938	143,458,755	1,551,202,707	5,195,730	3,875,366	263,600	1,718,886,096
As at December 31, 2018	<u>12,937,782</u>	<u>133,866,925</u>	<u>1,427,539,426</u>	<u>3,157,406</u>	<u>1,718,964</u>	<u>-</u>	<u>1,579,220,502</u>

Depreciation for the year ended December 31, consist of:-

	2018	2017
Production cost and cost of goods sold	138,960,823	142,672,525
Administrative expense	6,521,029	5,491,525
Total	<u>145,481,852</u>	<u>148,164,050</u>

15. PROPERTY, PLANT AND EQUIPMENT – NET (Con't)

As at December 31, 2018 the Company had additional information of property, plant and equipment as follows:-

- 1) Lands and land improvement, factory and machinery had net book value amounting to Baht 1,118.16 million (2017 : Baht 1,118.16 million), have been mortgaged as collateral under a credit facility agreement with two local bank (See Note 19 and 25 to the financial statement).
- 2) The Company had fully depreciated fixed assets but still in active use at the cost value totaling Baht 111.01 million (2017 : Baht 70.22 million), and assets under hire – purchase agreement see note to financial statement 20.

16. INTANGIBLE ASSETS - NET

Intangible asset - net consist of.-

	Unit : Baht		
	Consolidated and Separate		
	Software Computer	Industrial Standard Certificates	Total
As at January 1, 2017	5,187,456	10,054,678	15,242,134
Purchase during the year	505,000	1,715,661	2,220,661
Transfer in during the year	3,150,000	690,524	3,840,524
Amortization for the year	(1,535,208)	(1,592,626)	(3,127,834)
As at December 31, 2017	7,307,248	10,868,237	18,175,485
Amortization for the year	(1,562,144)	(1,787,418)	(3,349,562)
As at December 31, 2018	5,745,104	9,080,819	14,825,923

17. LAND RIGHTS

Movement of the land rights during the six month period ended September 30, 2018 are as following :

	Unit : Baht
	Consolidated
Net book value as at January 1, 2018	21,701,716
Amortization during the period	(902,063)
Net book value as at December 31, 2018	20,799,653

A subsidiary has been granted right to use land for a period of 25 years for construction of solar power plant under the solar form projects with two cooperatives which were granted rights to sell electricity to the Provincial Electricity Authority.

18. DEFERRED TAX ASSETS

Deferred tax assets consist of :-

	Unit : Baht			
	Consolidated		Separate	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Deferred tax assets	85,895,865	48,690,319	85,895,865	48,690,319

18.1 Movements in deferred tax assets during the period were as follows:

	Unit : Baht			
	Consolidated and Separate			
	(Charged) Credited to			
	As at Jan 1, 2018	Profit or loss	Other comprehensiv e income	As at Dec 31, 2018
<u>Deferred tax assets</u>				
Trade accounts receivable	4,072,156	1,177,275	-	5,249,431
Inventory	348,738	733,879	-	1,082,617
Investment in subsidiaries	199,920	-	-	199,920
Property, plant and equipment	2,316,949	-	-	2,316,949
Employee benefit obligation	4,570,940	577,406	248,602	5,396,948
Unused tax loss	37,181,616	34,468,384	-	71,650,000
Total	48,690,319	36,956,944	248,602	85,895,865

	Unit : Baht			
	Consolidated and Separate			
	(Charged) Credited to			
	As at Jan 1, 2017	Profit or loss	Other comprehensiv e income	As at Dec 31, 2017
<u>Deferred tax assets</u>				
Trade accounts receivable	2,872,258	1,199,898	-	4,072,156
Inventory	1,172	347,566	-	348,738

Investment in subsidiaries	-	199,920	-	199,920
Property, plant and equipment	2,316,949	-	-	2,316,949
Employee benefit obligation	3,728,932	465,590	376,418	4,570,940
Unused tax loss	89,011	37,092,605	-	37,181,616
Loss on purchase of forward exchange contracts	1,544,234	(1,544,234)	-	-
Total	10,552,556	37,761,345	376,418	48,690,319

18. DEFERRED TAX ASSETS (Con't)

18.2 Income tax expenses are as follows.-

Income tax recognized in profit or loss

	Unit : Baht			
	For the year ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Current income tax</u>				
Corporate income tax for the period	754,676	518,855	-	-
<u>Deferred tax</u>				
Deferred tax expense relating to the original and reversal of temporary differences	(36,956,944)	(37,761,345)	(36,956,944)	(37,761,345)
Income tax expenses (income)	(36,202,268)	(37,242,490)	(36,956,944)	(37,761,345)

	Unit : Baht					
	For the year ended December 31,					
	Consolidated and Separate					
	2018			2017		
Before tax	Tax (expense)		Before tax	Tax (expense)		
	income	Net tax		income	Net tax	
Deferred tax for :						
Defined benefit plan actuarial gains	1,243,011	(248,602)	994,409	1,882,091	(376,418)	1,505,673

18.3 Reconciliation for effective tax rate

	Unit : Baht			
	2018			
	Consolidated		Separate	
	Tax rate %	Tax amount (Baht)	Tax rate %	Tax amount (Baht)
Profit before income tax	20%	(394,228,423)	20%	(387,472,759)
Tax expense		-		-
Tax effect of expenses that are not deductible for tax purposes		-		-
Tax expense (effective rate)		-		-

As at December 31, 2018, the Company have not been recognized in respect of tax loss and carry forwards against future taxable income amounting to Baht 271 million because its is not probable that future Taxable profit will be available against which the Company can utilize the benefits therefrom.

18. DEFERRED TAX ASSETS (Con't)

18.4 Tax rate

Current income tax

The Company and its subsidiaries calculated income tax from net profit for the year at the rate 20% of net profit for the year after adjust non taxable expenses and revenue in accordance with the Revenue Code.

By the revenue Code Amendment Act 42 B.E. 2559 dated March 3, 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin-on or after January 1,2016.

The main adjustment items are allowance of obsolete and diminution of employee benefit obligations, revenue and expenses were not in compliance with Revenue Code.

Deferred tax

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

19. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions, consist of.-

	Interest Rate (%)		Unit : Baht			
	Consolidated and Separate		Consolidated		Separate	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Bank overdraft	2.80 - 7.125	2.80 - 7.125	60,873,533	45,455,793	57,763,707	41,588,602
Trust receipts	3.05 - 15.50	3.15, 4.45	258,127,348	259,882,093	258,127,348	259,882,093
Promissory notes	5.25	4.75, 5.25	132,700,000	142,559,178	132,700,000	142,559,178
Total			451,700,881	447,897,064	448,591,055	444,029,873

The Company and subsidiaries had overdrafts and other credit facilities with several banks amounting of Baht 809.17 million. The abovementioned credit facilities were secured by the collateral as described in Condensed Note 25 to the interim financial information. Additionally, in issuing promissory notes and aval of promissory note, the Company shall authorize the banks to receive payments for several contracts of the installation of solar cells.

20. PAYABLE UNDER FACTORING CONTRACTS

The Company has entered into factoring contracts with another company. The significant terms and conditions are as follows:

- The initial payment for factoring contract shall not exceed 90% of the invoice/tax invoice value.
- The total credit line for factoring contracts is Baht 11 million.
- The credit term shall not exceed 120 days from the due date of invoices. The financial institution entitled to change the credit term as see fit.
- The provision for the repayment shall not less than 10% of the invoice/tax invoice value.
- The charge for initial payment is at 14.50% per annum which will be calculated daily from the outstanding payable.
- The charge for claim transfer at the an agreed rate for each transaction.

21. TRADE ACCOUNTS AND OTHER CURRENT PAYABLES

Trade accounts and other current payables, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<u>Trade accounts payable</u>				
Trade accounts payable - related companies	26,299,143	45,730,679	26,299,143	45,730,679
Trade accounts payable - other companies	176,168,734	413,646,117	175,190,324	413,323,110

	Unit : Baht			
	Consolidated		Separate	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<u>Trade accounts payable</u>				
Note payable	13,392,367	26,986,525	13,392,367	26,986,525
Total Trade accounts payable	215,860,244	486,363,321	214,881,834	486,040,314
<u>Other current payables</u>				
Asset payable	4,814,678	8,674,817	4,814,678	8,480,817
Accrued expenses - subsidiaries	-	-	4,174,054	4,167,671
Accrued expenses	26,110,527	17,006,615	24,259,555	13,798,545
Advanced received	501,560	447,884	501,560	447,884
Retention	13,485,916	11,079,309	13,485,916	11,079,309
Total other current payables	44,912,681	37,208,625	47,235,763	37,974,226
Total trade accounts and other current payables	260,772,925	523,571,946	262,117,597	524,014,540

22. DISCOUNTED BILLS OF EXCHANGE

Discounted bills of exchange consist of the following:

	Unit : Baht	
	Consolidate and Separate	
	Dec 31, 2018	Dec 31, 2017
Discounted bills of exchange	50,000,000	800,000,000
<u>Add</u> Increase during the year	-	190,000,000
<u>Les</u> Paid during the year	(10,000,000)	(940,000,000)
<u>s</u>)
Net	40,000,000	50,000,000

The details of discounted bills of exchange are as follows :-

Bill number	Due Date		Rate (% per annum)		Consolidated and Separate	
			Dec 31,	Dec 31,	Dec 31,	Dec 31,
	(No.)	Dec 31, 2018	Dec 31, 2018	2018	2017	2018
1	Jan 16, 2019	Jan 5, 2018	10.00	10.00	20,000,000	20,000,000
1	Feb 1, 2019	Jan 5 - Feb 19, 2018	12.00	10.00 - 20.00	20,000,000	30,000,000
Total discounted bills of exchange					40,000,000	50,000,000

23. DEBENTURES

At the Annual General Shareholders' Meeting of 2017 held on April 26, 2017, it was resolved to issue and offer to sell unsubordinated debentures for the purpose of financing investment project, restructure source of fund and/or for general working capital at the outstanding value at anytime of Baht 5,000 million. Where as debentures were redeemed, the Company shall be able to offer to sell debentures at redeemed value but shall not exceed Baht 5,000 million at anytime.

On June 16, 2017, the Company has issued and offered to sell debenture of 100,000 units at par value Baht 1,000 amounting to Baht 100 million as follows.-

Debenture	Debenture (units)	Value (Million Baht)	Interest rate (%)	Due date
Unsubordinated debentures No.1/2017	34,300	34.30	6.00	June 16, 2018

For the nine - month period ended September 30, 2018, the Company has fully repayment the debentures.

24. SHORT - TERM LOANS FROM OTHER PERSONS

The movement of short - term loans from other persons are as follow.-

	Interest rate (% p.a.)	Unit : Baht			
		Consolidated and Separate			
		As at Jan 1, 2018	Movement during the period		As at Dec 31, 2018
		Increase	Repayment		
First facility	5.00%	7,000,000	-	-	7,000,000
Second facility	5.00%	40,000,000	-	-	40,000,000
Third facility	10.00%	-	4,475,000	(4,475,000)	-
Total		47,000,000	4,475,000	(4,475,000)	47,000,000

First facility : The Company was granted a loan by issuing 2 on demand promissory notes

Second facility : The Company issued a promissory note due on Dec 18, 2018

Third facility : The Company was granted a loan by issuing a promissory notes on demand promissory notes. In the current period, the Company has fully repayment.

25. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long - term loans from financial institutions - net, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Long - term loan	607,073,109	346,846,000	231,233,109	346,846,000
<u>Add</u> Increase during the period/year	-	391,500,000	-	-
<u>Less</u> Paid during the period/year	(97,196,250)	(131,272,891)	(70,770,000)	(115,612,891)
Long - term loan balance	509,876,859	607,073,109	160,463,109	231,233,109
<u>Less</u> Current portion due within one year	(187,868,109)	(142,094,250)	(160,463,109)	(115,668,000)
Net	322,008,750	464,978,859	-	115,565,109

25. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET (Con')

As at December 31, 2018 the Company has entered into a loan agreement with a commercial bank. The details are as follows:-

Loan facility (Million Baht)	Interest rate per annum	Terms of payment of principal and interest	Unit : Baht			
			Consolidated		Separate	
			Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
350.00	BIBOR + 2.91	Pay loan principal on monthly installment at Baht 12.34 million with interest commencing from July 2018 and shall be completed within July 2019 In September 2018, the Company entered into an additional agreement to expand the time period of payment starting monthly repayment amounting to Baht 20.06 million in December 2018 and shall fully repayment comply with the existing agreement.	160,463,109	160,463,109	160,463,109	160,463,109
150.00	MLR - 2.25	Pay loan principal on monthly installment at Baht 4.17 million with interest and the performance	-	70,770,000	-	70,770,000

		shall be completed with three years from the receive loan date. (*)				
304.50	5.50	Pay loan principal on 58 period installments payment of loan principle and interest commencing from June 2017 and shall be completed within September 2031.	271,766,250	292,320,000	-	-
87.00	5.50	Pay loan principal on 58 period installments payment of loan principle and interest commencing from June 2017 and shall be completed within September 2031.	77,647,500	83,520,000	-	-
Total			<u>509,876,859</u>	<u>607,073,109</u>	<u>160,463,109</u>	<u>231,233,109</u>

(*) For investment in solar power plant

The details of the loans are as follows:

25. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET (Con')

The Company :

The loans was secured by mortgage the Company's land, building, machinery and equipment and pledge its withdrawal right of deposit in bank of Baht 1 million and Business collateral (Saving Account and Inventories) and the company shall comply with covenant including maintaining Debt to Equity Ratio not aver 2 : 1 and maintaining Debt service Coverage Ratio (DSCR) not less than 1.20 times.

The subsidiaries :

Two subsidiaries are guaranteed by land and solar power plants and shall authorize its right to receive payment of electricity from the solar farm projects with three cooperatives to the financial institution and the subsidiaries shall comply with covenant including maintaining Debt to Equity Ratio not over 3 : 1 and maintaining Debt Service Coverage Ratio (DSCR) not less than 1.20 times.

26. LIABILITIES UNDER HIRE - PURCHASE CONTRACTS - NET

Liabilities under hire - purchase contracts - net, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Liabilities under hire-purchase contract	865,395	1,476,262	865,395	1,476,262
<u>Less</u> Deferred interest	(30,649)	(85,768)	(30,649)	(85,768)
Present value of minimum lease payments	834,746	1,390,494	834,746	1,390,494
<u>Less</u> Current portion due within one year	(583,271)	(555,748)	(583,271)	(555,748)
Net	251,475	834,746	251,475	834,746

27. PROVISION FOR EMPLOYEE BENEFIT - NET

The Company operates postemployment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long - term benefits to employees based on pensionable remuneration and length of services.

Movement in the present value of the employee benefits obligations consist of;

	Unit : Baht	
	Consolidated and Separate	
	2018	2017
Opening balance as at January 1,	22,854,701	18,644,660
Current service cost	3,042,124	2,324,155
Interest cost	799,915	652,563
Employee benefits paid during the period	(955,010)	(648,768)
Remeasurement of defined loss plan	1,243,011	1,882,091
Ending balance as at December 31,	26,984,741	22,854,701
<u>Less</u> Current portion	(9,863,468)	(2,868,720)
Employee benefit obligations - net	17,121,273	19,985,981

Remeasurement of defined loss plan recognized in other comprehensive income arising from:

	Unit : Baht	
	Consolidated and Separate	
	2018	2017
Financial assumptions	-	(462,516)
Experience adjustment	-	1,786,739
Demographic assumption changes	1,243,011	557,868
Total	1,243,011	1,882,091

Remeasurement of defined loss plan recognized in other comprehensive income arising from:

	Unit : Baht	
	Consolidated and Separate	
	2018	2017
<u>Profit or loss</u>		
Cost of sales and services	1,384,387	905,709
Distribution costs	181,326	163,866
Administrative expense	1,171,374	1,001,086
Management's benefit expenses	1,104,952	906,057
Total	3,842,039	2,976,718
<u>Other comprehensive income</u>		
Remeasurement of defined gain (loss) plan		
Employee benefit - net from income tax	994,409	1,505,673

27. PROVISION FOR EMPLOYEE BENEFIT (Con't)

Remeasurement of defined benefit plan recognized in other comprehensive income are as follows :

	Unit : Baht	
	Consolidated and Separate	
	2018	2017
Included in retained earnings		
As at January 1,	3,886,504	2,380,831
Recognized during the year	994,409	1,505,673
As at December 31,	4,880,913	3,886,504

Significant assumptions use in the estimation under actuarial principle at the reporting date which were changed from the previous report consist of.-

	Consolidated and Separate	
	2018	2017
* Discount rate	3.50%	3.50%
Salary increase rate	7%	7%
** Employee turnover rate	5%	5%
***Mortality rate	100%	80%
Retirement age (year)	60	60
*Market yield from government's bond for legal severance payments plan		
**Upon the length of service		
*** Reference from TMO2017 : Thai Mortality Ordinary Table of 2017		

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for employee benefits obligations by the amounts shown below.

	Unit : Baht			
	Consolidated and Separate			
	2018		2017	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation December 31, 2018				
Discount rate (1% movement)	(2,140,885)	2,618,629	(2,140,885)	2,618,629
Future Salary growth (1% movement)	2,486,277	(2,084,480)	2,486,277	(2,084,480)
Resignation rate (1% movement)	(2,344,815)	2,861,465	(2,344,815)	2,861,465

27. PROVISION FOR EMPLOYEE BENEFIT (Con't)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for employee benefits obligations as at December 31, 2018 of Baht 0.47 million.

The Company will reflect the effect of the change by recognizing past services costs as expenses in profit and loss of the year in which the law is effective.

28. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve of at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

29. INCREASE OF CAPITAL

At the Annual General Shareholders' Meeting of 2018 held on April 30, 2018, it was approved to increase authorized shared of 326,473,000 shares at the par value of Baht 1 per share for the increase of capital for general mandate. To increase its authorized share capital from Baht 544,124,723 to Baht 870,597,723. The Company has registered the increase of share capital with the Ministry of Commerce on May 11, 2018.

30. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable shareholders of the Company (excluded other comprehensive income) by the weighted average number of common shares issued during the year

	Consolidated		Separate	
	2018	2017	2018	2017
			(350,515,81	
Profit (loss) for the period (Baht)	(383,321,105)	(417,421,476)	5)	(179,312,764)
Number of outstanding at the beginning of the period (Share)	544,124,723	544,124,723	544,124,723	544,124,723
Basic earnings (loss) per share (Baht : Share)	(0.70)	(0.77)	(0.64)	(0.33)

31. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

Segment information is presented in respect of the Company and its subsidiaries operating segments. The primary format, business segments, is based on the Company and its subsidiaries management and the internal reporting structure provided to the chief operating decision maker.

Segment assets and revenues include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments :

Segment 1 : Selling and installation of solar - cell systems

Segment 2 : Distribution solar - cell

Segment 3 : Sale of electricity

Segment 4 : Hire of work

Segment 5 : Other

Geographical segments :

31. OPERATING SEGMENT (Con't)

In presenting classification of geographical segments, revenue is based on the geographic location of customers.

For the year end December 31, 2018 (Unit : Million baht)

	Segment						Total	
	1	Segment 2		3	Segment 4	Segment 5		
	Domesti	Foreig		Domesti		Domesti		
	c	Domesti	n	c	Domestic	c		
Revenue from sales and services	456.22	77.73	107.14	91.37	27.68	2.33	-	786.10
<u>Less</u> Inter - segment	(92.93)	-	-	-	-	-	-	(92.93)
Total revenue from sales and services	<u>363.29</u>	<u>77.73</u>	<u>107.14</u>	<u>91.37</u>	<u>27.68</u>	<u>2.33</u>	<u>-</u>	<u>693.17</u>
Operating gain (loss)								(484.50)
Unallocated income								9.56
Finance cost								(59.62)
Profit (loss) in Joint Venture								(1.09)
Income tax								36.20
Income of non - controlling interest								-
Net profit (loss) attributable shareholders of the parent								<u>(380.21)</u>
Other comprehensive income (loss)								(0.99)
Other comprehensive income (loss) for the period								<u>(381.20)</u>
Property plant and equipment-net								
As at December 31, 2018								
Unallocate								<u>2,197</u>
Total assets as at December 31, 2018								<u>2,197</u>

For the year end December 31, 2017 (Unit : Million baht)

	Segment					Total	
	1	Segment 2		Segment 3	Segment 4		Segment 5
	Domesti	Domesti					Domestic
	c	c	Foreign	Domestic	Domestic		
Revenue from sales and services	632.98	53.44	173.95	85.10	34.02	3.57	983.06
<u>Less</u> Inter - segment	(37.50)	-	-	-	-	-	(37.50)
Total revenue from sales and service	<u>595.48</u>	<u>53.44</u>	<u>173.95</u>	<u>85.10</u>	<u>34.02</u>	<u>3.57</u>	<u>945.56</u>
Operating loss							(396.36)
Unallocated income							22.85
Finance cost							(78.99)
Profit (loss) in Joint Venture							(2.16)
Income tax							37.24
Income of non - controlling interest							-
Net loss attributable shareholders of the parent							<u>(417.42)</u>
Other comprehensive income (loss)							(1.51)
Other comprehensive income (loss) for the period							<u>(418.93)</u>
Property plant and equipment-net							-
As at December 31, 2017							
Allocated							<u>2,197</u>

Unallocate	2,311.68
Total assets as at December 31, 2017	<u>3,735.90</u>

32. EXPENSES BY NATURE

Significant expenses classified by nature consist of:-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Changes in inventories of finished goods and work in process	287,739,897	16,238,795	287,739,898	16,238,795
Raw material and supplies used	123,272,871	432,253,855	123,272,871	432,253,855
Management's benefit expenses	28,874,232	34,842,321	28,874,232	34,842,321
Employee expenses	105,248,220	69,617,248	105,248,220	69,617,248
Depreciation and amortization expenses	181,446,202	180,660,031	148,831,413	151,291,885
Finance cost	59,617,783	78,985,123	41,513,318	62,145,293

33. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION

By virtue of the provision of Investment Promotion Acts B.E. 2520, the Company has granted certain rights and privileges for the production of stainless steel pipes as follows:

Descriptions	Rights and privileges				
	Company		Subsidiaries		
1. Certificates's number	2181(9)/2548(B.E)	2523(1)/2557(B.E)	59-1491-1-00-1-0	59-1492-1-00-1-0	59-1520-1-00-1-0
2. Promoted business	Manufacture of construction material in stainless steel	Manufacture of construction material in stainless steel	Manufacture of electricity from solar energy	Manufacture of electricity from solar energy	Manufacture of electricity from solar energy
3. Date of promoted	December 23, 2005	December 11, 2014	November 17, 2016	November 17, 2016	November 24, 2016
4. Date of first sales generated	January 29, 2014	December 20, 2016	January 16, 2017	January 16, 2017	January 16, 2017
5. The rights and privileges of the promotion include:-					
5.1 Exemption of import duty for machinery and equipment that are approved by the Board of Investment.	Granted	Granted	Granted	Granted	Granted

5.2 Exemption of corporate income tax derived from the profit of the promoted activities effective from the first sale generated.	8 years	8 years	8 years	8 years	8 years
5.3 Exemption of import duty for raw materials and necessary supplies used in production process of exported goods for the period stated in the certificate.	Due date in November 7, 2020	Due date in August 28, 2022	-	-	-
5.4 Exemption from income tax on dividend of promotional investments through out the promoted period.	Granted	Granted	Granted	Granted	Granted
5.5 Permission of deduction of investment in installation or construction of facilities excess of its usual depreciation.	25%	25%	-	-	-

33. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION

Results of the Company operations under promoted business are classified under promoted and non-promoted business as follows:

	Unit : Baht					
	Consolidated					
	December 31, 2018			December 31, 2017		
Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total	
Revenues	293,875,718	408,854,704	702,730,422	554,151,418	414,250,874	968,402,292
Cost and expenses	(344,052,005)	(774,903,858)	(1,118,955,864)	(764,355,558)	(656,556,136)	(1,420,911,694)
Share of profit(loss) in joint venture	-	(185,085)	(185,085)	-	(2,156,935)	(2,156,935)
Income tax (expense)	-	36,202,268	36,202,268	-	37,242,490	37,242,490
Net profit (loss) for the year	(50,176,287)	(330,319,972)	380,208,259	(210,204,140)	(207,219,707)	(417,423,847)

Unit : Baht						
Separate						
December 31, 2018			December 31, 2017			
Promoted	Non-promoted	Total	Promoted	Non-promoted	Total	
business	business		business	business		
Revenues	219,716,164	503,313,924	723,030,088	561,529,046	592,693,042	1,154,222,088
	(276,436,794		(1,110,502,846	(667,135,600		(1,371,296,197
Cost and expenses)	(834,066,053)))	(704,160,597))
Income tax (expense)	-	36,3959,944	36,956,744	18,370,894	19,390,451	37,761,345
		(293,795,185				
Net profit (loss) for the year	(56,720,630))	(350,515,815)	(87,235,660)	(92,077,104)	(179,312,764)

The classification of results of the Company's operations was applied with 2 basis as following:-

1. Costs and expenses identifiable to each category were directly charged to each of them.
2. Costs and expenses unidentifiable to each category were allocated to each of them based on the proportion of their revenues.

34. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contributed to the fund monthly at the rate of 2% of employee basic salary. The fund manager will be paid to employees upon termination in accordance with the fun rules.

For the year 2018 and 2017 the Company contributed to the fund amounting to Baht 3.62 million and Baht 3.71 million respectively.

35. FINANCIAL INSTRUMENT

The Company and its subsidiaries complied with the Thai Accounting Standard No. 107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows:-

35.1 Accounting policies

The related accounting policies are disclosed in Note 5.20 to the financial statements.

35.2 Financial risk management

The Company and its subsidiaries are exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company did not speculate or engage in the trading of any derivative financial instrument.

35.3 Credit risk

The Company is exposed to credit risk from non performance of contractual obligations by counter parties resulting in a financial loss to the Company. To prevent the risk, the Company has credits control and regularly, review debtors' financial status. The Company do not expect significant losses from non performance contractual obligation as their customers are diverse.

For the financial assets, the carrying amount of assets recorded in the statements of financial position, net of an allowance for doubtful accounts, represents the Company's maximum exposure to credit risk.

35.4 Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its deposits with financial institutions, bank overdrafts and short - terms and long - term loan changed with interest and liability under lease agreement. However, since interest rates of the majority of these financial assets and liabilities very according to market rates or are fixed and closed to market rates, the Company and its subsidiaries management deemed their interest risk at low level. The Company and its subsidiaries thus do not use derivative financial instruments to hedge such risk.

Financial assets and financial liabilities of the Company and its subsidiaries had Interest rate risk as follows:

	Unit : Thousand Baht						
	Consolidated						
	Fixed interest rates			Floating	Non-	Total	Interest
Within	1 - 5	Over	Interest	Interest		Rate	
1 year	years	5 years	rate	bearing		(% p.a.)	
As at December 31, 2018							
Financial assets							
Cash and cash equivalents	426	-	-	22,546	245	23217	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	125,234	125,234	-
Cash at bank held on collateral	41,200	-	-	4,365	-	45,565	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	451,701	-	451,701	2.80 - 7.125
Trade accounts and other current payables	-	-	-	-	260,773	260,773	-
Discounted bill of exchange	40,000	-	-	-	-	40,000	10.00, 12.00
Long-term loan from financial institution	27,405	322,009	-	160,463	-	509,877	BIBOR+2.91(4.45), 5.50
Liabilities under hire-purchase contracts	583	252	-	-	-	835	4.85

35. FINANCIAL INSTRUMENT (Con't)**35.4 Interest rate risk (Con't)**

	Unit : Thousand Baht						
	Consolidated						
	Fixed interest rates			Floating Interest rate	Non- Interest bearing	Total	Interest Rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2017							
Financial assets							
Cash and cash equivalents	421	-	-	20,706	(1,958)	19,169	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	376,717	376,717	-
Cash at bank held on collateral	133,298	-	-	934	-	134,232	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans from financial institutions	-	-	-	447,897	-	447,897	2.80 - 7.125
Trade accounts and other current payables	-	-	-	-	523,572	523,572	-
Discounted bill of exchange	50,000	-	-	-	-	50,000	10.00, 12.00
Long-term loan from financial institution	26,426	349,414	-	231,233	-	607,073	BIBOR+2.91(4.45), MLR-2(4.25), 5.50
Debenture	34,300	-	-	-	-	34,300	6.00
Liabilities under hire-purchase contracts	555	835	-	-	-	1,390	4.85

	Unit : Thousand Baht						
	Separate						
	Fixed interest rates			Floating Interest rate	Non- Interest bearing	Total	Interest Rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2018							
Financial assets							
Cash and cash equivalents	426	-	-	56	209	691	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	252,144	252,144	-
Short - term loan to subsidiaries	5,700	-	-	-	-	5,700	7.00
Cash at bank held on collateral	41,200	-	-	4,365	-	45,565	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans from financial institutions	-	-	-	448,591	-	448,591	2.80 - 7.125
Trade accounts and other current payables	-	-	-	-	262,118	262,118	-
Discounted bill of exchange	40,000	-	-	-	-	40,000	10.00, 12.00
Short - term loan from subsidiaries	32,800	-	-	-	-	32,800	7.00
Long-term loan from financial institution	-	-	-	160,463	-	160,463	BIBOR + 2.91 (4.45)
Liabilities under hire-purchase contracts	583	252	-	-	-	835	4.85

35. FINANCIAL INSTRUMENT (Con't)

35.4 Interest rate risk (Con't)

	Unit : Thousand Baht						
	Separate						
	Fixed interest rates			Floating Interest rate	Non- Interest bearing	Total	Interest Rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2017							
Financial assets							
Cash and cash equivalents	421	-	-	6,325	(1,977)	4,769	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	478,886	478,886	-
Short - term loan to subsidiaries	5,800	-	-	-	-	5,800	7.00
Cash at bank held on collateral	133,298	-	-	934	-	134,232	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	444,030	-	444,030	2.80 - 7.125
Trade accounts and other current payables	-	-	-	-	524,015	524,015	-
Discounted bill of exchange	50,000	-	-	-	-	50,000	10.00, 12.00
Debenture	34,300	-	-	-	-	34,300	6.00
Short - term loan from subsidiaries	32,000	-	-	-	-	32,000	7.00
Long-term loan from financial institution	-	-	-	231,233	-	231,233	BIBOR + 2.91 (4.45), MLR - 2 (4.00)
Liabilities under hire-purchase contracts	556	835	-	-	-	1,391	4.85

35.5 Currency risk

The Company purchased raw material and major machinery from foreign supplier with foreign currency. So the Company has risk that incurred from fluctuation of foreign currencies from such transactions. The Company has entered into the currency forward contract and the life of which is not more than 6 months compatible to purchasing agreement. In addition, the Company had certain foreign assets and liabilities which were not hedged foreign exchange risk. However, the Company' management believe that they will not against have any significant impact on the Company' financial statements.

The Company had significant assets and liabilities as at December 31, 2018 and 2017 follows:

	Consolidated		Separate	
	2018	2017	2018	2017
Assets				
US dollar	9,922	3,804,106	9,922	3,804,106
Euro	80,072	80,072	80,072	80,072

Liabilities

US dollar	276,106	1,995,934	276,106	1,995,934
Euro	117,765	1,803,721	117,765	1,803,721
SGD	21,005	21,005	21,005	21,005

36. CREDIT FACILITIES

The Company had credit facilities with commercial banks as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Bank overdraft	64,500,000	64,500,000	60,000,000	60,000,000
Letter of credit trust receipt, promissory	579,673,408	683,500,000	566,173,408	670,000,000
Note and issuance of letter of guaranteed	459,826,592	816,645,500	459,826,592	816,645,500
Long - term loan	741,500,000	891,500,000	350,000,000	500,000,000
Total	1,845,500,000	2,456,145,500	1,436,000,000	2,046,645,500

Two subsidiaries were granted a long - term loans and other credit facilities totaling Baht 409.50 million and the loans were secured by mortgage of their land and solar power plants under the solar farm project with three cooperatives.

The abovementioned credit facilities were secured by the collateral as described in Note 19 and 25 to the financial statements.

37. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018 the Company and its subsidiaries have commitments and contingent liabilities as follows:

Contingent liabilities :

37.1 The Company has letter of guarantee issued by several banks to government and private organizations of amounting to Baht 136.24 million (2017 : 178.93 Million Baht) for the consolidated financial statements and amounting of 131.62 Million Baht (2017 : 174.31 Million Baht) for the separate financial statement.

31.2 The Company was in possession of unutilized letters of credit as follows:

	Unit : Million	
	Consolidated and Separate	
	Dec 31, 2018	Dec 31, 2017
<u>Currency</u>		
US Dollar	-	0.05
Euro	0.03	0.78

37. COMMITMENTS AND CONTINGENT LIABILITIES (Con't)

37.3 Two subsidiaries have entered into solar farm operation contracts with government agents and cooperatives, Project Owners, for a period of 25-26 years commencing from the Commercial Operation Data (COD) or until the end of the electricity sales contracts between the Project Supporters (Subsidiaries) and the Provincial Electricity Authority (PEA) whereby the subsidiaries agreed to pay fees for right to sell electricity to the Project Owners at the rates stipulated in the contracts.

37.4 A subsidiary has entered into a solar rooftop installation contract with a university for a period of 21 years commencing from the contract date whereby the subsidiary shall receive the electricity fees at the rate stipulated in the contract.

Commitments of expenditure for addition, renewals and betterment :

37.5 The Company had future commitment in respect of construction agreement amounting to Baht 79.49 million (2017 : Baht 10.55 million) in the consolidated.

Commitments from operation :

37.6 The Company has entered into long-term lease agreements for their office sites and stores for the period of 3 years commencing from the agreement date.

	Unit : Baht	
	Consolidated and Separate	
	Dec 31, 2018	Dec 31, 2017
Less than 1 year	2,907,337	1,628,715
More than 1 year but less than 5 years	3,561,168	1,239,020
Total	6,468,505	2,867,735

37.7 The Company was sued in a civil case for its debt. The claim amount was in excess of its debt amount in the account by Baht 1.34 million. The case was under mediation procedure, the management, therefore, did not record the excess amount in the financial statement for the year 2018.

38. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2018, debt-to-equity ratio in the consolidated financial statements was : 1.02 : 1 (2017 : 1.04 : 1), and the separate financial statement was 0.78 : 1 (2017 : 0.83 : 1).

39. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on February 27, 2019.

