

SOLAR



ustainability

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Message from Chairman of the Board and Chief Executive Officer

Dear Shareholders,

In 2019, Solartron Public Company had to operate our business under financial limitation and uncertainty of alternative energy policy which caused our performance to end up with 463.59 million baht. net loss. Therefore, to counter our financial limitation and support our business operation, Solartron needs to seek out a long term business partnership and alliances. This potential partnership will enable Solartron to new opportunities in green energy such as; Smart grid systems, EV car, Battery charging system.

However, Solartron is well prepared and equipped for production of high quality solar modules certified by international standard and Thai industrial standard. Our turn key construction business can design and install smart solar power system, Solartron can also provides services for monitoring system through internet with smart energy management and the Internet of Things (IOT)

Lastly, on behalf of the Board of Directors and management team, we would like to express our appreciation to our shareholders, employees and all stakeholders who always giving trust and support to us. As a company, we will make the best efforts to improve all our performance efficiently. We promise to always conduct our business responsibly, ethically and transparently to ensure good corporate governance.

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.Kitti Pintavirooj and Mr.Tanee temboonsak as Audit Committee members.

In 2019 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 2019, 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 2019, 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 2019

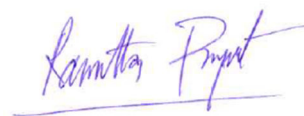
From The selection process of 3 audit firms Office of Pitisevi Co.,Ltd has been selected and appointed as the external auditor of Solartron. Based on the satisfactory results of this performance appraisal and their qualification as independent auditor, the Audit Committee recommended them to the Board. 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 2019 and the annual audit and quarterly review fee for Solartron's consolidated financial statements and acknowledgement of the annual audit fee for the year 2019 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	2017	2018	2019
Cash and cash equivalents	19.17	23.22	30.59
Total current assets	1,187.09	599.32	297.19
Total assets	3,735.89	2,974.23	2,473.34
Total current liabilities	1,414.57	1,156.81	656.05
Total liabilities	1,900.37	1,496.19	1,431.30
Total shareholders' equity	1,835.52	1,478.03	1,042.04
Operation Results			
Total incomes	968.40	702.73	430.81
Revenues from the selling and rendering of services	945.56	693.17	416.48
Gross profit	-250.50	-248.41	-226.92
Net income	-417.42	-380.20	-431.64
Financial Ratio			
Current ratio (times)	0.84	0.52	0.45
Gross profit (%)	-26.49	-35.84	54.49
Net profit (%)	-43.10	-54.10	-100.19
Return on equity (%)	-21.97	-22.95	-34.26
Return on assets (%)	-10.81	-11.36	-15.85
Assets turnover (times)	0.25	0.21	0.16
Total debts to equity ratio (times)	1.04	1.01	1.37
Interest Coverage Ratio	-2.43	-2.83	-2.62
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	-0.77	-0.70	0.80
	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	2017	2018	2019
Cash and cash equivalents	4.77	0.69	10.80
Total current assets	1,290.17	785.94	307.48
Total assets	3,433.28	2,720.78	2,017.27
Total current liabilities	1,416.08	1,174.10	718.54
Total liabilities	1,552.46	1,191.48	955.91
Total shareholders' equity	1,880.81	1,529.30	1,061.36
Operation Results			
Total incomes	1,154.22	723.03	351.47
Revenues from the selling and rendering of services	897.96	694.73	325.79
Gross profit	-275.36	-264.08	-302.99
Net income	-179.31	-350.51	-463.59
Financial Ratio			
Current ratio (times)	0.91	0.67	0.43
Gross profit (%)	-30.66	-38.01	-93.00
Net profit (%)	-15.54	-48.48	-131.90
Return on equity (%)	-9.10	-20.56	-35.79
Return on assets (%)	-4.73	-11.42	-15.85
Assets turnover (times)	0.30	0.23	0.15
Total debts to equity ratio (times)	0.83	0.78	0.90
Interest Coverage Ratio	-0.06	-4.70	-7.71
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	-0.33	-0.64	-0.85
	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 2019

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 2019

January 2019	<p>Signing contract with</p> <ol style="list-style-type: none"> 1) Office of Energy of Surin Province, Solar Water Pumping System, amount 7,897,196.26 Baht (Contract Period 26/1/2019-24/6/2019) 2) Dhevavong Company for Minigrad System at Wildlife Conservation Office, Srisaket, Ubonratchathani, Surin, Nakhonratchasima and Chaiphum Total 26.46 kWp, amount 6,480,299.07 baht
March 2019	Sign Contract with Bank of Thailand phase 2, for installation of Solar Rooftop size 100 kWp amount 5,460,000 baht.
May 2019	<p>Sign Contract with</p> <ol style="list-style-type: none"> 1) Plant Genetic Conservation Project, Klongphai Center Nakhon Ratchasima size 39.68 kWp, amount 2,771,041.12 Baht 2) Department of Groundwater Resources, Project of Water Supply for Agriculture 29 sites at Suphanburi Province, total 139.2 kWp, amount 43,319,878.50 baht
June 2019	Sign Contract with Dhevavong Company for Minigrad System at Wildlife Conservation Office Minigrad, Project of Huay Khakhang, Uthaithani, total 3 sets 35 kWp, amount 5,794,392.53 baht
July 2019	<p>Sign Contract with</p> <ol style="list-style-type: none"> 1) United Global Agency (Thailand) for Installation of Solar Rooftop แสง Street Light for 5 Railway Stations total 50 kWp, amount 9,815,056.50 baht 2) Department of Groundwater Resources, Solar Water Pumping System 5 sites total 18 kWp, amount 3,959,336.45 baht (3) Project of Water Supply for Agriculture, Solar Water Pumping at Rongtoey Public Pond total 4kWp, amount 2,084,437.38 baht.
November 2019	Sign Contract with Satien Stainless Steel Public Company Limited for installation of Solar Rooftop Project phase 2 size 948.6 kWp, amount 35,525,070 baht

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 2019, We recognize and emphasize on other risks and issues as follows;

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

In 2019, 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 : 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 Auditor: Miss Wanpen Aoonruan The Certified Public Accountants License No.7750 Pitisevi Company Limited 8/4 SoiVipavadee rangsit 44, Vipavadee rangsit road, Ladyoa. Jatujak, Bangkok Tel. : +66-2-9413584-6 Fax. : +66-2-9413658 Lawyer: 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
Type of Business	Manufacturing Solar cells and Modules Engineering, Design and Installation of solar power systems, Energy Service Company	
Company Code	0107547000877	
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	
Module Factory	88/8 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	
Cell Factory	88/9 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	
Website	www.solartron.co.th	
E-mail	agm@solartron.co.th	
Registered Capital	870,597,723 Baht	
Registered Ordinary Shares	870,597,723 Shares	
Par Value	1 Baht	
Registered Ordinary Share with paid	544,124,723 Shares	
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	5 JANUARY 2015	5 JANUARY 2015	5 JANUARY 2015	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 30, 2019, 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 at 30 December 2019 are as follows:

Rank	Name	Number of Share	%
1	Mr.Suksit Petaumpai	65,215,800	11.99%
2	Mr.Srisak Dejkitvigrom	58,300,000	10.71%
3	Mr.Vasin Dejkitvigrom	46,500,000	8.55%
4	Mr.Chuchat Petaumpai	30,015,900	5.52%
5	Miss Namfon Wattanachai	25,925,000	4.76%
6	Mr.Akaradej Rojmeta	21,528,882	3.96%
7	Thai NVDR Ltd	11,044,928	2.03%
8	Mr.Pupaa Taechanarong	9,998,566	1.84%
9	Mrs. Ratanawan Boriboon	7,500,000	1.38%
10	Miss Warangkana Techaiya	6,355,099	1.17%
	Total for Top ten Major shareholders	282,384,175	51.90%
	Others	261,740,548	48.10%
	Total paid up capital	544,124,723	100.00%

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.

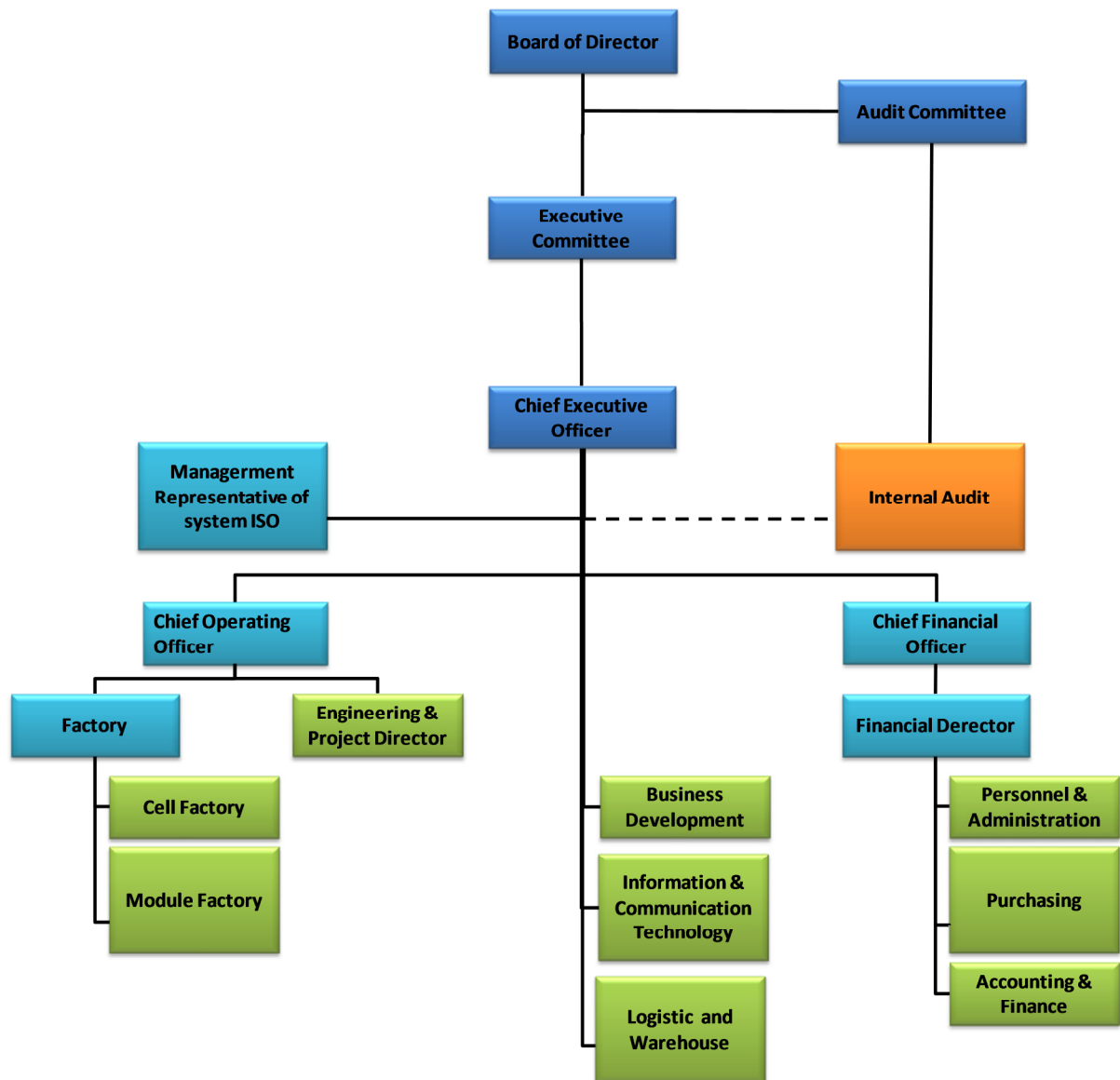
Dividend Payments 3 yrs.

ปี	2560	2561	2562
Earnings per share	-0.35	-0.70	-0.80
Dividend per Share	-	-	-
Dividend Payout Ratio (%)	-	-	-

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, 2019, the Company's Board of Directors comprises of:

S	1	Mr. Cherdpong Siriwit	Chairman / Director
c	2	Ms. Patama Wongtoythong	Deputy Chairman / Director / Company Secretary
o	3	Mr. Akaradej Rojmeta	Director
p	4	Dr. Dusit Kruangam	Director
e	5	Ms. Rawittha Pongnuchit	Independent Director / Audit Committee
	6	Mr. Kitti Pintavirooj	Independent Director / Audit Committee
o	7	Mr. Tanee Temboonsak	Independent Director / Audit Committee

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, 2019, 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, 2019, the Audit Committee comprises of:

1. Mrs. Rawittha Pongnuchit Chairman of Audit Committee
2. Mr. Kitti Pintavirooj Audit Committee
3. Mr.Tanee Temboonsak 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 26, 2019,

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	2017	2018	2019
Total remuneration (Baht)	2,677,400.00	2,420,400.00	2,618,400
Number of Committee Member (Persons)	8	8	9
Type of remuneration	Meeting allowance and monthly payment	Meeting allowance and monthly payment	Meeting allowance and monthly payment

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 2019 and 2018

Name	Board of Directors Meeting		Audit Committee Meeting		Annual General Meeting	
	2019	2018	2019	2018	2019	2018
Mr.Cherdpong Siriwit	7/7	5/5	-	-	1/1	1/1
Ms.Patama Wongtoythong	7/7	5/5	-	-	1/1	1/1
Mr.Akaradej Rojmeta	7/7	4/5	-	-	1/1	1/1
Mrs.Rawittha Pongnuchit	6/7	3/5	4/4	3/4	1/1	1/1
Mr.Suchat Trisirivattwat	3/7	4/5	1/4	3/4	1/1	1/1
Mr.Akekachat Leelapanyalert	1/7	3/5	-	3/4	-	1/1
Dr. Dusit Kruangam	4/7	4/5	-	-	1/1	1/1
Mr. Kitti Pintavirooj	7/7	5/5	3/4	-	1/1	1/1
Mr.Tanee Temboonsak	4/7	-	3/4	-	-	-

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.
 Independent Director/Audit Committee/Risk Management Committee, Thoresen 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 1,2,3,5 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 1,2,3,5 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 %

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

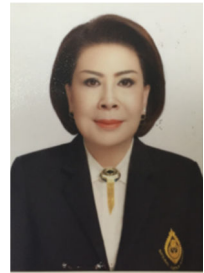
2005	Director Accreditation Program (DAP) class 42/2005
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Number of Shares held

-0%-

The Board of Directors

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

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

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
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Number of Shares held	-0%-
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The Board of Directors

Mr. Kitti Pintavirooj
Audit Committee
Independent 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

Mr. Tanee Temboonsak
Audit Committee
Independent Director

**Academic Background**

Master Degree	Master of Business Administration (Finance) Dhurakij Pundit University
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Bachelor Degree	Bachelor of Business Administration (Business Computer) Rajamangala University of Technology Thanyaburi
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Work Experience

2015 - Present	Managing Director – Business Development and Operation Thai Fight Co.,Ltd.
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2001 – 2015	Vice President – Investment Banking Maybank Kim Eng (Thailand) Plc.
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1999 – 2001	Manager – Investment Banking DBS Vickers Securities (Thailand) Co.,Ltd.
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Training Program

None

Number of Shares held

None

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 2019 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 Meeting1/2019 on April 26, 2019, 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 2019 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 2019 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 2019 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	/	-	/
Mr. Kittti	Pintavirooj	/	/	/
Ms. Rawittha	Pongnuchit	/	/	-
Mr. Suchat	Trisirivattwat	/	/	/
Mr. Akekachat	Leelapanyalert	/	/	-
Mr. Tanee	Temboonsak	/	/	-
Dr. Dusit	Kruangam	/	-	-

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 2019, 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.

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 area, 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



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 2019, 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
			2018	2019	
Solartron Energy 1	Subsidiary Hold by Solartron 99.96 %	(1) Interest revenue (2) Revenue service (3) Trade accounts (4) Short-term loans from subsidiary (5) Accrued interest receivable	380,301 720,000 1,669,220 5,700,000 1,351,249	399,000 720,000 2,439,600 5,700,000 1,750,249	Using the bank overdraft rate which is equal to 7%/year. A management fee for engineering, financial accounting, procurement, administration and human resource.
Solartron Energy 2	Subsidiary Hold by Solartron 90 %	(1) Interest revenue (2) Interest expense (3) Revenue service (5)Trade accounts (6) Revenue received in advance (7) Short-term loans for subsidiary (8) Revenue from O&M	24,164 15,649 1,200,000 - - 800,000 928,000	- 103,101 1,200,000 1,504,420 118,750 1,600,000 1,080,000	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
Solartron Energy 3	Subsidiary Hold by Solartron 100 %	(1) Interest expense (2) Revenue service (3)Revenue which installation services (4) Revenue from O&M (5) Revenue (6) Cost of Sale which installation services (7)Trade receivable (8) Accrued expense (9) Revenue received in advance (10) Short-term loans for subsidiary (11) Interest revenue (12) Short-term loans for subsidiary	- 1,200,000 66,026,530 2,400,000 14,260 64,850,149 164,896,724 - 34,791,666 - -	2,265,210 2,973,098 71,275,203 3,600,000 - 43,796,166 72,625,560 2,265,210 27,444,060 8,967 93,448,631	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
Solartron Energy 4	Subsidiary Hold by Solartron 100 %	(1) Interest expense (2) Revenue service (3) Trade accounts (4) Short-term loans for subsidiary (5) Accrued expense	2,240,000 720,000 385,200 32,000,000 4,156,405	2,025,205 2,320,000 2,867,600 - 6,183,610	Using the bank overdraft rate which is equal to 7%/year. A management fee for engineering, financial accounting, procurement, administration and human resource.
Solartron Energy 5	Subsidiary Hold by Solartron 51 %	(1) Interest expense (2) Interest revenue (3) Revenue service (4) Trade receivable (5) Accrued expense (6) Revenue from O&M	- 1,515 1,800,000 4,084,740 - -	496,029 - 1,800,000 642,321 496,029	Using the bank overdraft rate which is equal to 7%/ year. A management fee for engineering, financial accounting, procurement,

		(7) Revenue (8) Short-term loans for subsidiary	1,959,000 181,700 -	2,172,000 - 13,883,099	administration and human resource. Construction cost of 7MW solar power plant is based on the market price
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 from Sale of goods (3) Revenue service (4) Interest Revenue (5) Trade receivable (7) Short-term loans for subsidiary	19,766 895,659 166,332 5,413,376 2,900,000	- - 103,509 100,000 -	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)
Thai Solar Future Co., Ltd	A director of this company is a director of the company	(1) Revenue from Sale of goods (2) Cost of from Sale of goods (3) Trade payable (4) Trade accounts (5) Revenue service	206,292 253,710 26,299,143 220,732 2,259,699	2,783,800 4,922,663 30,721,336 3,212,238 6,000	Designing, vending and installation of solar cells, solar modules and solar systems which are based on the market price

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

Solartron Public Company Limited (The Company) would like to report on Management's Discussion and Analysis of Financial Positions and Operating results for the year ended December 31, 2019 as follows:

1) The operating results and profitability

The Company (Separate) operation results for the year end of 2019 on December 31, 2018 recorded the comprehensive net (loss) income of -463.59 million Baht decreasing in amount of 118.01 million baht or representing 33.67% from the same period on December 31, 2018 in the comprehensive net (loss) income of -350.52 million Baht of 2019 Earnings per Share of - 0.85 Baht.

The Company (Consolidated) operation results for year end of 2019 on December 31, 2018 recorded the comprehensive net (loss) income of - 431.64 million Baht decreasing in amount of 51.43 million baht or representing 13.53% from the same period on December 31, 2018 in the comprehensive net (loss) income of -380.21 million Baht and Earnings (loss) per Share of - 0.80 Baht.

1.1 Total Revenues

Separate, The Company had total revenues in the year end of 2019 amounting to 351.48 million Baht and comparing to of 723.04 million Baht respectively which an decrease of 371.56 million Baht, or decreased by 51.39% The total revenues are divided to sales and other income as follows:

(Separate)

Total Revenues	December 31,2019		December 31,2018		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	325.80	92.69%	694.74	96.09%	- 368.94	- 53.10%
-Revenue from sales of goods which installation service and construction of solar power plant	168.75	48.01%	483.91	66.93%	- 315.16	- 65.13%
-Revenue from sales of goods and hire of work	157.05	44.68%	210.83	29.16%	- 53.78	- 25.51%
Gain from investment transformation	4.93	1.40%	12.91	1.79%	-7.98	- 3.79%
Other incomes	20.75	5.90%	15.39	2.13%	5.36	34.83%
Total Revenues	351.48	100.00%	723.04	100.00%	- 371.56	- 51.39%

Sales Revenues

Separate, the year end of 2019 The Company had sales amounting to 325.80 million Baht comparing to the 2018 of 694.74 million Baht a decrease amounted to 368.94 million Baht, representing an decrease of 53.10%

As the year end of 2019, the company has decreased in sales by.

- The water pumping systems sales increase 2018 of 14.27 million baht.
- The Mini Grid systems sales decrease 2018 of 42.55 million baht.
- The Solar rooftop systems sales decrease from 2018 of 164.90 million baht.
- The sale of Solar Module internally, Increases up from 2018 of 72.91 million baht.
- Revenue from service decrease from 2018 of 16.00 million baht.
- The construction of solar power plant systems sale decrease form 2018 of 62.47 million baht.
- The exported Solar Module to overseas, decrease up from 2018 of 125.99 million baht.

Other Incomes

The Company financial statement, the year end of 2019 The Company had sales amounting to 20.75 million Baht comparing to the r of 2018 of 15.39 million Baht a increase amounted to 5.36 million Baht, representing increase of 34.83%

1.2 Total Revenues

The Company consolidated had total revenues in the year end of 2019 amounting to 430.80 million Baht and comparing to the of 2018 of 702.74 million Baht respectively which a decrease of 271.94 million Baht, or decreased by 38.70 % The total revenues are divided to sales and other income as follows:

(Consolidated)

Total Revenues	December 31,2019		December 31,2018		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	418.89	97.24%	693.18	98.64%	- 274.29	- 39.57%
-Revenue from sales of goods which installation service and construction of solar power plant	160.63	37.29%	390.98	55.64%	- 230.35	- 58.92%
-Revenue from sale of Electricity	99.78	23.16%	91.37	13.00%	8.41	9.20%
-Revenue from sales of goods and hire of work	156.07	36.23%	210.83	30.00%	-54.76	- 25.97%
Gain from investment transference	2.41	0.56%	-	0.00%	2.41	100%
Other incomes	11.91	2.76%	9.56	1.36%	2.35	24.58%
Total Revenues	430.80	100.00%	702.74	100.00%	- 271.94	- 38.70%

Sales Revenues

Consolidated, the year end of 2019 The Company had sales amounting to 430.80 million Baht comparing to the second quarter of 2018 of 702.74 million Baht an decrease amounted to 271.94 million Baht, representing a decrease of 38.70%

As the year end of 2019, the company has increased in sales by.

- The water pumping systems sales Increase 2018 of 13.98 million baht.
- The Mini Grid systems sales decrease from 2018 of 42.55 million baht.
- The Solar rooftop systems sales decrease from 2018 of 164.90 million baht.
- The sale of Solar Module internally, increases up from 2018 of 72.91 million baht.
- Revenue from service decrease from 2018 of 16.00 million baht.
- The construction of solar power plant systems sale decrease form 2018 of 62.47 million baht.
- The exported Solar Module to overseas, decrease up from 2018 of 125.99 million baht.

Other Incomes

Consolidated, the year end of 2019 The Company had sales amounting to 11.91 million Baht comparing to the second quarter of 2018 of 9.56 million Baht decrease amounted to 2.35 million Baht, representing a decrease of 24.58%

1.3 Cost of sales and Selling and Administrative Expenses

(Separate)

Financial Statement	December 31,2019		December 31,2018		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	325.80	100.00%	694.74	100.00%	- 368.94	- 53.10%
Cost of sales	628.79	193.00%	958.82	138.01%	- 330.03	- 34.42%
Total Selling& Admin Expenses	109.14	33.50%	110.17	15.86%	-1.03	- 0.93%
- Selling Expenses	20.82	6.39%	18.97	2.73%	1.85	9.75%
-Administrative Expenses	88.32	27.11%	91.20	13.13%	- 2.88	- 3.16%

Cost of Sales

The Company financial statement, the year end of 2019 the Company had the cost of sales of 628.79 million Baht. Comparing to the year end of 2018 of 958.82 million Baht a decreases amount 330.03 million Baht or 34.42% from decrease of sales volume.

Selling and Administrative Expenses

The Company financial statement, the year end of 2019 the Company had the selling and administrative expenses of 109.14 million Baht. Comparing to the of 2018 of 110.17 million Baht, a decreases amount 1.03 million Baht or 0.93%

1.4 Cost of sales and Selling and Administrative Expenses

(Consolidated)

Financial Statement	December 31,2019		Decerber 31,2018		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	418.89	100.00%	693.18	100.00%	-274.29	-39.57%
Cost of sales	643.41	153.60%	941.60	135.84%	-298.19	-31.67%
Total Selling& Admin Expenses	121.64	29.04%	117.74	16.99%	3.90	3.31%
- Selling Expenses	20.82	4.97%	18.97	2.74%	1.85	9.75%
-Administrative Expenses	100.82	24.07%	98.77	14.25%	2.05	2.08%

Cost of Sales

Consolidated, the year end of 2019 the Company had the cost of sales of 643.41 million Baht. Comparing to the of 2018 of 941.60 million Baht a decreases amount 298.19 million Baht or 31.67% from decrease of sales volume.

Selling and Administrative Expenses

Consolidated, the year end of 2019 the Company had the selling and administrative expenses of 121.64 million Baht. Comparing to the second quarter of 2018 of 117.74 million Baht, a decreases amount 3.90 million Baht or 3.31%

Profit

(The Company financial statement)

Financial Statement	December 31,2019		December 31,2018		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	325.80	100.00%	694.74	100.00%	- 368.94	-53.10%
Cost of Sales	628.79	193.00%	958.82	138.01%	-330.03	-34.42%
Gross Profit	- 302.99	- 93.00%	- 264.08	- 38.01%	- 38.91	-14.73%
Selling and Admin expenses	109.14	33.50%	110.17	15.86%	-1.03	- 0.93%
Operating Profit	- 412.13	-126.50%	- 374.25	- 53.87%	- 37.88	-10.12%
Finance costs	- 38.51	-11.82%	- 41.51	- 5.97%	3.00	7.23%
Income Tax (expenses)	- 38.64	-11.86%	36.95	5.32%	-75.59	- 204.57%
Net Profit for the year	- 463.59	-142.29%	- 350.52	- 50.45%	-113.07	-32.26%

Gross Profit

The Company financial statement, the year end of 2019 the Company had Gross Profit (loss) amounted to - 302.99 million Baht, Comparing to the second quarter of 2018 of - 264.08 million Baht, a decrease of amount 38.91 million Baht or 14.73%

Operating Profit

The Company financial statement, the year end of 2019 the Company had had operating profit (loss) amounted of - 412.13 million Baht, Comparing to the second quarter of 2018 of - 374.25 million Baht, a decrease of amount 37.88 million Baht or 10.12%

Net Profit

The Company financial statement, the year end of 2019 the Company had net profit (loss) amount of - 463.59 million Baht, Comparing to the year end of 2018 of - 350.52 million Baht, a decrease of amount 113.07 million Baht or 32.26%.

Profit

(Consolidated)

Financial Statement	December 31,2019		December 31,2018		Increase(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	418.89	100.00%	693.18	100.00%	- 274.29	- 39.57%
Cost of Sales	643.41	153.60%	941.60	135.84%	- 298.19	- 31.67%
Gross Profit	-224.52	- 53.60%	- 248.42	- 35.84%	23.90	9.62%
Selling and Admin expenses	121.64	29.04%	117.74	16.99%	3.90	3.31%
Operating Profit	- 334.25	- 79.79%	- 356.60	- 51.44%	22.35	6.27%
Finance costs	- 58.02	-13.85%	- 59.62	- 8.60%	1.60	- 2.68%
Share of profit(loss)in Joint Venture	- 0.68	- 0.16%	- 0.19	0.00%	- 0.49	257.89%
Income Tax (expenses)	- 38.69	- 9.24%	36.96	5.33%	- 75.65	- 204.68%
Net Profit for the year	- 431.64	- 103.04%	- 380.21	- 54.85%	- 51.43	-13.53%
Owners of the parent	- 392.95	- 93.81%	- 416.41	- 60.07%	23.46	5.63%

Gross Profit

Consolidated, the year end of 2019 the Company had Gross Profit (loss) amounted to - 224.52 million Baht, Comparing to the year end of 2018 of - 248.42 million Baht, a decrease of amount 23.90 million Baht or 9.62%

Operating Profit

Consolidated, the year end of 2019 the Company had had operating profit (loss) amounted of - 334.25 million Baht, Comparing to the year end of 2018 of - 356.60 million Baht and , a decrease of amount 22.35 million Baht or 6.27%

Net Profit

Consolidated, the year end of 2019 the Company had net profit (loss) amount of - 431.64 million Baht, Comparing to the year end of 2018 of - 380.21 million Baht, a decrease of amount 51.43 million Baht or 13.53%.

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

Consolidated, the year end of 2019 the Company had net profit (loss) amount of - 392.95 million Baht, Comparing to the year end r of 2018 of - 416.41 million Baht, a decrease of 23.46 million Baht or 5.63%.

2) Ability to manage assets.

2.1 Asset Component - Separate

Table compares the statement of financial position for year end of 2019 and December 31, 2018
(Separate)

	Unit : Million Baht			
	Separate			
	Dec 31,2019 (Audited)		Dec 31,2018 (Audited)	
		%		%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	10.80	0.54%	0.69	0.03%
Trade accounts and other receivables - net	141.94	7.04%	252.14	9.27%
Unbilled receivables	39.72	1.97%	198.03	7.28%
Retention receivables	4.17	0.21%	3.79	0.14%
Short - term loans to subsidiary	5.70	0.28%	5.70	0.21%
Short - term loans to JV	-	0.00%	2.90	0.11%
Inventories - net	98.23	4.87%	286.05	10.51%
Other current assets	6.92	0.34%	36.64	1.35%
Total current assets	307.48	15.24%	785.94	28.89%
NON - CURRENT ASSETS				
Deposits at banks held on collateral	45.98	2.28%	45.56	1.67%
Investments in subsidiaries	166.30	8.24%	199.55	7.33%
Property, plant and equipment - net	1,433.25	71.05%	1,579.22	58.04%
Intangible assets - net	11.49	0.57%	14.83	0.55%
Deferred tax assets	47.27	2.34%	85.90	3.16%
Other non - current assets	5.50	0.27%	9.77	0.36%
Total non - current assets	1,709.79	84.76%	1,934.83	71.11%
TOTAL ASSETS	2,017.27	100.00%	2,720.77	100.00%

Asset Quality

The Company financial statement, the year end of 2019 the Company had total assets of 2,017.27 million Baht, comparing to December 31, 2018 of 2,720.77 million Baht, a decrease of amount 703.50 million Baht or 25.86% from the decrease in Trade accounts and other current receivable , Unbilled receivables and inventories.

2.2 Asset Component – Consolidated

	Unit : Million Baht			
	Consolidated			
	Dec 31,2019		Dec 31,2018	
	(Audited)		(Audited)	
		%		%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	30.59	1.24%	23.22	0.78%
Trade accounts and other receivables - net	148.62	6.01%	125.23	4.21%
Unbilled receivables	6.50	0.26%	110.94	3.73%
Retention receivables	4.17	0.17%	3.79	0.13%
Short - term loans to subsidiary	-	0.00%	-	0.00%
Short - term loans to JV	-	0.00%	2.90	0.10%
Inventories - net	98.23	3.97%	286.05	9.62%
Other current assets	9.08	0.37%	47.19	1.59%
Total current assets	297.19	12.02%	599.32	20.15%
NON - CURRENT ASSETS				
Deposits at banks held on collateral	45.98	1.86%	45.56	1.53%
Investments in subsidiaries	-	0.00%	-	
Investments in joint venture	-	0.00%	0.68	0.02%
Property, plant and equipment - net	2,045.75	82.71%	2,197.17	73.87%
Intangible assets - net	11.49	0.46%	14.83	0.50%
Right to use the land	19.90	0.80%	20.80	0.70%
Deferred tax assets	47.27	1.91%	85.90	2.89%
Other non - current assets	5.76	0.23%	9.97	0.34%
Total non - current assets	2,176.15	87.98%	2,374.91	79.85%
TOTAL ASSETS	2,473.34	100.00%	2,974.23	100.00%

Table compares the statement of financial position for year end of 2019 and December 31, 2018

(Consolidated)

Asset Quality

Consolidated, the year end of 2019 the Company had total assets of 2,473.34 million Baht, comparing to December 31, 2018 of 2,974.23 million Baht, a decrease of amount 508.89 million Baht or 16.84% from the decrease in Unbilled receivables 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 2019 and 2018

(The Company financial statement)

Unit: Million Baht

Statement of Cash Flows	December 31, 2019	December 31, 2018
Net cash provided by(used in) operating activities	177.53	-18.21
Net cash provided by(used in) investing activities	4.94	95.86
Net cash provided by(used in) financing activities	-172.36	- 81.73
Net increase(decrease) in cash and cash equivalents	10.11	- 4.08
Cash and cash equivalents at beginning of the period	0.69	4.77
Cash and cash equivalents at end of the period	10.80	0.69

The Company financial statement, the year end of 2019 the Company had net cash flow provided by (used in) operating activities increase as 177.53 million Baht, comparing to the year end of 2018 decrease as -18.21 million Baht because of the year end of 2019 decrease of trade accounts and other receivables-net, decrease unbilled receivables, decrease inventories.

In the year end of 2019 the Company had net Cash flow provided by (used in) investing activities increased as 4.94 million Baht, comparing to the year end of 2018 increase as 95.86 million Baht

In the year end of 2019 the Company had net Cash flow provided by (used in) financing activities decreased as -172.36 million Baht, comparing to the year end of 2018 increase as 81.73 million Baht because of the year end of 2019 decrease bank overdraft and short-term loans from financial institutions, increase short-term loan from subsidiaries.

The company's operating, investing and financing cash flows for the year end of 2019 effect net increase in cash and cash equivalents of 10.11 million Baht to 0.69 million Baht in cash at beginning of period. Cash at end of period were 10.80 million Baht.

Liquidity Ratio

The Company financial statement, the year end of 2019 the Company current ratio increased as 0.50 comparing to December 31, 2018 as 0.67 times.

3.2 Liquidity - Consolidated

Components of cash flows

Table compares cash flows for the year end of 2019 and 2018

(Consolidated)

Unit: Million Baht

Statement of Cash Flows	December 31, 2019	December 31, 2018
Net cash provided by(used in) operating activities	83.35	74.91
Net cash provided by(used in) investing activities	- 25.67	28.05
Net cash provided by(used in) financing activities	- 50.31	- 98.92
Net increase(decrease) in cash and cash equivalents	7.37	4.04
Cash and cash equivalents at beginning of the period	23.22	19.17
Cash and cash equivalents at end of the period	30.59	23.21

Consolidated, the year end of 2019 the Company had net cash flow provided by (used in) operating activities increase as 83.35 million Baht, comparing to the year end of 2018 increase as 74.91 million Baht because of the year end of 2019 increase trade accounts and other receivables ,decrease Unbilled receivables ,decrease inventories and increase trade accounts and other payable.

In the year end of 2019 the Company had net Cash flow provided by (used in) investing activities decreased as - 25.67 million Baht, comparing to the second quarter of 2018 increase as 28.05 million Baht

In the year end of 2019 the Company had net Cash flow provided by (used in) financing activities decreased as - 50.31 million Baht, comparing to the year end of 2018 increase as - 98.92 million Baht because of the second quarter of 2019 decrease bank overdraft and short-term loans from financial institutions, increase Short term loans from directors and increase long-term loan from financial institution.

Consolidated, operating, investing and financing cash flows for the year end of 2019 effect net decrease in cash and cash equivalents of 7.37 million Baht to 23.22 million Baht in cash at beginning of period. Cash at end of period were 30.59 million Baht.

Liquidity Ratio

Consolidated, the year end of 2019 the Company current ratio decreased as 0.43 comparing to December 31, 2018 as 0.67 times.

4) Source of funds

4.1) Source of funds - Separate

4.1.1 Capital Structure

The Company financial statement, the year end second quarter of 2019 the Company's resulting in a debt to equity (D/E Ratio) is 0.90 times while December 31, 2018 level of 0.78 times for the period.

4.1.2 Shareholders

The Company financial statement, the year end of 2019 the Company's shareholders of 1,061.36 million Baht, Comparing to December 31, 2018 of 1,529.30 million Baht, a decrease of amount 467.94 million Baht or 30.60% because of net loss.

4.1.3 Liabilities

The Company financial statement, the year end of 2019 the Company's had total liabilities of 955.91 million Baht, December 31, 2018 total liabilities of 1,191.48 million Baht an increased as 235.57 million Baht or 19.77% by increase of long term loans from financial institutions.

4.2) Source of funds - Consolidated

4.2.1 Capital Structure

Consolidated, the year end of 2019 the Company's resulting in a debt to equity (D/E Ratio) is 1.37 times while December 31, 2018 level of 1.01 times for the period.

4.2.2 Shareholders

Consolidated, the year end of 2019 the Company's shareholders of 1,042.04 million Baht, Comparing to December 31, 2018 of 1,478.03 million Baht, a decrease of amount 435.99 million Baht or 29.50% because of net loss.

4.2.3 Liabilities

Consolidated, the year end of 2019 the Company's had total liabilities of 1,431.30 million Baht, December 31, 2018 total liabilities of 1,496.19 million Baht a decreased as 64.89 million Baht or 4.35% by decrease of trade accounts and other current payables.

14. Report of The Independent Certificated Public Accountants and Financial Statements

Solartron Public Company Limited and Its Subsidiaries

Auditor's Report and Financial Statement

For The Year Ended December 31, 2019

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 (the Group) and the separate financial statements of SOLARTRON PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as at December 31, 2019, 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 (the Group) and of SOLARTRON PUBLIC COMPANY LIMITED as at December 31, 2019, 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 installation of solar rooftop system with several government agents and public sectors. In 2019, the Group has such revenues included in profit and loss amounting to Baht 160.63 million in the consolidated financial statement and Baht 168.75 million in the separate financial statement accounting for 37.29% of total revenues in the consolidated statement of comprehensive income and 48.01% 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 5.1.1 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.

INDEPENDENT AUDITOR'S REPORT (Con't) -3-**Revenue recognition for long - term contracts** (Con't)

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.

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.

INDEPENDENT AUDITOR'S REPORT (Con't) -4-**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.

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.

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

- 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.
- 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.

INDEPENDENT AUDITOR'S REPORT (Con't) -6-**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements** (Con't)

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

March 2, 2020

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Note	Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	30,588,908	23,216,663	10,795,775	690,621
Trade accounts and other current receivable - net	6.2, 8	148,624,394	125,233,898	141,939,612	252,144,238
Unbilled receivables	6.2, 9	6,506,441	110,936,445	39,721,056	198,027,880
Retention receivables		4,168,001	3,792,242	4,168,001	3,792,242
Short - term loans to subsidiaries	6.2	-	-	5,700,000	5,700,000
Short - term loan to joint venture	6.2	-	2,900,000	-	2,900,000
Inventories - net	10	98,227,914	286,051,860	98,227,914	286,051,860
Other current assets		9,079,282	47,189,342	6,927,844	36,637,740
Total current assets		297,194,940	599,320,450	307,480,202	785,944,581
NON - CURRENT ASSETS					
Deposits at banks held on collateral	11	45,979,148	45,564,551	45,979,148	45,564,551
Investments in subsidiaries - net	12	-	-	166,299,350	199,548,950
Investments in joint venture	13	-	681,119	-	-
Property, plant and equipment - net	14	2,045,752,701	2,197,166,882	1,433,246,425	1,579,220,502
Intangible assets - net	15	11,493,476	14,825,923	11,493,476	14,825,923
Land rights - net	16	19,897,590	20,799,653	-	-
Deferred tax assets	17	47,274,544	85,895,865	47,274,544	85,895,865
Other non - current assets		5,748,728	9,974,077	5,497,146	9,777,854
Total non - current assets		2,176,146,187	2,374,908,070	1,709,790,089	1,934,833,645
TOTAL ASSETS		2,473,341,127	2,974,228,520	2,017,270,291	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 FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2019

	Note	Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short - term					
loans from financial institutions	18	109,031,996	451,700,881	105,025,662	448,591,055
Payable under factoring contracts	19	8,544,931	10,885,828	8,544,931	10,885,828
Trade accounts and other					
current payables	6.2, 20	189,423,973	260,772,925	188,629,119	262,117,597
Discounted bills of exchange	21	40,000,000	40,000,000	40,000,000	40,000,000
Short - term loans from subsidiary	6.2	-	-	108,931,730	32,800,000
Short - term loans from directors	6.2	195,348,750	128,940,106	195,348,750	128,940,106
Short - term loans from other persons	22	47,000,000	47,000,000	47,000,000	47,000,000
Current portion of liabilities under					
Long - term loans from					
financial institutions	23	40,943,676	187,868,109	108,887	160,463,109
Liabilities under					
hire - purchase contracts	24	251,475	583,271	251,475	583,271
Provision for employee benefits	25	11,405,752	9,863,468	11,405,752	9,863,468
Revenue received in advance	6.2, 9	7,352,681	2,153,223	7,352,681	16,681,317
Accrued income tax		36,918	366,253	-	-
Other current liabilities		6,710,652	16,679,098	5,938,087	16,177,980
Total current liabilities		656,050,804	1,156,813,162	718,537,074	1,174,103,731
NON - CURRENT LIABILITIES					
Long - term loans from financial					
institutions - net	23	705,195,917	322,008,750	167,325,257	-
Liabilities under hire - purchase					
contracts - net	24	-	251,475	-	251,475
Provision for employee benefit - net	25	25,339,420	17,121,273	25,339,420	17,121,273
Revenue from contractual liabilities with customers	4	39,574,683	-	39,574,683	-
Non current liabilities	4	5,135,700	-	5,135,700	-
Total non current liabilities		775,245,720	339,381,498	237,375,060	17,372,748
TOTAL LIABILITIES		1,431,296,524	1,496,194,660	955,912,134	1,191,476,479

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, 2019

	Note	Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
SHAREHOLDERS' EQUITY					
Share capital	26				
Authorized share capital					
870,597,723 common shares					
of Baht 1.- each		870,597,723	870,597,723	870,597,723	870,597,723
Issued and paid - up share capital					
544,124,723 common shares					
of Baht 1.- each		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		(1,096,730,140)	(657,023,758)	(757,492,490)	(289,548,900)
Other components of shareholders' equity		236,424,992	236,424,992	-	-
Equity attributable to owners of the parent		958,545,499	1,398,251,881	1,061,358,157	1,529,301,747
Non - controlling interests		83,499,104	79,781,979	-	-
TOTAL SHAREHOLDERS' EQUITY		1,042,044,603	1,478,033,860	1,061,358,157	1,529,301,747
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,473,341,127	2,974,228,520	2,017,270,291	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, 2019

		Unit : Baht				
		Consolidated		Separate		
Not		2019	2018	2019	2018	
e						
REVENUES						
	Revenue from sales of goods with installation services	6.1	160,628,341	390,976,810	168,746,330	483,905,888
	Revenue from sales of electricity		99,784,978	91,368,743	-	-
	Revenue from sales of goods and hire of work	6.1	156,070,430	210,826,542	157,046,457	210,826,542
	Gain from investment transferation		2,412,853	-	4,934,010	12,906,910
	Other incomes	6.1	11,909,819	9,558,327	20,747,746	15,390,748
	Total revenues		430,806,421	702,730,422	351,474,543	723,030,088
EXPENSES						
	Cost of sales - sales of goods which installation services	6.1	397,910,297	663,155,253	426,475,878	719,996,190
	Cost of sales - electricity		43,190,378	39,609,843	-	-
	Cost of sales - goods and hire of work		202,307,299	238,827,554	202,307,299	238,827,554
	Distribution costs		20,823,820	18,970,454	20,823,820	18,970,454
	Administrative expenses		100,823,703	98,774,977	88,317,803	91,195,331
	Finance costs	6.1	58,023,131	59,617,783	38,507,825	41,513,318
	Total expenses		823,078,628	1,118,955,864	776,432,625	1,110,502,847
LOSS BEFORE SHARE OF PROFIT (LOSS)						
	IN JOINT VENTURE AND INCOME TAX		(392,272,207)	(416,225,442)	(424,958,082)	(387,472,759)
	Share of profit (loss) in joint venture		(681,119)	(185,085)	-	-
LOSS BEFORE INCOME TAX						
	Income tax (expenses)	17.2	(38,686,884)	36,202,268	(38,636,461)	36,956,944
NET LOSS FOR THE YEAR						
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	17.2	(60,559)	(994,409)	(60,559)	(994,409)
COMPREHENSIVE LOSS FOR THE YEAR						
			(431,700,769)	(381,202,668)	(463,655,102)	(351,510,224)

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

SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (Con't)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
NET PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		(435,357,335)	(383,321,105)		
Non - controlling interests		3,717,125	3,112,846		
NET PROFIT (LOSS) FOR THE YEAR		<u>(431,640,210)</u>	<u>(380,208,259)</u>		
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		(435,417,894)	(384,315,514)		
Non - controlling interests		3,717,125	3,112,846		
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u>(431,700,769)</u>	<u>(381,202,668)</u>		
BASIC EARNINGS (LOSS) PER SHARE (BAHT : SHARE)	28	(0.80)	(0.70)	(0.85)	(0.64)

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, 2019

Unit : Baht

	Consolidated									
	Equity attributable to owners of the parent					Other component of shareholders' equity				
	Issued and paid-up share capital	Share premium	Appropriated legal reserve	Retained earnings (deficit)	Unappropriated	Gain from investment	Total equity attribute to the parent	Non - controlling interest	Total shareholder's equity	Total shareholder's equity
Balance as at January 1, 2018	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	1,835,519,967
<i>Transactions with owners, recorded directly in shareholders' equity :</i>										
Gain from investment transferation under common control	-	-	-	-	-	12,215,983	12,215,983	-	12,215,983	12,215,983
Changes in ownership interests in subsidiaries										
From the change of shareholding in subsidiaries	-	-	-	-	-	-	-	11,500,578	11,500,578	11,500,578
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	-	-	12,215,983	12,215,983	11,500,578	11,500,578	11,500,578
<i>Comprehensive Loss for the year</i>										
Loss for the year	-	-	-	(383,321,105)	-	-	(383,321,105)	3,112,846	(380,208,259)	(380,208,259)
Comprehensive loss for the year	-	-	-	(994,409)	-	-	(994,409)	-	(994,409)	(994,409)
Total comprehensive loss for the year	-	-	-	(384,315,514)	-	-	(384,315,514)	3,112,846	(381,202,668)	(381,202,668)
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	1,478,033,860
Balance as at January 1, 2019 (Before Adjustment)	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	1,478,033,860
Effect from adoption of new financial standard	-	-	-	(4,288,488)	-	-	(4,288,488)	-	(4,288,488)	(4,288,488)
Balance as at January 1, 2019 (After Adjustment)	544,124,723	1,218,760,870	55,965,054	(661,312,246)	-	236,424,992	1,393,963,393	79,781,979	1,473,745,372	1,473,745,372
<i>Comprehensive loss for the year :</i>										
Loss for the year	-	-	-	(435,357,335)	-	-	(435,357,335)	3,717,125	(431,640,210)	(431,640,210)
Comprehensive loss for the year	-	-	-	(60,559)	-	-	(60,559)	-	(60,559)	(60,559)
Total comprehensive loss for the year	-	-	-	(435,417,894)	-	-	(435,417,894)	3,717,125	(431,700,769)	(431,700,769)
Balance as at December 31, 2019	544,124,723	1,218,760,870	55,965,054	(1,096,730,140)	-	236,424,992	958,545,499	83,499,104	1,042,044,603	1,042,044,603

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, 2019

	Note	Unit : Baht					Total shareholder's equity
		Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Unappropriated	
				Appropriated legal reserve	Unappropriated		
Balance as at January 1, 2018		544,124,723	1,218,760,870	55,965,054	61,961,324	1,880,811,971	
Comprehensive loss for the year :		-	-	-	(350,515,815)	(350,515,815)	
Loss for the year		-	-	-	(994,409)	(994,409)	
Comprehensive loss for the year		-	-	-	(351,510,224)	(351,510,224)	
Total comprehensive loss for the year		-	-	-	(289,548,900)	(289,548,900)	
Balance as at December 31, 2018		544,124,723	1,218,760,870	55,965,054	(289,548,900)	1,529,301,747	
Balance as at January 1, 2019 (Before Adjustment)		544,124,723	1,218,760,870	55,965,054	(289,548,900)	1,529,301,747	
Accumulated of correction errors	4	-	-	-	(4,288,488)	(4,288,488)	
Balance as at January 1, 2019 (After Adjustment)		544,124,723	1,218,760,870	55,965,054	(293,837,388)	1,525,013,259	
Comprehensive loss for the year :		-	-	-	(463,594,543)	(463,594,543)	
Loss for the year		-	-	-	(60,559)	(60,559)	
Comprehensive loss for the year		-	-	-	(463,655,102)	(463,655,102)	
Total comprehensive loss for the year		-	-	-	(757,492,490)	(757,492,490)	
Balance as at December 31, 2019		544,124,723	1,218,760,870	55,965,054	(757,492,490)	1,061,358,157	

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, 2019

	Note	Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss before income tax		(392,953,326)	(380,208,259)	(424,958,082)	(387,472,759)
Reconciliations of net profit (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expenses	14, 15, 17	175,686,891	181,446,202	140,734,143	148,831,413
Written- off withholding tax		-	22,053	-	-
Doubtful accounts	8	5,326,901	2,105,069	5,326,901	2,105,069
Reversal of allowances for doubtful accounts	8	(4,499,270)	(1,774,875)	(4,499,270)	(1,774,875)
Loss on diminution in value of inventories	10	13,755,334	3,917,353	13,755,334	3,917,353
Reversal of loss on diminution in value of inventories		-	(247,959)	-	(247,959)
Employee retirement benefit	25	12,571,051	3,842,039	12,571,051	3,842,039
Loss (gain) from disposal of assets	14	6,120,770	(129,076)	6,120,770	(129,076)
Loss from written-of assets	14	-	3,297	-	3,297
Share of loss (profit) in Joint Venture		681,118	185,085	-	-
Unrealized (gain) loss on exchange rate		(558,992)	100,656	(423,533)	100,656
Gain from investment transference		-	-	(4,934,010)	(12,906,910)
Interest income		1,998,711	(15,649)	(399,000)	(405,981)
Interest expenses		58,023,131	66,216,349	38,507,825	50,014,638
Loss from operating activities before changes in operating assets and liabilities		(123,847,681)	(124,537,715)	(218,197,871)	(194,123,095)
Decrease (Increase) in operating assets:-					
Trade accounts and other current receivables		(23,623,276)	250,856,519	110,235,386	227,346,907
Unbilled receivables		104,430,004	(98,627,856)	158,306,824	(117,942,108)
Retentions receivables		(375,759)	(1,855,501)	(375,759)	(1,855,501)
Inventories		174,068,612	376,333,200	174,068,612	376,333,200
Other current assets		28,894,721	15,185,384	29,709,896	16,002,611
Other non-current assets		(421,995)	623,597	(366,635)	142,372
Increase (Decrease) in operating liabilities:-					
Trade accounts and other current payables		(68,896,421)	(272,879,931)	(73,956,532)	(275,447,626)
Construction revenue received in advance		5,199,458	(8,812,988)	(9,328,636)	(8,812,988)
Employee benefit obligations paid for the period	25	(2,886,319)	(955,010)	(2,886,319)	(955,010)
Other current liabilities		(9,968,445)	(7,236,830)	(10,239,893)	(7,350,524)
Contractual liabilities with customers		35,286,195	-	35,286,195	-
Other non-current liabilities		5,135,700	-	5,135,700	-
Cash provided by (used in) operating activities		122,994,794	128,092,869	197,390,968	13,338,238
Interest paid		(53,124,978)	(54,355,867)	(24,505,476)	(34,385,211)
Receipt (Paid) of Income tax		13,482,925	1,177,025	4,647,343	2,841,960
Net cash provided by (used in) operating activities		83,352,741	74,914,027	177,532,835	(18,205,013)

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, 2019

		Unit : Baht			
		Consolidated		Separate	
Note		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
	Decrease (Increase) in deposits at banks held on collateral	(414,597)	88,677,687	(414,597)	88,667,228
	Decrease in investment in subsidiary	-	-	-	10,809,650
	Short - term loans to subsidiaries	6.2	-	(1,230,500)	(1,200,000)
	Receipt from short - term loans to subsidiaries	6.2	-	1,230,500	1,300,000
	Short - term loans to joint venture	6.2	(5,500,000)	(5,500,000)	(2,900,000)
	Receipt from short - term loans to joint venture	6.2	8,400,000	8,400,000	-
	Purchase of property, plant and equipment	14	(28,815,555)	(57,875,749)	(204,973)
	Cash received from disposal assets		2,656,585	132,015	2,656,585
	Interest Income		(1,998,711)	15,649	-
	Net cash provided by (used in) investing activities		(25,672,278)	4,937,015	95,858,304
CASH FLOWS FROM FINANCING ACTIVITIES					
	Increase (Decrease) in bank overdraft and short - term loans from financial institutions		(342,668,885)	3,803,817	(343,565,394)
	Increase (Decrease) in payable under factoring contracts		(2,340,897)	10,885,828	(2,340,897)
	Repayment of discounted bills of exchange		-	(10,000,000)	-
	Interest paid for discounted bill of exchange		(7,386,543)	(7,590,774)	(7,590,774)
	Repayment of debenture		-	(34,300,000)	-
	Receipt of short - term loans from subsidiaries	6.2	-	128,070,704	800,000
	Repayment of short - term loans from subsidiaries	6.2	-	(19,938,974)	-
	Receipt of short - term loans from directors	6.2	70,556,644	46,337,000	46,337,000
	Repayment of short - term loans from directors	6.2	(4,148,000)	(10,300,000)	(4,148,000)
	Receipt of short - term loans from other persons		-	-	4,475,000
	Repayment of short - term loans from other persons		-	-	(4,475,000)
	Receipt of long - term loans from financial institution	23	427,434,144	-	167,434,144
	Repayment of long - term loans from financial institutions	23	(191,171,410)	(97,196,250)	(160,463,109)
	Repayment of hire - purchase contract	24	(583,271)	(555,748)	(583,271)
	Net cash provided by (used in) financing activities		(50,308,218)	(172,364,696)	(81,731,702)
	Net increase (decrease) in cash and cash equivalents		7,372,245	4,047,502	(4,078,411)
	Cash and cash equivalents at beginning of the year		23,216,663	19,169,161	4,769,032
	Cash and cash equivalents at end of the year		30,588,908	23,216,663	690,621

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

1.	Non - cash items				
1.1	Purchase of asset on credit	Purchase of asset on credit	-	4,814,678	-
1.2	Transfer investment to repay the loan from director	Transfer investment to repay the loan	-	10,809,650	33,249,600
2.	Unutilized credit facilities for future working capital		213,388,004	407,522,105	199,474,338

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, 2019****1. GENERAL INFORMATION**

SOLARTRON PUBLIC COMPANY LIMITED (“the 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 Thailand Federation of Accounting Professions (“TFAC”) 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 Standards No. 1 (Revised 2018) 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, No.2, 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

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

	Operation		Percentage of Holdings	
	Type of business	Location	2019	2018
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%
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

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

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 On November 26, 2019, the Company had entered into a Share Transfer Agreement to transfer all common shares of Solartron Energy 4 Co., Ltd. to new shareholder with significant terms stipulated in the Share Transfer Agreement as described in Note 12 to the financial statements. As such, the financial statements of such subsidiary are not include in the consolidated financial statements commencing on that date.

2.2.2 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.

2.2.3 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.

2.2.4 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.

2.2.5 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 though 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.

2.2.6 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.

2.2.7 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.

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

2.2.9 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.

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

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.10 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.

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 less impairment losses, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW THE FINANCIAL STANDARDS

3.1 Adoption of new accounting standards effective in the current year

In current year, the Company and its subsidiaries have applied the revised (revised 2018) and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (SIC and TFRIC) as announced by the Thailand Federation of Accounting Professions as follows:-

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

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

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

Thai Accounting Standards (Con't)

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

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

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 Interpretations (Con't)

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

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 and its subsidiaries. Exception, some of these standards involve changes to key principles, as follows.-

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 Standards

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue

Thai Accounting Standard Interpretations

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

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

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2019, and the comparative information was not restated. The Company and its subsidiaries elect to apply the practical expedients by not restate completed contracts as at January 1, 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.

The cumulative effect of the change is described in Note 4 to the financial statements.

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

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

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

Thai Accounting Standards

TAS 1 (revised 2019)	Presentation of Financial Statements
TAS 2 (revised 2019)	Inventories
TAS 7 (revised 2019)	Statement of Cash Flows
TAS 8 (revised 2019)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2019)	Events after the Reporting Period
TAS 12 (revised 2019)	Income Taxes
TAS 16 (revised 2019)	Property, Plant and Equipment
TAS 20 (revised 2019)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2019)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2019)	Borrowing Costs
TAS 24 (revised 2019)	Related Party Disclosures
TAS 26 (revised 2019)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2019)	Separate Financial Statements

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

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

Thai Accounting Standards (Con't)

TAS 28 (revised 2019)	Investments in Associates and Joint Venture
TAS 29 (revised 2019)	Financial Reporting in Hyperinflationary Economics
TAS 32 (revised 2019)	Financial Instruments : Presentation
TAS 33 (revised 2019)	Earnings per Share
TAS 34 (revised 2019)	Interim Financial Reporting
TAS 36 (revised 2019)	Impairment of Assets
TAS 37 (revised 2019)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2019)	Intangible Assets
TAS 40 (revised 2019)	Investment Property
TAS 41 (revised 2019)	Agriculture

Thai Financial Reporting Standards

TFRS 1 (revised 2019)	First-time Adoption of Thai Financial Reporting Standards
TFRS 2 (revised 2019)	Share-based Payments
TFRS 3 (revised 2019)	Business Combinations
TFRS 4 (revised 2019)	Insurance Contracts
TFRS 5 (revised 2019)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2019)	Exploration for and Evaluation of Mineral Resources
TFRS 7 (revised 2019)	Financial Instruments : Disclosures
TFRS 8 (revised 2019)	Operating Segments
TFRS 9 (revised 2019)	Financial Instruments
TFRS 10 (revised 2019)	Consolidated Financial Statements
TFRS 11 (revised 2019)	Joint Arrangements
TFRS 12 (revised 2019)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2019)	Fair Value Measurement
TFRS 15 (revised 2019)	Revenue from Contracts with Customers
TFRS 16	Leases

Interpretations

TSIC 10 (revised 2019)	Government Assistance - No Specific Relation to Operating Activities
TSIC 25 (revised 2019)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 29 (revised 2019)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2019)	Intangible Assets - Web Site Costs

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

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

Thai Financial Standard Interpretations

TFRIC 1 (revised 2019)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 5 (revised 2019)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2019)	Applying the Restatement Approach under TAS 29 (revised 2019) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2019)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2019)	Service Concession Arrangements
TFRIC 14 (revised 2019)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 16 (revised 2019)	Hedges of a Net Investment in a Foreign Operation
TFRIC 17 (revised 2019)	Distributions of Non-cash Assets to Owners
TFRIC 19 (revised 2019)	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20 (revised 2019)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2019)	Levies
TFRIC 22 (revised 2019)	Foreign Currency Transactions and Advance Consideration
TFRIC 23	Uncertainty over Income Tax Treatments

Accounting Treatment Guidance for

Financial Instruments and Disclosures of Insurance Company Exception for acquisition of business under common control when adopt TFRS for the first time.

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:

The set of TFRSs related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Thai Accounting Standard

TAS 32	Financial Instruments: Presentation
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3. ADOPTION OF NEW THE FINANCIAL STANDARDS (Con't)

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

Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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 subsidiaries are still evaluating the possible impact on the financial statements in the year in which the set of TFRSs related to financial instruments will be applied.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 (revised 2018) Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. However, accounting by lessors under TFRS 16 is substantially unchanged from TAS 17 (revised 2018). Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17 (revised 2018).

The management of the Company and its subsidiaries are still evaluating the possible impact on the financial statements in the year in which this Interpretation will be applied.

4. EFFECT FROM FIRST TIME ADOPTION OF FINANCIAL REPORTING STANDARD

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognized. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 Revenue from Contracts with Customers on the beginning balance of retained earnings for 2019 comprises:

	Unit : Baht		
	Consolidated and Separate		
	Dec 31, 2018	Jan 1, 2019	
	Previously reported	Adjustment	Restated
Statement of Financial Position			
Non Current liabilities			
Revenue from contractual liabilities with customers	-	42,002,620	42,006,620
Non current liabilities increase net	-	3,066,173	3,066,173
Shareholders' equity			
Deficit - Unappropriated	657,023,758	4,288,488	661,312,246

The amounts of adjustments affecting the statements of financial position as at December 31, 2019 and the statements of comprehensive income for the year ended December 31, 2019 due to the adoption of TFRS 15 is summarized below.

	Unit : Baht					
	Consolidated			Separate		
	Previous accounting policy	TFRS 15	As reported	Previous accounting policy	TFRS 15	As reported
Statement of Financial Position						
Non Current liabilities						
Revenue from contractual liabilities with customers	-	39,574,683	39,574,683	-	39,574,683	39,574,683
		(35,417,336			(35,417,336	
Non current liabilities	40,553,036)	5,135,700	40,553,036)	5,135,700
Shareholders' equity						
Deficit - Unappropriated	1,070,168,228	(4,288,488)	0	4	(4,288,488)	2
Comprehensive income						
Revenue from sale with installation	158,739,676	1,888,665	160,628,341	178,824,55	1,888,665	180,713,21
				0		5
Cost of sales with installation	396,152,773	1,757,524	397,910,297	424,718,35	1,757,524	426,475,87
				4		8
Net loss for the period	398,136,912	131,141	398,269,053	420,646,51	131,141	420,777,65
				7		8
Basic Loss per share	0.74	-	0.74	0.77	-	0.77

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 a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company and its subsidiaries expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognized revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognized as contract assets are reclassified to other receivables when the Company's and its subsidiaries' right to consideration is unconditional.

The obligation to provide to a customer for which the Company and its subsidiaries have received from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognized as revenue when the Company and its subsidiaries perform under the contract.

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.

5.1.2 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

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers.

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. SIGNIFICANT ACCOUNTING POLICIES (Con't)**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.

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).

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

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.5 Investments (Con't)

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 subsidiaries do 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.

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

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. SIGNIFICANT ACCOUNTING POLICIES (Con't)**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 presented at historical cost net of accumulated amortization and net allowance for impairment (if 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. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring - related costs.

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 to 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 period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that they relate to a business combination, or 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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 and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.14 Income tax (Con't)

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

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.

5.16 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. Including holding companies, Subsidiaries and fellow subsidiaries are related parties of 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. SIGNIFICANT ACCOUNTING POLICIES (Con't)

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 an indication exists, the Company estimates 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.

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 a straight-line method over the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

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.

In applying the above-mentioned valuation techniques, the Company and its subsidiary(ies) endeavor to use relevant observable inputs as much as possible. TFRS 13, Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

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

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

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

At the end of each reporting period, 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. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.22 Significant accounting judgments and estimates (Con't)

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 Revenue from contracts with customers

Identification of performance obligations :

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition :

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company and its subsidiaries recognize revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Costs to obtain contracts :

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortization method should be used.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.22 Significant accounting judgments and estimates (Con't)

5.22.2 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.

5.22.3 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.

5.22.4 Allowance for doubtful accounts

Allowances 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 analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

5.22.5 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.

5.22.6 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.

5.22.7 Impairment of assets

The management is required to review property, plant and equipment, investment property, right-of-use assets, intangible assets and goodwill if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavorable regulatory and court decisions that impact the business.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.22 Significant accounting judgments and estimates (Con't)

5.22.7 Impairment of assets (Con't)

The impairment analysis of property, plant and equipment, investment property, right-of-use assets, intangible assets and goodwill requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

5.22.8 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.

5.22.9 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 statement is as follows:

Company's name	Relationship	Operation		Percentage of Holdings	
		Type of business	Location	2019	2018
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	-	-
<u>Related Person</u>					
Mr.Akaradej Rojmeta	4	-	Thailand	3.96	3.96
Mrs.Patama Wongtoythong	5	-	Thailand	-	-

6. RELATED PARTY TRANSACTIONS (Con't)

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.
4. The Company's shareholder and/or director.
5. The Company's director

6.1 The significant transactions with related company are as follows :

		Unit : Baht			
		Consolidated		Separate	
Pricing policies		2019	2018	2019	2018
Subsidiaries					
Revenue from sales with installation	Per contract	-	-	1,265,989	87,642,078
Management incomes	Per contract	-	-	8,641,547	5,640,000
Maintenance service incomes	Per contract	-	-	6,852,000	5,287,000
Revenue from sale	Market price	-	-	217,700	22,460
Interest incomes	7% per annum	-	-	407,967	405,980
Interest expenses	7% per annum	-	-	4,889,546	2,255,649
Joint Venture					
Revenue from sale	Market price	-	19,765	-	19,765
Other incomes	Market price	-	895,659	-	895,659
Interest incomes	7% per annum	103,509	166,331	103,509	166,331
Related company					
Revenue from sale	Market price	-	206,291	-	206,291
Other incomes	Market price	2,795,800	2,259,699	2,795,800	2,259,699
Cost of sales with solar cells installation services	Market price	-	28,511,815	-	28,511,815
Related persons					
Interest expenses	2.90%, 5.00% per annum	7,011,642	5,138,491	7,011,642	5,138,491

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	
		2019	2018	2019	2018
Short - term benefits		32,655,910	27,769,280	32,655,910	27,769,280
Post - employment benefits		1,912,305	1,104,952	1,912,305	1,104,952
Total		34,568,215	28,874,232	34,568,215	28,874,232

6. RELATED PARTY TRANSACTIONS (Con't)

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

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Trade accounts and other current receivables				
Subsidiaries	-	-	6,336,590	140,793,281
Joint venture	100,000	5,579,708	100,000	5,579,708
Related company	3,212,238	220,732	3,212,238	220,732
Total	3,312,238	5,800,440	9,648,828	146,593,721
Unbilled receivables				
Revenue recognize on percentage of completion basis :				
Subsidiaries	-	-	60,654,675	107,355,006
Value of contract billed :				
Subsidiaries	-	-	(27,440,060)	(20,263,572)
Unbilled receivables - net	-	-	33,214,615	87,091,434
Trade accounts and other current payables				
Subsidiaries	-	-	2,879,990	4,174,054
Related company	30,721,336	26,299,143	30,721,336	26,299,143
Related persons	16,014,819	9,500,917	16,014,819	9,500,917
Total	46,736,155	35,800,060	49,616,145	39,974,114
Construction revenue received in advance				
Value of contract billed :				
Subsidiaries	-	-	-	27,518,694
Joint venture	791,948	791,948	791,948	791,948
Total	791,948	791,948	791,948	28,310,642
Revenue recognize on percentage of completion basis :				
subsidiaries	-	-	-	(12,990,600)
Joint venture	(786,635)	-	(786,635)	-
Total	(786,635)	-	(786,635)	(12,990,600)
Construction revenue received in advance - net	5,313	791,948	5,313	15,320,042

6. RELATED PARTY TRANSACTIONS (Con't)

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

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	Movement during the period		As at
		Jan 1, 2019	Increase	Receipt	Dec 31, 2019
Solartron Energy 1 Co., Ltd	7.00%	5,700,000	-	-	5,700,000
Solartron Energy 3 Co., Ltd	7.00%	-	1,230,500	(1,230,500)	-
Total		5,700,000	1,230,500	(1,230,500)	5,700,000

The above - mentioned loans which were due in February to April 2020 amount of 3 notes and a demand notes.

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	Movement during the year		As at
		Jan 1, 2019	Increase	Repayment	Dec 31, 2019
Joint venture	7.00%	2,900,000	5,500,000	(8,400,000)	-

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, 2019	Increase	Repayment	Dec 31, 2019
Solartron Energy 2 Co., Ltd	7.00%	800,000	800,000	-	1,600,000
Solartron Energy 3 Co., Ltd	MLR - 2.575%	-	113,387,605	(19,938,974)	93,448,631
Solartron Energy 4 Co., Ltd	7.00%	32,000,000	6,237,040	(38,237,040)	-
Solartron Energy 5 Co., Ltd	7.00%	-	13,883,099	-	13,883,099
Total		32,800,000	134,307,744	(58,176,014)	108,931,730

The above-mentioned loans from subsidiaries, the Company was granted loans by issuing promissory notes due from January to June 2020 amount of 19 notes and a demand note.

6. RELATED PARTY TRANSACTIONS (Con't)

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

Short - term loans from subsidiaries (Con't)

In the second quarter of 2019, the Company has been granted a loan from Solartron Energy 3 Co., Ltd. of Baht 260 million in order to repay the loan under restructuring agreement of the Company as described in Condensed Note 20 to the interim financial statements of which the subsidiary had borrowed from the same financial institution the Company had entered into the loan restructuring agreement with. However, as of the debt restructuring date and the loan agreement date, the Company had an outstanding account receivable from the subsidiary balance of Baht 156.27 million. The Company and the subsidiary agreed to offset their debts resulted that the Company had loans from the subsidiary amounting to Baht 103.73 million and the Company had issued a promissory note with the same amount, due on December 27, 2019 to pay for the loan.

Short - term loans from directors

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

		Unit : Baht			
		Consolidated and Separate			
	Interest Rate	As at	Movement during the year		As at
	(% p.a.)	Jan 1, 2019	Increase	Repayment	Dec 31, 2019
Director 1	-	8,287,000	6,776,644	(2,548,000)	12,515,644
Director 2	2.90%, 5.00%	120,653,106	63,780,000	(1,600,000)	182,833,106
Total		128,940,106	70,556,644	(4,148,000)	195,348,750

The Company was granted loans from 2 directors by issuing promissory notes due on demand.

6.3 Other Information

The Company have been mortgaged as contract to install of 3 subsidiaries and a joint venture as described in Notes 11, 18 and 23 to the financial statements.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, consist of.-

		Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
Cash in hand		95,000	142,191	75,000	117,191
Deposits at banks					
- savings account and current account		30,445,245	22,648,815	10,672,112	147,773
- 3 months fixed deposits		48,663	425,657	48,663	425,657
Total		30,588,908	23,216,663	10,795,775	690,621

The above - mentioned fixed deposits received interest at the rates of 0.65% - 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	
	2019	2018	2019	2018
<u>Trade accounts receivable</u>				
Subsidiaries	-	-	739,691	136,531,632
Joint venture	100,000	3,369,403	100,000	3,369,403
Related companies	3,212,238	220,732	3,212,238	220,732
Other companies	154,835,750	124,196,642	141,981,974	110,505,594
Trade accounts receivable - Foreign	4,502,606	5,224,170	4,502,606	5,224,170
Total trade accounts receivable	162,650,594	133,010,947	150,536,509	255,851,531
<u>Less</u> allowances for doubtful accounts	(27,074,788)	(26,247,157)	(27,074,788)	(26,247,157)
Trade accounts receivable - net	135,575,806	106,763,790	123,461,721	229,604,374
<u>Other current receivables</u>				
Other receivables - subsidiaries	-	-	3,846,650	2,910,400
Other receivables - joint venture	-	2,043,973	-	2,043,973
Other receivables - other companies	2,867,600	-	2,867,600	-
Advance payment	3,012,644	5,632,078	2,974,932	5,530,498
Accrued interest - subsidiaries	-	-	1,750,249	1,351,249
Accrued interest - joint venture	-	166,332	-	166,332
Accrued interest - other companies	417,530	407,376	417,530	407,376
Advance payments - other companies	4,794,484	6,391,435	4,794,484	6,391,435
Project receivable	247,932	1,781,106	247,932	1,781,106
Prepaid expenses	1,708,398	2,047,808	1,578,514	1,957,495
Total other current receivables	13,048,588	18,470,108	18,477,891	22,539,864
Total trade accounts and other current receivables - net	148,624,394	125,233,898	141,939,612	252,144,238

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

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

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Related Company				
Accounts receivable not yet due	-	10,000	134,071	25,531,974
Accounts receivable over due :				
Under or equal to 3 months	-	195,612	316,720	28,632,914
Over 3 months to 6 months	-	184,770	288,900	20,521,828
Over 6 months to 12 months	2,991,506	681,431	2,991,506	1,007,425
Over 12 months	320,732	2,518,322	320,732	64,427,626
Total	3,312,238	2,590,135	4,051,929	140,121,767
Other company				
Accounts receivable not yet due	22,828,493	17,979,657	9,974,717	4,288,609
Accounts receivable over due :				
Under or equal to 3 months	7,569,501	26,443,499	7,569,501	26,443,499
Over 3 months to 6 months	853,496	10,011,915	853,496	10,011,915
Over 6 months to 12 months	67,718,740	41,192,334	67,718,740	41,192,334
Over 12 months	60,368,126	33,793,407	60,368,126	33,793,407
Total	159,338,356	129,420,812	146,484,580	115,729,764
Less Allowances for doubtful accounts	(27,074,788)	(26,247,157)	(27,074,788)	(26,247,157)
Net	132,263,568	103,173,655	119,409,792	89,482,607

Movements of allowance for doubtful accounts are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Beginning balance for the year	26,247,157	25,916,963	26,247,157	25,916,963
Add Increase during year	5,326,901	2,105,069	5,326,901	2,105,069
Less Reversal during year	(4,499,270)	(1,774,875)	(4,499,270)	(1,774,875)
Ending balance for the year	27,074,788	26,247,157	27,074,788	26,247,157

9. UNBILLED RECEIVABLES AND CONSTRUCTION REVENUE RECEIVED IN ADVANCE

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

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Long term construction contract value with				
- Subsidiaries	-	-	379,465,380	379,465,380
- Joint venture	791,963	791,963	791,963	791,963
- Other companies	305,041,678	381,979,171	305,041,678	381,979,171
Total long-term construction contract value	305,833,641	382,771,134	685,299,021	762,236,514
Retentions as per contract	1,289,000	2,492,242	1,289,000	2,492,242
Unbilled Receivables				
Revenue recognize on percentage of completion basis :				
Subsidiaries	-	-	60,654,675	107,355,006
Other companies	112,831,420	269,718,355	112,831,420	269,718,355
Total	112,831,420	269,718,355	173,486,095	377,073,361
Value of contract billed :				
Subsidiaries	-	-	(27,440,060)	(20,263,572)
Other companies	(106,324,979)	(158,781,910)	(106,324,979)	(158,781,909)
Total	(106,324,979)	(158,781,910)	(133,765,039)	(179,045,481)
Unbilled receivables - net	6,506,441	110,936,445	39,721,056	198,027,880
Construction revenue received in advance				
Value of contract billed :				
Subsidiaries	-	-	-	27,518,694
Joint venture	791,948	791,948	791,948	791,948
Other companies	171,576,176	32,923,468	171,576,176	32,923,469
Total	172,368,124	33,715,416	172,368,124	61,234,111
Revenue recognize on percentage of completion basis :				
Subsidiaries	-	-	-	(12,990,600)
Joint venture	(786,635)	-	(786,635)	-
Other companies	(164,228,808)	(31,562,193)	(164,228,808)	(31,562,194)
Total	(165,015,443)	(31,562,193)	(165,015,443)	(44,552,794)
Construction revenue received in advance - net	7,352,681	2,153,223	7,352,681	16,681,317

10. INVENTORIES - NET

Inventories - net, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Finished goods	61,215,149	167,233,525	61,215,149	167,233,525
Raw materials	16,670,489	83,529,403	16,670,489	83,529,403
Spare part and supplies	39,510,693	40,702,015	39,510,693	40,702,015
Total	117,396,331	291,464,943	117,396,331	291,464,943
<u>Less</u> Allowance for diminution in value of inventories and slow moving	(19,168,417)	(5,413,083)	(19,168,417)	(5,413,083)
Net	98,227,914	286,051,860	98,227,914	286,051,860

Allowance for diminution in value of inventories consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Balance at beginning of the year	5,413,083	1,743,689	5,413,083	1,743,689
<u>Add</u> Provide allowance during the year	13,755,334	3,917,353	13,755,334	3,917,353
<u>Less</u> Reversal during year	-	(247,959)	-	(247,959)
Balance at ending of the year	19,168,417	5,413,083	19,168,417	5,413,083

11. DEPOSITS AT BANKS HELD ON COLLATERAL

Deposits at banks held on collateral consist of.-

Type of deposits	Interest Rate		Unit : Baht			
	(% per annum)		Consolidated		Separate	
	2019	2018	2019	2018	2019	2018
3 - 12 months	0.65 - 1.375	0.65 - 1.375	45,973,900	41,200,000	45,973,900	41,200,000
fixed deposits						
Saving account	0.375	0.375	5,248	4,364,551	5,248	4,364,551
Total			45,979,148	45,564,551	45,979,148	45,564,551

The above - mentioned fixed accounts have been mortgaged as collateral under a credit facility agreement of the Company and its subsidiaries amounting to Baht 41.20 million and mortgaged as envelope auction amounting to Baht 4.78 million.

12. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries - net consist of.-

	Authorized Share (Thousand Baht)		Paid-up share (Thousand Baht)		Percentage of holding (%)	
	2019	2018	2019	2018	2019	2018
Solartron Energy 1 Co., Ltd.	1,000	1,000	1,000	1,000	99.96	99.96
Solartron Energy 2 Co., Ltd.	100,000	100,000	33,250	33,250	51.00	51.00
Solartron Energy 3 Co., Ltd.	100,000	100,000	100,000	100,000	100.00	100.00
Solartron Energy 4 Co., Ltd.	-	100,000	-	33,250	-	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 the year	
	2019	2018	2019	2018
Solartron Energy 1 Co., Ltd.	998	998	-	-
Solartron Energy 2 Co., Ltd.	12,749	12,749	-	-
Solartron Energy 3 Co., Ltd.	100,000	100,000	-	-
Solartron Energy 4 Co., Ltd.	-	33,250	-	-
Solartron Energy 5 Co., Ltd.	53,550	53,550	-	-
Total	167,297	200,547	-	-
Less Allowance for diminution in value	(998)	(998)	-	-
Net	166,299	199,549	-	-

The movement of Investment in Subsidiary during the year ended December 31, 2019 and 2018 are as follows.-

	Unit : Thousand Baht	
	2019	2018
Beginning balance	200,547	200,547
Dispose investment	(33,250)	-
Ending balance	167,297	200,547

On November 26, 2019, the Company had entered into a Share Transfer Agreement to transfer all common shares of Solartron Energy 4 Co.,Ltd. to new shareholder who does not related with the Group. Under the share Transfer Agreement, the new shareholder shall be obligated to be responsible for the debts and related transactions of the Company to Energy 4 Co., Ltd. Amounting to Baht 38.24 million and the Company shall transfer its investment in such subsidiary value of Baht 33.25 million to the new shareholder. The Company recognized gain from transfer the investment amounting to Baht 4.99 million in the financial statements for the year.

13. 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	
	2019	2018	2019	2018	2019	2018
SLTT Joint Venture	50.00	50.00	-	681,119	-	-

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.

14. 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, 2018		49,349,804	201,808,187	1,955,235,964	583,698,895	19,075,557	33,451,015	263,600	37,263,240	2,880,146,262
Purchase during the year		-	40,500	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	650,881,455	17,896,746	33,333,515	-	26,934,618	2,939,655,335
Accumulated depreciation										
As at January 1, 2018		23,935,680	57,288,873	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	2,153,670	-	-	177,196,609
Disposal during the year		-	-	(1,804,464)	-	(1,257,918)	(114,767)	-	-	(3,177,149)
As at December 31, 2018		25,887,836	66,921,203	531,241,472	60,499,305	14,739,340	31,614,552	-	-	730,903,708
Allowance for impairments loss										
As at January 1, 2018		10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
As at December 31, 2018		10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
Net book value										
As at January 1, 2018		14,889,938	143,458,755	1,551,847,658	555,313,864	5,195,730	3,875,366	263,600	37,263,240	2,311,677,269
As at December 31, 2018		12,937,782	133,866,925	1,428,169,038	590,382,150	3,157,406	1,718,963	-	26,934,618	2,197,166,882

14. 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, 2019	49,349,804	201,808,187	1,959,410,510	650,881,455	17,896,746	33,333,515	-	26,934,618	2,939,655,335
Purchase during the year	-	-	99,952	45,000	-	-	105,021	28,565,582	28,815,555
Disposal during the year	-	-	(26,582,254)	-	(1,227,419)	(2,015,869)	-	-	(29,825,542)
Transfer in (out) during the year	-	-	-	47,636,525	-	-	-	(47,636,525)	-
As at December 31, 2019	49,349,804	201,848,687	1,932,928,208	698,562,980	16,669,327	31,317,646	105,021	7,863,675	2,938,645,348
Accumulated depreciation									
As at January 1, 2019	25,887,836	66,921,203	531,241,472	60,499,305	14,739,340	31,614,552	-	-	730,903,708
Depreciation for the year	1,788,601	8,507,238	124,952,157	34,016,558	1,371,257	816,570	-	-	171,452,381
Disposal during the year	-	-	(17,805,230)	-	(1,227,098)	(2,015,859)	-	-	(21,048,187)
As at December 31, 2019	27,676,437	75,428,441	638,388,399	94,515,863	14,883,499	30,415,263	-	-	881,307,902
Allowance for impairments loss									
As at January 1, 2019	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
As at December 31, 2019	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
Net book value									
As at January 1, 2019	12,937,782	133,866,925	1,428,169,038	590,382,150	3,157,406	1,718,963	-	26,934,618	2,197,166,882
As at December 31, 2019	11,149,181	125,359,687	1,294,539,809	604,047,117	1,785,828	902,383	105,021	7,863,675	2,045,752,701
Depreciation for the year ended December 31, consist of:-									
Production cost and cost of goods sold								2019	2018
Administrative expense								165,201,297	171,537,343
Total								6,251,084	5,659,265
								171,452,381	171,196,608

14. 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	49,349,804	201,848,687	1,958,744,534	17,896,746	33,333,515	-	2,261,173,286
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	2,153,670	-	145,481,852
Disposal during the year	-	-	(1,804,464)	(1,257,918)	(114,767)	-	(3,177,149)
As at December 31, 2018	25,887,836	66,921,203	531,205,108	14,739,340	31,614,552	-	670,368,039
Allowance for impairments loss							
As at January 1, 2018	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2018	10,524,186	1,060,559	-	-	-	-	11,584,745
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	12,937,782	133,866,925	1,427,539,426	3,157,406	1,718,963	-	1,579,220,502

14. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

	Unit : Baht						
	Separate						
	Land and Land improvement	Buildings and Buildings improvement	Machinery and equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Total
Cost							
As at January 1, 2019	49,349,804	201,848,687	1,958,744,534	17,896,746	33,333,515	-	2,261,173,286
Purchase during the year	-	-	99,952	-	-	105,021	204,973
Disposal during the year	-	-	(26,582,254)	(1,227,419)	(2,015,869)	-	(29,825,542)
Transfer in (out) during the year	-	-	-	-	-	-	-
As at December 31, 2019	49,349,804	201,848,687	1,932,262,232	16,669,327	31,317,646	105,021	2,231,552,717
Accumulated depreciation							
As at January 1, 2019	25,887,836	66,921,203	531,205,108	14,739,340	31,614,552	-	670,368,039
Depreciation for the year	1,788,601	8,507,238	124,918,028	1,371,257	816,570	-	137,401,694
Disposal during the year	-	-	(17,805,229)	(1,227,098)	(2,015,859)	-	(21,048,186)
As at December 31, 2019	27,676,437	75,428,441	638,317,907	14,883,499	30,415,263	-	786,721,547
Allowance for impairments loss							
As at January 1, 2019	10,524,186	1,060,559	-	-	-	-	11,584,745
As at December 31, 2019	10,524,186	1,060,559	-	-	-	-	11,584,745
Net book value							
As at January 1, 2019	12,937,782	133,866,925	1,427,539,426	3,157,406	1,718,963	-	1,579,220,502
As at December 31, 2019	11,149,181	125,359,687	1,293,944,325	1,785,828	902,383	105,021	1,433,246,425
Depreciation for the year ended December 31, consist of:-							
Production cost and cost of goods sold						2019	2018
Administrative expense						131,150,610	138,960,823
Total						6,251,084	6,521,029
						137,401,694	145,481,852

14. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

As at December 31, 2019 the Company had additional information of property, plant and equipment as follows:-

- 1) The Company's and its subsidiary's lands and land improvement, factory and machinery have been mortgaged as collateral under a credit facility agreement with two local bank (See Note 23 to the financial statements).
- 2) The Company had fully depreciated fixed assets but still in active use at the cost value totaling Baht 147.82 million (2018 : Baht 111.01 million), and assets under hire - purchase agreement see Note 24 to the financial statement.

15. INTANGIBLE ASSETS - NET

Intangible asset - net consist of.-

	Unit : Baht		
	Consolidated and Separate		
	Software Computer	Industrial Standard Certificates	Total
As at January 1, 2018	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
Amortization for the year	(1,545,022)	(1,787,425)	(3,332,447)
As at December 31, 2019	4,200,082	7,293,394	11,493,476

16. LAND RIGHTS

Land rights consist of.-

	Unit : Baht
	Consolidated
Net book value as at January 1, 2019	20,799,653
Amortization for the year	(902,063)
Net book value as at December 31, 2019	19,897,590

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

17. DEFERRED TAX ASSETS

Deferred tax assets consist of :-

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Deferred tax assets	47,244,544	85,895,865	47,274,544	85,895,865

17.1 Movements in deferred tax assets during the year were as follows:

	Unit : Baht			
	Consolidated and Separate			
	(Charged) Credited to			
	As at	Other		As at
Jan 1, 2019	Profit or loss	comprehensiv e income	Dec 31, 2019	
<u>Deferred tax assets</u>				
Trade accounts receivable	5,249,431	165,526	-	5,414,957
Inventory	1,082,617	2,751,067	-	3,833,684
Investment in subsidiaries	199,920	-	-	199,920
Property, plant and equipment	2,316,949	-	-	2,316,949
Employee benefit obligation	5,396,948	1,936,946	15,140	7,349,034
Unused tax loss	71,650,000	(43,490,000)	-	28,160,000
Total	85,895,865	(38,636,461)	15,140	47,274,544

In 2019, The Company had adjusted deferred tax asset from carry forward loss of Baht 43.49 million as the Company considered that it was not probable that the Company will not be able to generate sufficient profit to utilize the deferred tax asset.

As at December 31, 2019, the Company have not been recognized in respect of tax loss and carry forwards against future taxable income amounting to Baht 822.43 million because its is not probable that future Taxable profit will be available against which the Company can utilize the benefits therefrom.

17. DEFERRED TAX ASSETS (Con't)

17.1 Movements in deferred tax assets during the year were as follows (Con't)

	Unit : Baht			
	Consolidated and Separate			
	(Charged) Credited to			
	As at Jan 1, 2018	Profit or loss	Other comprehensive 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

17.2 Income tax expenses are as follows.-

Income tax recognized in profit or loss

	Unit : Baht			
	For the year ended December 31,			
	Consolidated		Separate	
	2019	2018	2019	2018
<u>Current income tax</u>				
Corporate income tax for the year	50,423	754,676	-	-
<u>Deferred tax</u>				
Deferred tax expense relating to the original and reversal of temporary differences	38,636,461	(36,956,944)	38,636,461	(36,956,944)
Income tax expenses (income)	38,636,884	(36,202,268)	38,636,461	(36,956,944)

	Unit : Baht					
	For the year ended December 31,					
	Consolidated and Separate					
	2019			2018		
	Tax (expense)	Net tax		Tax (expense)	Net tax	
Before tax	income		Before tax	income		
Deferred tax for :						
Defined benefit plan actuarial gains	75,699	(15,140)	60,559	1,243,011	(248,602)	994,409

17. DEFERRED TAX ASSETS (Con't)

17.3 Reconciliation for effective tax rate

	Unit : Baht			
	2019			
	Consolidated		Separate	
	Tax rate %	Tax amount (Baht)	Tax rate %	Tax amount (Baht)
Profit before income tax	20%	(390,432,169)	20%	(412,991,197)
Tax expense		-		-
Tax effect of expenses that are not deductible for tax purposes		-		-
Tax expense (effective rate)		-		-

	Unit : Baht			
	2018			
	Consolidated		Separate	
	Tax rate %	Tax amount (Baht)	Tax rate %	Tax amount (Baht)
Profit before income tax	20%	(416,410,527)	20%	(387,472,759)
Tax expense		-		-
Tax effect of expenses that are not deductible for tax purposes		-		-
Tax expense (effective rate)		-		-

17.4 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.

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.

18. 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	
	2019	2018	2019	2018	2019	2018
Bank overdraft	2.80 - 7.125	2.80 - 7.125	54,037,596	60,873,533	50,031,262	57,763,707
Trust receipts	-	3.05 - 15.50	-	258,127,348	-	258,127,348
Promissory notes	5.25	5.25	54,994,400	132,700,000	54,994,400	132,700,000
Total			109,031,996	451,700,881	105,025,662	448,591,055

The abovementioned credit facilities were secured by the same collaterals' for long - term loans from financial institutions as described in Condensed Note 23 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.

19. 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.

20. TRADE ACCOUNTS AND OTHER CURRENT PAYABLES

Trade accounts and other current payables, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
<u>Trade accounts payable</u>				
Related companies	30,721,336	26,299,143	30,721,336	26,299,143
Other companies	104,370,224	176,168,734	102,274,125	175,190,324
Note payables	3,584,839	13,392,367	3,584,839	13,392,367
Total Trade accounts payable	138,676,399	215,860,244	136,580,300	214,881,834
<u>Other current payables</u>				
Asset payables	4,417,242	4,814,678	4,417,242	4,814,678
Accrued expenses - subsidiaries	-	-	2,879,990	4,174,054
Accrued expenses	32,755,452	26,110,527	31,176,707	24,259,555
Advanced received	1,047,606	501,560	1,047,606	501,560
Retention	12,527,274	13,485,916	12,527,274	13,485,916
Total other current payables	50,747,574	44,912,681	52,048,819	47,235,763
Total trade accounts and other current payables	189,423,973	260,772,925	188,629,119	262,117,597

21. DISCOUNTED BILLS OF EXCHANGE

Discounted bills of exchange consist of the following:

	Unit : Baht	
	Consolidate and Separate	
	2019	2018
Discounted bills of exchange	40,000,000	50,000,000
<u>Less</u> Repayment during the year	-	(10,000,000)
Net	40,000,000	40,000,000

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

Bill number (No.)	Rate (% per annum)	Due Date		Unit : Baht	
				Consolidated and Separate	
		2019	2018	2019	2018
1	12.00	Jan 31, 2020	Jan 16, 2019	20,000,000	20,000,000
2 (2018 : 1)	10.00	Feb 6, 2020	Feb 1, 2019	20,000,000	20,000,000
Total discounted bills of exchange				40,000,000	40,000,000

22. SHORT - TERM LOANS FROM OTHER PERSONS

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

		Unit : Baht			
		Consolidated and Separate			
	Interest rate (% p.a.)	As at	Movement during the year		As at
		Jan 1, 2019	Increase	Repayment	Dec 31, 2019
First facility	5.00%	7,000,000	-	-	7,000,000
Second facility	5.00%	40,000,000	-	-	40,000,000
Total		47,000,000	-	-	47,000,000

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

Second facility : The Company was granted a loan by issuing two promissory notes, due within January 2020.

23. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

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

		Unit : Baht			
		Consolidated		Separate	
		2019	2018	2019	2018
Long - term loans		509,876,859	607,073,109	160,463,109	231,233,109
<u>Add</u> Increase during the year		427,434,144	-	167,434,144	-
<u>Less</u> Repayment during the year		(191,171,410)	(97,196,250)	(160,463,109)	(70,770,000)
Long - term loans balance		746,139,593	509,876,859	167,434,144	160,463,109
<u>Less</u> Current portion		(40,943,676)	(187,868,109)	(108,887)	(160,463,109)
Net		705,195,917	322,008,750	167,325,257	-

23. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET (Con't)

On June 26, 2019, the Company has entered into a debt restructure agreement with a financial institution, the lender, to lenient the loans payment's conditions which the Company shall partially perform its debt under the original loan agreement of Baht 260 million (received from Solartron Energy 3 Co., Ltd. as described in more details in Condensed Note 6.2 to the interim financial statements) to the financial institution. The details of Loans and the performance of the Company are as follow:-

The details of credit facilities	Unit : Baht		
	Principal	Accrued interest	Total
Long-term loans	160,463,109	538,490	161,001,599
Bank overdraft	9,989,520	45,291	10,034,811
Foreign transactions	256,981,515	2,946,487	259,928,002
Debt balance as at restructuring date	427,434,144	3,530,268	430,964,412
<u>Less</u> Partially repayments of principal by loan from a subsidiary	(260,000,000)	-	(260,000,000)
Partially repayments of accrued interest	-	(1,429,708)	(1,429,708)
Accrued interest forgiven from complying with loan conditions	-	(2,100,560)	(2,100,560)
Debt balance as at December 31, 2019	167,434,144	-	167,434,144

The abovementioned loan principle shall be fully performed within 20 years as conditions stipulated in the below table and the total accrued interest shall be paid in the last installment. However, in the third quarter of 2019, the Company was forgiven accrued interest amounting to Baht 2.10 million which recorded as other income in the statement of comprehensive income.

23. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS – NET (Con't)

As at December 31, 2019, The details of loans from a financial institution are as follows.-

Loan facility (Million Baht)		Interest rate per annum	Terms of payment of principal and interest	Unit : Million Baht			
2019	2018			Consolidated		Separate	
				2019	2018	2019	2018
<u>Solartron Pcl.</u>							
-	350.00	BIBOR + 2.91	Repayment principal with interest on monthly installment at Baht 12.34 million commencing from July 2018 and shall be completed within July 2019. In February 2019, the Company has entered into an additional agreement to expand the period of payment starting monthly repayment amounting to Baht 80.23 million in June 2019 and shall fully repayment comply with the existing agreement.	-	160.46	-	160.46
<u>Solartron Pcl.</u>							
167.43	-	MLR - 3.375, MLR - 2.775	Repayment principal with interest on 79 quarterly installment payments as follows:- - Sep 2019 - Jun 2024 installment at Baht 1.45 million - Sep 2024 - Jun 2031 installment at Baht 2.00 million - Sep 2031 - June 2039 installment at Baht 5.75 million	167.43	-	167.43	-
<u>Solartron Energy 5 Co., Ltd.</u>							
304.50	304.50	5.50	Repayment principal with interest on 58 quarterly installment payments commencing from June 2017 and shall be completed within September 2031.	250.45	271.77	-	-
<u>Solartron Energy 2 co., Ltd.</u>							
87.00	87.00	5.50	Repayment principal with interest on 58 quarterly installment payments commencing from June 2017 and shall be completed within September 2031.	71.56	77.65	-	-

23. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET (Con't)

As at December 31, 2019, The details of loans from a financial institution are as follows (Con't)

Loan facility (Million Baht)		Interest rate per annum	Terms of payment of principal and interest	Unit : Million Baht			
				Consolidated		Separate	
2019	2018			2019	2018	2019	2018
Solartron Energy 3 Co., Ltd.							
260.00	-	MLR - 2.575	Repayment principal with interest 59 quarterly installment payments commencing from December 2019 and shall be completed within June 2034.	256.70	-	-	-
818.93	741.50			746.14	509.88	167.43	160.46

The details of the loans are as follows:

The Company :

The loans were secured by mortgage the Company's land, building, machinery and equipment, pledge its withdrawal right of deposit in bank of Baht 1 million and Business collateral (Fixed deposit). The company shall comply with covenant including maintaining Debt to Equity Ratio not over 3 : 1 (2018 : not over 2 : 1) and in the first quarter of 2019, the Company has pledged the total shares of Solartron Energy 3 Co., Ltd. hold by the Company as additional collateral.

The subsidiaries :

Three subsidiaries's loans were secured by

1. Mortgage land, solar power plant, machinery and equipment owned by the subsidiaries.
2. The right to receive payment of electricity from the solar farm projects with three cooperatives and the right to receive payment of electricity from the solar rooftop with a university to the financial institution.
3. Mortgage the Company's land and buildings as the second guarantee.
4. Mortgage the Company's machinery and equipment.
5. Pledge of all shares of Solartron Energy 3 Co., Ltd., holding by the Company as additional collateral.

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 and 1.08 times for Solartron Energy 3 Co., Ltd.

24. LIABILITIES UNDER HIRE - PURCHASE CONTRACTS - NET

Liabilities under hire - purchase contracts, consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Liabilities under hire-purchase contract	254,528	865,395	254,528	865,395
<u>Less</u> Deferred interest	(3,053)	(30,649)	(3,053)	(30,649)
Present value of minimum lease payments	251,475	834,746	251,475	834,746
<u>Less</u> Current portion due within one year	(251,475)	(583,271)	(251,475)	(583,271)
Net	-	251,475	-	251,475

25. 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.

25.1 Movements in the present value of the employee benefits obligations consist of.-

	Unit : Thousant Baht	
	Consolidate and Seperate	
	2019	2018
Employee benefit obligation as at January 1,		
Post - employee benefits :		
Legal severance payment plan	26,984,741	22,854,701
Other long - term employee benefits	-	-
Total	26,984,741	22,854,701
Recognized in profit or loss for the year :		
Past service cost	5,002,728	-
Current service cost	6,733,443	3,042,124
Interest Cost	834,880	799,915
Total	12,571,051	3,842,039

25. PROVISION FOR EMPLOYEE BENEFITS - NET (Con't)

25.1 Movements in the present value of the employee benefits obligations consist of.- (Con't)

	Unit : Thousand Baht	
	Consolidate	
	2019	2018
Recognized in other comprehensive income for the year		
Actuarial gain (losses) recognized in the year	75,699	1,243,011
Other		
Increase from business combination	(2,886,319)	(955,010)
Total	(2,810,620)	288,001
Employee benefit obligation as at December 31,		
Post - employee benefits :		
Legal severance payment plan	36,745,172	26,984,741
Other long - term employee benefits	-	-
Total	36,745,172	26,984,741
<u>Less</u> Current portion	(11,405,752)	(9,863,468)
Employee benefit obligation as at December 31, Net	25,339,420	17,121,273

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit in the consolidated and separate financial statements are 26 years.

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

	Unit : Baht	
	Consolidated and Separate	
	2019	2018
Experience adjustment	75,699	-
Demographic assumption changes	-	1,243,011
Total	75,699	1,243,011

25. PROVISION FOR EMPLOYEE BENEFIT - NET (Con't)

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

	Unit : Baht	
	Consolidated and Separate	
	2019	2018
<u>Profit or loss</u>		
Cost of sales and services	2,691,229	1,384,387
Distribution costs	1,684,956	181,326
Administrative expense	6,382,561	1,171,374
Management's benefit expenses	1,912,305	1,104,952
Total	12,571,051	3,842,039
<u>Other comprehensive income</u>		
Remeasurement of defined gain (loss) plan		
Employee benefit - net from income tax	60,559	994,409

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

	Unit : Baht	
	Consolidated and Separate	
	2019	2018
Included in retained earnings		
As at January 1,	4,880,913	3,886,504
Recognized during the year	60,559	994,409
As at December 31,	4,941,472	4,880,913

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	
	2019	2018
* Discount rate	2.63%	3.50%
Salary increase rate	3%, 6.25%	7%
** Employee turnover rate	2% - 76%	5%
***Mortality rate	100%	100%
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

25. PROVISION FOR EMPLOYEE BENEFIT - NET (Con't)

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	
	2019	2018
<u>Discount rate</u>		
1% increase	(3,386,623)	(2,140,885)
1% decrease	4,038,005	2,618,629
<u>Future Salary growth</u>		
1% increase	4,154,536	2,486,277
1% decrease	(3,547,239)	(2,084,480)
<u>Resignation rate</u>		
1% increase	(3,645,570)	(2,344,815)
1% decrease	4,322,985	2,861,465

The Labour Protection Act (No.7), B.E. 2562 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. The Act is effective from 5 May, 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for employee benefits obligations as at December 31, 2018 of Baht 5 million. The Company and its subsidiaries have recorded the effect of the change by recognizing past services costs as expenses immediately in the statement of comprehensive income in current period as follow.-

	Unit : Baht
Cost of sales with installation	993,383
Distribution costs	1,371,140
Administrative expenses	2,638,205
Total	5,002,728

26. 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.

27. INCREASE OF CAPITALYear 2019

27.1 General Shareholders' meeting of 2019 held on April 26, 2019, it was approved to increase the Company's registered capital and to decrease the Company's registered capital as the following :

27.1.1 To decrease the Company's registered capital from Baht 870,597,723 to Baht 544,124,723 to write off the unissued common share reserved for General Mandate from the Annual Shareholders' meeting in year 2018. The Company has registered the decrease of share capital with the Ministry of Commerce on May 14, 2019.

27.1.2 To increase the Company's registered capital by issuing 326,473,000 newly common shares at the par value of Baht 1 per share. The details of allocation are as follow:

1. Allocation to existing shareholder in proportion to the number of shares held by each shareholder of not exceeding 163,237,000 shares.
2. Allocation to the general public of not exceeding 108,824,000 shares.
3. Allocation to the specific persons of not exceeding 54,412,000 shares.

The Company has registered the increase of share capital with the Ministry of Commerce on May 15, 2019.

Year 2018

27.2 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.

28. 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	
	2019	2018	2019	2018
Profit (loss) for the period (Baht)	(435,357,355)	(383,321,105)	(463,594,543)	(350,515,815)
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)	(0.80)	(0.70)	(0.85)	(0.64)

29. 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 :

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

	Unit : Million baht						
	Consolidated						
	For the year end December 31, 2019						
	Segment 1	Segment 2		Segment 3	Segment 4	Segment 5	Total
	Domestic	Domestic	Foreign	Domestic	Domestic	Domestic	
Revenue from sales and services	154.38	145.41	2.50	98.81	9.36	8.16	435.59
Less Inter - segment	(8.12)	-	-	-	-	-	(8.12)
Total revenue from sales and services	151.26	145.41	2.50	98.81	9.36	8.16	415.51
Loss from operating							(343.64)
Unallocated income							11.91
Finance cost							(58.02)
Sharing profit (loss) in Joint Venture							(0.68)
Income tax (expenses)							(38.68)
Other comprehensive income (loss)							(0.06)
Other comprehensive income (loss) for the year							(398.33)
Income of non - controlling interest							(3.72)
Net profit (loss) attributable shareholders of the parent							(435.42)
Property plant and equipment-net							
As at December 31, 2019							
Unallocated							2,045.75
Total assets as at December 31, 2019							2,504.19

29. OPERATING SEGMENT (Con't)

Unit : Million baht							
Consolidated							
For the year end December 31, 2018							
Segment 1	Segment 2		Segment 3	Segment 4	Segment	Total	
	Domestic	Foreign			5		
Domestic	Domestic	Foreign	Domestic	Domestic	Domestic		
Revenue from sales and services	456.22	77.73	107.14	91.37	27.68	25.96	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>25.96</u>	<u>693.17</u>
Loss from operating							(366.17)
Unallocated income							9.56
Finance cost							(59.62)
Sharing profit (loss) in Joint Venture							(0.19)
Income tax (expenses)							36.20
Other comprehensive income (loss)							(0.99)
Other comprehensive income (loss) for the year							(381.21)
Income of non - controlling interest							(3.11)
Net profit (loss) attributable shareholders of the parent							<u>(384.32)</u>
Property plant and equipment-net							
As at December 31, 2018							
Unallocated							2,197
Total assets as at December 31, 2018							<u>2,974</u>

30. EXPENSES BY NATURE

Significant expenses classified by nature consist of:-

Unit : Baht				
	Consolidated		Separate	
	2019	2018	2019	2018
Changes in inventories of finished goods				
and work in process	106,018,376	287,739,897	106,018,376	287,739,898
Raw material and supplies used	40,127,116	123,272,871	40,127,116	123,272,871
Management's benefit expenses	30,325,510	28,874,232	30,325,510	28,874,232
Employee expenses	80,893,327	105,248,220	80,893,327	105,248,220
Depreciation and amortization expenses	175,686,891	181,446,202	140,734,143	148,831,413
Finance cost	58,023,131	59,617,783	38,507,825	41,513,318

31. 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%	-	-	-

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

	Unit : Baht					
	Consolidated					
	December 31, 2019			December 31, 2018		
Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total	
Revenues	226,222,562	204,583,859	430,806,421	293,875,718	408,854,704	702,730,422
Cost and expenses	(270,168,216)	(552,910,413)	(823,078,629)	(344,052,005)	(774,903,859)	(1,118,955,864)
Share of profit(loss) in joint venture	-	(681,118)	(681,118)	-	(185,085)	(185,085)
Income tax (expense)	-	(38,686,884)	(38,686,884)	-	36,202,268	36,202,268
Net profit (loss) for the year	(43,945,654)	(387,694,556)	(431,640,210)	(50,176,287)	(330,319,972)	380,208,259

31. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION (Con't)

Results of the Company operations under promoted business are classified under promoted and non-promoted business as follows: (Con't)

	Unit : Baht					
	Separate					
	December 31, 2019			December 31, 2018		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues	151,326,189	200,148,355	351,474,544	219,716,164	503,313,924	723,030,088
Cost and expenses	(200,919,633)	(575,512,993)	(776,432,626)	(276,436,794)	(834,066,053)	(1,110,502,846)
Income tax (expense)	-	(38,636,461)	(38,636,461)	-	36,959,944	36,956,944
Net profit (loss) for the year	(49,593,444)	414,001,099	463,594,543	(56,720,630)	(293,795,185)	(350,515,815)

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.

32. 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 fund rules.

For the year 2019 and 2018 the Company contributed to the fund amounting to Baht 2.28 million and Baht 3.62 million respectively.

33. 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:-

33.1 Accounting policies

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

33.2 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.

33. FINANCIAL INSTRUMENT (Con't)**33.3 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.

33.4 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 year	1 - 5 years	Over 5 years	Interest rate	Interest bearing		Rate (% p.a.)
As at December 31, 2019							
Financial assets							
Cash and cash equivalents	49	-	-	30,445	88	50,579	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	148,624	148,624	-
Cash at bank held on collateral	45,974	-	-	5	-	45,979	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	109,032	-	109,032	2.80 - 5.25
Trade accounts and other current payables	-	-	-	-	189,424	189,424	-
Discounted bill of exchange	40,000	-	-	-	-	40,000	10.00, 12.00
Long-term loan from financial institution	27,405	294,604	-	424,131	-	74,140	MLR-3.375, MLR-2.775, MLR-2.575, 5.50
Liabilities under hire-purchase contracts	251	-	-	-	-	251	4.85

33. FINANCIAL INSTRUMENT (Con't)**33.4 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, 2018							
Financial assets							
Cash and cash equivalents	426	-	-	22,546	245	23,217	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 - 15.50
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

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, 2019							
Financial assets							
Cash and cash equivalents	49	-	-	10,473	274	10,796	0.125 - 1.00
Trade accounts and other current receivables	-	-	-	-	141,940	141,940	-
Short - term loan to subsidiaries	5,700	-	-	-	-	5,700	7.00
Cash at bank held on collateral	45,974	-	-	5	-	45,979	0.65 - 1.375
Financial liabilities							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	105,026	-	105,026	2.80 - 5.25
Trade accounts and other current payables	-	-	-	-	188,629	188,629	-
Discounted bill of exchange	40,000	-	-	-	-	40,000	10.00, 12.00
Short - term loan from subsidiaries	108,932	-	-	-	-	108,932	7.00
Long-term loan from financial institution	-	-	-	167,434	-	167,434	MLR-3.375, MLR-2.275
Liabilities under hire-purchase contracts	251	-	-	-	-	251	4.85

33. FINANCIAL INSTRUMENT (Con't)**33.4 Interest rate risk (Con't)**

	Unit : Thousand Baht						
	Separate						
	Fixed interest rates			Floating	Non-	Total	Interest
	Within	1 - 5	Over	Interest	Interest		
1 year	years	5 years	rate	bearing		Rate	
						(% p.a.)	
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 - 15.50
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

33.5 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, 2019 and 2018 follows:

	Consolidated		Separate	
	2019	2018	2019	2018
Assets				
US dollar	-	9,922	-	9,922
Euro	76,170	80,072	76,170	80,072
Liabilities				
US dollar	170,500	276,106	170,500	276,106
Euro	112,551	117,765	112,551	117,765
SGD	21,005	21,005	21,005	21,005

34. CREDIT FACILITIES

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

	Unit : Million baht			
	Consolidated		Separate	
	2019	2018	2019	2018
Bank overdraft	54.50	64.50	50.00	60.00
Letter of credit trust receipt, promissory	84.50	579.67	71.00	566.17
Note and issuance of letter of guaranteed	383.50	459.83	383.50	459.83
Long - term loan	818.93	741.50	167.43	350.00
Total	1,341.43	1,845.50	671.93	1,436.00

Two subsidiaries were granted a long - term loans and other credit facilities totaling Baht 669.50 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 11, 18 and 23 to the financial statements.

35. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019 and 2018 the Company and its subsidiaries have commitments and contingent liabilities as follows:

Contingent liabilities :

- 35.1 The Company has letter of guarantee issued by several banks to government and private organizations of amounting to Baht 77.01 million (2018 : 136.24 Million Baht) for the consolidated financial statements and amounting of 72.47 Million Baht (2018 : 131.62 Million Baht) for the separate financial statement.
- 35.2 The Company was in possession of unutilized letters of credit as follows:

	Unit : Million	
	Consolidated and Separate	
	2019	2018
<u>Currency</u>		
Euro	-	0.03

- 35.3 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.

35. COMMITMENTS AND CONTINGENT LIABILITIES (Con't)

35.4 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 :

35.5 The Company had future commitment in respect of construction agreement amounting to Baht 42.27 million (2018 : Baht 79.49 million) in the consolidated.

Commitments from operation :

35.6 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	
	2019	2018
Less than 1 year	2,659,536	2,907,337
More than 1 year but less than 5 years	901,636	3,561,168
Total	<u>3,561,172</u>	<u>6,468,505</u>

35.7 In 2019, the Company was sued by several creditors in a civil case for its debt amounting to Baht 30.11 million. The judge has ordered the case into mediation and the company has entered into a debt restructuring agreement. However, as at December 31, 2019, of Baht 17.08 million. The case is presently in the court.

36. 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, 2019, debt-to-equity ratio in the consolidated financial statements was : 1.33 : 1 (2018 : 1.01 : 1), and the separate financial statement was 0.87 : 1 (2018 : 0.78 : 1).

37. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on March 2, 2020.