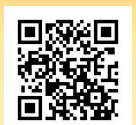




# **SOLARTRON COMPANY LIMITED**

## **Annual Report 2020**



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**Message from Chairman of the Board and Chief Executive Officer**



**Dear Shareholders,**

The year 2020 was a challenge to worldwide economic and Thai economies due to impacts from the COVID-19 pandemic. Such economic turbulence had immune effect on Solartron's 2020 overall performance especially manufacturing capacity and new business projects. The Company recorded 571 million baht of net loss from impairment loss of assets and account receivables 374 million baht.

To weather the situation, the Company transformed its operational plan and strategic to control cost and develop the efficient products and will continue to conduct its business according to economic conditions and surrounding factors in concise and thoughtful manner.

Lastly, on behalf of the Board of Directors, the Management and employees of Solartron are all thankful to shareholder and related parties who have always supported the Company. We would stay determined and dedicated to performing our duties at full capacity to set the stage for stable business growth with good corporate governance principles for equitable benefits of shareholders and stakeholders in parallel with balanced caution of business and social values for mutual sustainable growths.

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 2020 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 2020, 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 2020, 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 2020

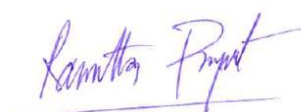
From The selection process of 3 audit firms Office of Pitisevi Co.,Ltd has been selected and appointed as the external auditor of Solartron. Based on the satisfactory results of this performance appraisal and their qualification as independent auditor, the Audit Committee recommended them to the Board. 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 2020 and the annual audit and quarterly review fee for Solartron's consolidated financial statements and acknowledgement of the annual audit fee for the year 2020 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	2018	2019	2020
Cash and cash equivalents	23.22	30.59	21.51
Total current assets	596.71	296.71	206.24
Total assets	2,971.03	2,472.85	1,921.81
Total current liabilities	1,188.15	659.68	692.20
Total liabilities	1,531.79	1,432.17	1,419.64
Total shareholders' equity	1,439.25	1,040.68	502.17
<b>Operation Results</b>			
Total incomes	702.73	434.87	292.17
Revenues from the selling and rendering of services	693.17	420.55	279.29
Gross profit	-248.41	-193.79	-115.05
Net income	-380.21	-398.51	-542.81
<b>Financial Ratio</b>			
Current ratio (times)	0.52	0.45	0.30
Gross profit (%)	-35.84	-46.08	-41.19
Net profit (%)	-54.10	-91.64	-185.79
Return on equity (%)	-22.95	-31.64	-70.36
Return on assets (%)	-11.33	-14.63	-24.70
Assets turnover (times)	0.21	0.16	0.13
Total debts to equity ratio (times)	1.01	1.38	2.83
Interest Coverage Ratio	-4.19	-6.54	-8.21
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	-0.70	-0.74	-0.99
Average	544,124,723 Shares	544,124,723 Shares	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)

<b>Financial Statements</b>	2018	2019	2020
Cash and cash equivalents	0.69	10.80	0.49
Total current assets	754.61	308.24	211.73
Total assets	2,689.44	2,018.03	1,491.33
Total current liabilities	1,205.41	722.16	762.42
Total liabilities	1,227.07	956.79	996.82
Total shareholders' equity	1,462.37	1,061.23	494.51
<b>Operation Results</b>			
Total incomes	723.03	384.93	210.47
Revenues from the selling and rendering of services	694.73	359.24	192.82
Gross profit	-264.08	-240.47	-161.11
Net income	-350.51	-401.08	-571.03
<b>Financial Ratio</b>			
Current ratio (times)	0.67	0.43	0.28
Gross profit (%)	-38.01	-66.94	-83.55
Net profit (%)	-48.48	-104.20	-171.31
Return on equity (%)	-20.56	-30.96	-73.41
Return on assets (%)	-11.39	-16.93	-32.54
Assets turnover (times)	0.23	0.16	0.12
Total debts to equity ratio (times)	0.78	0.90	2.02
Interest Coverage Ratio	-5.27	-8.41	-14.87
Dividend per share (Baht)	-	-	-
Earnings per share* (Baht)	-0.33	-0.64	-1.05
Average	544,124,723 Shares	544,124,723 Shares	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 and Mission

**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.



### 3. Nature of Business

#### Company Development for 2020

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 2020

<b>March 2020</b>	Awarded Solar Water Pumping System Project from Ministry of Natural Resources and Environment 1) Project of Water Supply Agriculture total amount 32,273,129.64 baht 2) Project of Water Supply Agriculture total amount 37,468,791.23 baht
<b>May 2020</b>	<b>Awarded 5 Contracts of Battery Back up powered Systems and Signed contracts</b> total amount 5,946,500 baht
<b>June 2020</b>	<b>Awarded ISO 14000: 2015 , ISO 450001:2018</b>
<b>August 2020</b>	Awarded 9.54 kWp Residential Rooftop , amount 588,500 baht <b>Annual Factory Audit from Ministry of Industry</b>
<b>October 2020</b>	Signed Contract, Telecommunication Solar Power system, total amount 824,178.20 baht <b>Awarded ISO 9000: 2015 , TIS 61215 ,TIS 2580</b>
<b>November 2020</b>	Signed Contract with Department of Surface Water, Ministry of Natural Resources and Environment total 12,183,000 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 2020, We recognize and emphasize on other risks and issues as follows;

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

In 2020, 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) The Risk of Economic Slowdown Impact

Due to the economic slowdown caused by significant appreciation of Thai baht, and delays in government budget approvals, many business sectors, including energy sectors were inevitably affected. Thus the Company carefully revised its business plans and decided to delay the new project and focused on cost reduction. The Company all continue to conduct its business according to economic conditions and surrounding factors in a concise and thoughtful manner.

## 5. General Information

<b>Company Name</b>	<b>Solartron Public Company Limited</b>	<b>Registrar :</b> 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  <b>Auditor:</b> 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  <b>Lawyer:</b> Mr. Somkiat Ruengsurakiat Bangkok Law Office & Associates Co.,Ltd. 75/20 17 <sup>th</sup> Fl., Ocean TowerII Bldg., Sukhumvit 21 Road, Klongtoey - Nua, Wattana, Bangkok 10110 Tel. : +66-2-661-6896-9 Fax. : +66-2-661-6895
<b>Type of Business</b>	Manufacturing Solar cells and Modules Engineering, Design and Installation of solar power systems, Energy Service Company	
<b>Company Code</b>	0107547000877	
<b>Head Office</b>	1000/65,66,67 PB.Tower 16 <sup>th</sup> Floor Sukhumvit 71 Road, North Klongtan, Wattana, Bangkok 10110 Tel. +66-2-392-0224-6 Fax. +66-2-381-2971, +66-2-381-0936	
<b>Module Factory</b>	88/8 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	
<b>Cell Factory</b>	88/9 Moo 10, Thanarach Road, Tumbol Nongnumdang, Parkchong District, Nakornratchasima 30130	
<b>Website</b>	www.solartron.co.th	
<b>E-mail</b>	agm@solartron.co.th	
<b>Registered Capital</b>	544,124,723 Baht	
<b>Registered Ordinary Shares</b>	544,124,723 Shares	
<b>Par Value</b>	1 Baht	
<b>Registered Ordinary Share with paid</b>	544,124,723 Shares	
<b>Registered Capital with paid</b>	544,124,723 Baht	
<b>Established Date</b>	November 12, 1986	
<b>Date of registration converted into a public company</b>	September 24, 2004	

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

## 6. Shareholder Structure

As of December 30, 2020, the company has a registered capital of Baht 544,124,723 consisting of 544,124,723 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 2020 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	Mr.Pupaa Taecharong	9,998,566	1.84%
8	Thai NVDR Ltd	9,027,097	1.66%
9	Mr. Sangchai Apichartthanapat	5,870,000	1.08%
10	Miss Warangkana Techaiya	5,200,000	0.96%
	<b>Total for Top ten Major shareholders</b>	<b>277,581,245</b>	<b>51.01%</b>
	<b>Others</b>	<b>266,543,478</b>	<b>48.99%</b>
	<b>Total paid up capital</b>	<b>544,124,723</b>	<b>100.00%</b>

## 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.

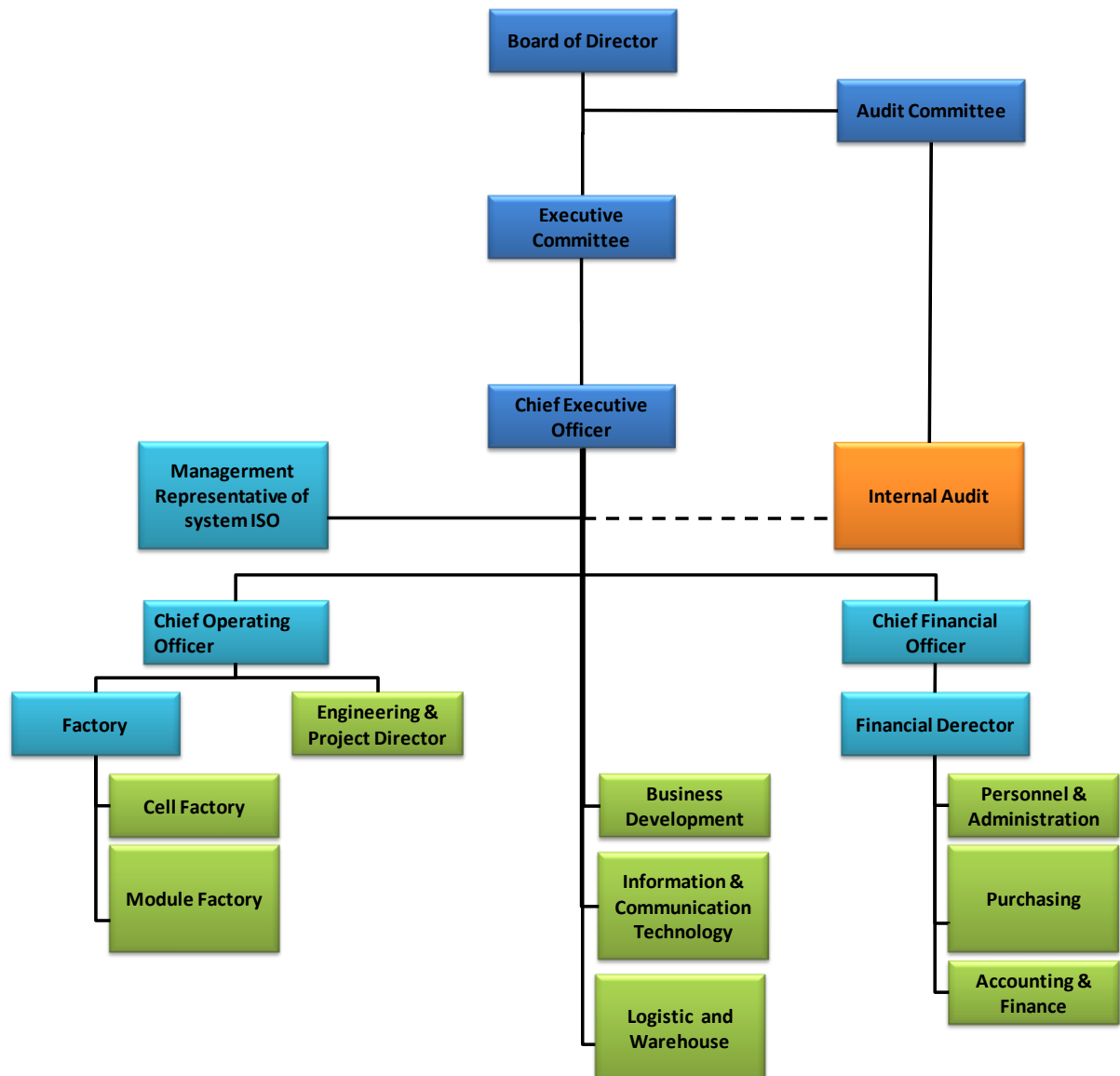
### Dividend Payments 3 yrs.

<b>year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Earnings per share	-0.70	-0.74	-0.99
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, 2020, the Company's Board of Directors comprises of:

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

#### **Scope o**

#### **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, 2020, 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 determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
4. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
5. Approve the appointment of advisors needed in the corporate operations.
6. Deal with affairs concerning the Company's general operations.

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.



**Audit Committee**

As of December 31, 2020, the Audit Committee comprises of:

- |    |                          |                             |
|----|--------------------------|-----------------------------|
| 1. | Mrs. Rawittha Pongnuchit | Chairman of Audit Committee |
| 2. | Mr. Kittti 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 July 30, 2020,

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	2018	2019	2020
Total remuneration (Baht)	2,420,400.00	2,618,400	2,271,400
Number of Committee Member (Persons)	8	9	7
Type of remuneration	Meeting allowance and monthly payment	Meeting allowance and monthly payment	ค่าเบี้ยประชุมและค่าตอบแทนรายเดือน

#### **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 2020 and 2019

Name	Board of Directors Meeting		Audit Committee Meeting		Annual General Meeting	
	2020	2019	2020	2019	2020	2019
Mr.Cherdpong Siriwit	5/6	7/7	-	-	1/1	1/1
Ms.Patama Wongtoythong	6/6	7/7	-	-	1/1	1/1
Mr.Akaradej Rojmeta	6/6	7/7	-	-	1/1	1/1
Mrs.Rawittha Pongnuchit	6/6	6/7	4/4	4/4	1/1	1/1
Mr.Suchat Trisirivattwat	-	3/7	-	1/4	-	1/1
Dr.Dusit Kruangam	6/6	4/7	-	-	1/1	1/1
Mr.Kitti Pintavirooj	6/6	7/7	4/4	3/4	1/1	1/1
Mr.Tanee Temboonsak	5/6	4/7	3/4	3/4	1/1	-

#### Directorships and Executive Development

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

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

#### Personnel Development Policy

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to grow in their fields. All employees are required to receive training that is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

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

#### Succession Plans

The corporate board of director realizes that succession plans become necessary in case the Chief Executive Officer or top executives are not able to work. To ensure readiness for the circumstance, the Company has prepared

its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

**Supervision of Use of Inside Information**

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

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

The Company realized the importance of Data Privacy and Privacy Rights under Universal Declaration of Human Rights and UN Global Compact. The Company always conducts business in compliance with Data Privacy.

**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**

Top Executive Program, Thailand Energy Academy “(TEA Class 7)  
 Director Accreditation Program (DAP) class 54/2005  
 Director Certification Program (DCP) class 54/2005  
 Capital Market Academy CMA 28  
 Advanced Master of Management, NIDA  
 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**

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

Inspector-General, Ministry of Finance

Deputy Director-General, the Revenue Department

Director of Bureau of Tax Appeals, the Revenue Department

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

Deputy Finance Ministry Spokesman

Secretariat to the Revenue department

The Revenue Department Spokesman

Clearing Director of Thai Asset Management Corporation

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

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

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

Director, Member of the Audit Committee, and Chairman of the Selection and Remuneration Committee of Thai Petrochemical Industry Public Company Limited

Director, Member of the Audit Committee, and Member of Risk Management Committee of the Thai Credit Guarantee Corporation

Director of Airport Authority of Thailand Public Company Limited

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

**Directorship**

<b>Other Listed Companies</b>	<p>Independent Director, Chairman of Audit Committee, Solartron PCL.</p> <p>Independent Director, Audit Committee, Sakol Energy PCL.</p> <p>Independent Director, Member of the Audit Committee, and Chairman of the Sub-Committee Risk Management on Law Committee of Synnex (Thailand) Public Company Limited</p> <p>Independent Director ,Audit Committee, Pranda Jewelry Public Company Limited</p>
<b>Non-Listed Companies</b>	<p>Advisor to the Institute of Management Consultants Association of Thailand</p> <p>Advisor to the Economics and Finance Academy</p> <p>Director of Class 1, Top Executive program in Commerce and Trade (TEPCOT)</p> <p>Chairman of the Class 59 of the Director Certificate Program (DCP59)</p> <p>Board of Chairman of Pootra Corporation Co., Ltd.</p> <p>Board of Chairman of Chankham Residence Co., Ltd.</p> <p>Independent Director, Member of the Audit Committee of NamHeng Concrete (1992) Co.,Ltd.</p>
<b>Training Program</b>	<p>Director Certificate Program (DCP) Class 59/2005 Thai Institute of Directors (IOD)</p> <p>Top Executive Program in Justice Management (Class 3)</p> <p>Top Executive Program in Commerce and Trade (TEPCOT) Class 1</p> <p>Top Executive Program, Capital Market Academy (Class 3)</p> <p>Public Administration and Public Law Program, King Prajadhipok's Institute, Class 3</p> <p>National Defense College, The Joint State - Private Sector Course Class 15, Thailand National Defense College</p>
<b>Number of Shares held</b>	-0%-

**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
Bachelor Degree	Bachelor of Business Administration (Business Computer) Rajamangala University of Technology Thanyaburi

**Work Experience**

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

**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 2020 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](http://www.solartron.co.th). Inquiries and requests for further information may be e-mailed to [agm@solartron.co.th](mailto: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 Meeting 1/2020 on July 30, 2020, 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 2020 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 2020 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 2020 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: [agm@solartron.co.th](mailto:agm@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](http://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: [agm@solartron.co.th](mailto:agm@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. 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 2020, 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 rea, helping to higher module energy yield that make high return of investment for Solartron customer.

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

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

## **11. Internal Control and Risk Management**

The Board's Opinion Regarding Internal Controls The Company attaches great importance to having good Internal control systems that are in line with the principles of good corporate governance. This includes being transparent, fair, reliable, and having a transparent system of checks and balances that can be verified. This will lead to maximum benefit for shareholders, employees, partners, the community and all parties involved. At the Board of Directors Meeting No.3/2020 held on May 15, 2020, the audit committee attended the meeting to review the adequacy of the Company's internal control systems in all five aspects. These are organization and environment, risk management, control of management performance, information and communication systems and tracking system. The board of directors is of the opinion that the Company has adequate internal controls and they are in line with the adequacy model of the internal control system of the Securities and Exchange Commission.

## ***12. Transactions with Related Parties***

**Connected Transaction with Parties with Possible Conflict of Interest**

During the year 2020, 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
			2019	2020	
<b>Solartron Energy 1</b>	Subsidiary Hold by Solartron 99.96 %	(1) Interest revenue	399,000.00	727,655.73	Using the bank overdraft rate which is equal to 7%/year. A management fee for engineering, financial accounting, procurement, administration and human resource.
		(2) Revenue service	720,000.00	720,000.00	
		(3) Short-term loans from subsidiary	5,700,000.00	6,000,000.00	
		(4) Trade accounts	2,439,600.00	3,145,800.00	
		(5) Accrued interest receivable	1,750,249.32	2,231,064.07	
<b>Solartron Energy 2</b>	Subsidiary Hold by Solartron 90 %	(1) Interest expense	103,101.37	112,000.00	Using the bank overdraft rate which is equal to 7% /year. A management fee for engineering, financial accounting, procurement, administration and human resource. Construction cost of 2MW solar power plant is based on the market price
		(2) Revenue service	1,200,000.00	1,200,000.00	
		(3) Revenue	26,000.00	135,500.00	
		(4) Revenue from O&M	1,080,000.00	1,200,000.00	
		(5) Trade accounts	1,504,420.00	2,454,000.00	
		(6) Accrued expense	118,750.69	230,750.69	
		(7) Short-term loans for subsidiary	1,600,000.00	1,600,000.00	
<b>Solartron Energy 3</b>	Subsidiary Hold by Solartron 100 %	(1) Interest revenue	8,967.48	-	Using the bank overdraft rate which is equal to 7%/ year. A management fee for engineering, financial accounting, procurement, administration and human resource. Installation cost of Solar rooftop system is based on the market price
		(2) Revenue service	2,973,097.85	1,200,000.00	
		(3) Revenue from O&M	3,600,000.00	4,800,000.00	
		(4) Revenue which installation services	71,275,202.60	-	
		(5) Revenue from Sale of goods	10,000.00	-	
		(6) Cost of Sale which installation services	43,796,166.05	-	
		(7) Interest expense	2,265,209.90	3,924,842.53	
		(8) Trade accounts	-	12,554,261.82	
		(9) Trade receivable	72,625,560.00	51,062,054.52	
		(10) Accrued expense	2,265,209.90	6,190,052.43	
		(11) Short-term loans for subsidiary	93,448,631.42	93,448,631.42	
		(12) Revenue received in advance	27,444,060.00	24,006,276.00	
<b>Solartron Energy 5</b>	Subsidiary Hold by Solartron 51 %	(1) Interest expense	496,029.34	1,042,561.96	Using the bank overdraft rate which is equal to 7%/ year.
		(2) Revenue service	1,800,000.00	1,800,000.00	
		(3) Revenue from O&M	2,172,000.00	2,520,000.00	

		(4) Revenue	181,700.00	-	A management fee for engineering, financial accounting, procurement, administration and human resource. Construction cost of 7MW solar power plant is based on the market price
		(5) Trade receivable	642,321.00	1,926,000.00	
		(6) Accrued expense	496,029.34	1,538,591.30	
		(7) Short-term loans for subsidiary	13,883,098.81	18,333,098.81	
<b>SLTT Joint Venture</b>	Joint Venture Agreement with Thai Polycons Plc., and share the profit or loss and responsibility at the percentage of 50% equally.	(1) Revenue service	-	314,625.00	Establishing a Joint Venture entity, under 50:50 partnership agreement, in order to construct and install solar rooftop systems for Ek-chai Distribution System Co., Ltd. (Tesco Lotus Thailand)
		(2) Interest Revenue	103,508.91	70,918.03	
		(3) Accrued interest receivable	-	70,918.03	
		(4) Trade receivable	100,000.00	1,871,151.20	
<b>Thai Solar Future Co., Ltd</b>	A director of this company is a director of the company	(1) Revenue from Sale of goods	2,789,800.00	218,137.50	Designing, vending and installation of solar cells, solar modules and solar systems which are based on the market price
		(2) Revenue service	6,000.00	32,800.00	
		(3) Cost of from Sale of goods	4,922,663.30	12,070,159.11	
		(4) Trade receivable	3,212,238.32	3,475,391.45	
		(5) Contribution margin Owe	-	965,626.85	
		(6) Trade payable	-	21,270,918.67	
<b>Directors</b>	Company Directors	(1) Accrued expense	-	4,046,171.60	
		(2) Short - term loans from directors	195,348,750.40	255,768,950.49	
		(3) Accrued expense	15,704,408.14	29,490,305.65	

### 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, 2020 as follows:

#### 1) The operating results and profitability

The Company (Separate) operation results for the year end of 2020 on December 31, 2019 recorded the comprehensive net (loss) income of (571.03) million Baht decreasing in amount of 169.95 million baht or representing 42.37% from the same period on December 31, 2019 in the comprehensive net (loss) income of (401.08) million Baht of 2020 Earnings per Share of (1.05) Baht.

The Company (Consolidated) operation results for year end of 2020 on December 31, 2019 recorded the comprehensive net (loss) income of (540.87) million Baht decreasing in amount of 138.65 million baht or representing 34.47% from the same period on December 31, 2019 in the comprehensive net (loss) income of (402.22) million Baht and Earnings (loss) per Share of (0.99) Baht.

#### Total Revenues

	<u>Separate</u>	<u>Consolidated</u>
<b>Total Revenues</b>	The Company had total revenues in the year end of 2020 amounting to 210.47 million Baht and comparing to of 384.93 million Baht respectively which an decrease of 174.46 million Baht, or decreased by 45.32% The total revenues are divided to sales and other income.	Consolidated, Total revenues in the year end of 2020 amounting to 292.17 million Baht and comparing to the of 2019 of 434.87 million Baht respectively which a decrease of 142.70 million Baht, or decreased by 32.82 % The total revenues are divided to sales and other income.
<b>Sales Revenues</b>	Separate, the year end of 2020 The Company had sales amounting to 192.82 million Baht comparing to the 2019 of 359.24 million Baht a decrease amounted to 166.42 million Baht, representing an decrease of 46.33%	Consolidated, the year end of 2020 The Company had sales amounting to 279.29 million Baht comparing to the second quarter of 2019 of 420.55 million Baht an decrease amounted to 141.26 million Baht, representing a decrease of 33.59%
<b>Other Incomes</b>	The Company financial statement, the year end of 2020 The Company had sales amounting to 17.65 million Baht comparing to the r of 2019 of 25.68 million Baht a decrease amounted to 8.04 million Baht, representing decrease of 31.29%	Consolidated, the year end of 2020 The Company had sales amounting to 12.88 million Baht comparing to the second quarter of 2019 of 14.32 million Baht decrease amounted to 1.44 million Baht, representing a decrease of 10.05%

#### Cost of sales and Selling and Administrative Expenses

Separate

Consolidated

<b>Cost of sales</b>	The Company financial statement, the year end of 2020 the Company had the cost of sales of 353.93 million Baht. Comparing to the year end of 2019 of 599.72 million Baht a decreases amount 245.79 million Baht or 40.98% from decrease of sales volume.	Consolidated, the year end of 2020 the Company had the cost of sales of 394.33 million Baht. Comparing to the of 2019 of 614.34 million Baht a decreases amount 220.01 million Baht or 35.81% from decrease of sales volume.
<b>Selling and Administrative Expenses</b>	The Company financial statement, the year end of 2020 the Company had the selling and administrative expenses of 438.92 million Baht. Comparing to the of 2019 of 109.14 million Baht, a increases amount 329.78 million Baht or 302.16% The Company had revalued its land, buildings and constructions and machines and equipment by independent appraiser approved by the Securities and Exchange Commission (SEC) using comparative market price method for land and replacement cost approach for buildings and constructions and machines and equipment which shown in the appraisal report dated December 30, 2020, that the fair value of the land exceed than the carrying value and the fair value of the buildings and constructions and machine and equipment lower than carrying value. The Company had recorded the impairment of losses in profit and loss for the year 2020.  The company arranged for appraisal of the recoverable amount of its assets (according to TAS 36 impairment of assets). The appraisal found that the recoverable amount of the assets was lower than their the book value. The company recorded impairment loss on assets of total 348.16 million Baht.	Consolidated, the year end of 2020 the Company had the selling and administrative expenses of 431.36 million Baht. Comparing to the second quarter of 2019 of 121.65 million Baht, a decreases amount 309.71 million Baht or 254.60% from Impairment loss of assets 348.16 million Baht.The Company had revalued its land, buildings and constructions and machines and equipment by independent appraiser approved by the Securities and Exchange Commission (SEC) using comparative market price method for land and replacement cost approach for buildings and constructions and machines and equipment which shown in the appraisal report dated December 30, 2020, that the fair value of the land exceed than the carrying value and the fair value of the buildings and constructions and machine and equipment lower than carrying value. The Company had recorded the impairment of losses in profit and loss for the year 2020.  The company arranged for appraisal of the recoverable amount of its assets (according to TAS 36 impairment of assets). The appraisal found that the recoverable amount of the assets was lower than their the book value. The company recorded impairment loss on assets of total 348.16 million Baht.

**Profit**SeparateConsolidated

<b>Gross Profit</b>	The Company financial statement, the year end of 2020 the Company had Gross Profit (loss) amounted to (161.11) million Baht, Comparing to the second quarter of 2019 of (240.47) million Baht, a decrease of amount 79.37 million Baht or 33.00%	Consolidated, the year end of 2020 the Company had Gross Profit (loss) amounted to (115.05) million Baht, Comparing to the year end of 2019 of (193.79) million Baht, a decrease of amount 78.74 million Baht or 40.63 %
<b>Operating Profit</b>	The Company financial statement, the year end of 2020 the Company had had operating profit (loss) amounted of (582.38) million Baht, Comparing to the second quarter of 2019 of (323.93) million Baht, a decrease of amount 258.45 million Baht or 79.78%	Consolidated, the year end of 2020 the Company had had operating profit (loss) amounted of (533.52) million Baht, Comparing to the year end of 2019 of (301.12) million Baht and , a decrease of amount 232.41 million Baht or 77.18 %
<b>Net Profit for the year</b>	The Company financial statement, the year end of 2020 the Company had net profit (loss) amount of (571.03) million Baht, Comparing to the year end of 2019 of (401.08) million Baht, a decrease of amount 169.95 million Baht or 42.37%.	Consolidated, the year end of 2020 the Company had net profit (loss) amount of (542.81) million Baht, Comparing to the year end of 2019 of (398.51) million Baht, a decrease of amount 144.30 million Baht or 36.21%.

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

Consolidated, the year end of 2020 the Company had net profit (loss) amount of (540.87) million Baht, Comparing to the year end r of 2019 of (402.22) million Baht, a decrease of 138.65 million Baht or 34.47%.

Sales Revenues	Separate						Consolidated					
	December 31,2020		December 31,2019		Increase(Decrease)		December 31,2020		December 31,2019		Increase(Decrease)	
	Million Baht	%	Million Baht	Million Baht	%	Million Baht	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total Revenues</b>	<b>210.47</b>	<b>100.00%</b>	<b>384.93</b>	<b>100.00%</b>	<b>-174.46</b>	<b>-45.32%</b>					<b>-142.70</b>	<b>-32.82%</b>
<b>Sales Revenues</b>	<b>192.82</b>	<b>91.62%</b>	<b>359.24</b>	<b>93.33%</b>	<b>-166.42</b>	<b>-46.33%</b>	<b>279.29</b>	<b>95.59%</b>	<b>420.55</b>	<b>96.71%</b>	<b>-141.26</b>	<b>-33.59%</b>
Revenue from sales of goods which installation service and construction of solar power plant	113.48	53.92%	202.20	52.53%	-88.72	-43.88%	130.78	44.76%	164.70	37.87%	-33.91	-20.59%
Revenue from sale of Electricity	79.35	37.70%	157.05	40.80%	- 77.70	-49.47%	69.15	23.67%	99.78	22.95%	-30.63	100.00%
Revenue from sales of goods and hire of work	79.35	37.70%	157.05	40.80%	-77.70	-49.47%	79.35	27.16%	156.07	35.89%	-76.72	-49.16%
Gain from investment transference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other incomes</b>	<b>17.65</b>	<b>8.38%</b>	<b>25.68</b>	<b>6.67%</b>	<b>-8.04</b>	<b>-31.29%</b>	<b>12.88</b>	<b>4.41%</b>	<b>14.32</b>	<b>3.29%</b>	<b>-1.44</b>	<b>-10.05%</b>
Cost of sales	353.93	183.55%	599.72	166.94%	-245.79	-40.98%	394.33	141.19%	614.34	146.08%	(220.01)	-35.81%
Gross Profit	(161.11)	-83.55%	(240.47)	-66.94%	79.37	33.00%	(115.05)	-41.19%	(193.79)	-46.08%	78.74	40.63%
Total Selling& Admin Expenses	438.92	227.63%	109.14	30.38%	329.78	302.16%	431.36	154.45%	121.65	28.93%	309.71	254.60%
- Selling Expenses	15.32	7.95%	20.82	5.80%	(5.50)	-26.42%	15.32	5.49%	20.82	4.95%	(5.50)	-26.42%
-Administrative Expenses	75.44	39.12%	88.32	24.58%	(12.88)	-14.58%	67.88	24.30%	100.82	23.97%	(32.95)	-32.68%
-Impairment loss of assets	348.16	98.37%	-	0.00%	348.16	100.00%	348.16	88.29%	-	0.00%	348.16	100.00%
Operating Profit	(582.38)	-302.03%	(323.93)	-90.17%	-258.45	-79.78%	(533.52)	-191.03%	(301.12)	-71.60%	-232.41	77.18%
Finance costs	(33.18)	-17.21%	(38.51)	-10.72%	5.33	-13.84%	(54.10)	-13.72%	(58.02)	-13.80%	3.93	-6.77%
Share of profit(loss)in Joint Venture							0.00	0.00%	(0.68)	0.00%	0.68	-100.00%
Income Tax (expenses)	44.53	23.09%	(38.64)	-10.75%	83.17	-215.25%	44.81	16.04%	(38.69)	-9.20%	83.50	-215.83%
Net Profit for the year	(571.03)	-296.14%	(401.08)	-111.64%	-169.95	-42.37%	(542.81)	-194.36%	(398.51)	-94.76%	-144.30	-36.21%
Owners of the parent							(540.87)	-193.66%	(402.22)	-95.54%	-138.64	-34.47%

**Ability to manage assets.****Asset Component**

	<u>Separate</u>	<u>Consolidated</u>
<b>Asset Quality</b>	The Company financial statement, the year end of 2020 the Company had total assets of 1,491.33 million Baht, comparing to December 31, 2019 of 2,018.03 million Baht, a decrease of amount 526.69 million Baht or 26.10% from the decrease in Cash and cash equivalents, Trade accounts and other current receivable , Unbilled receivables ,inventories. And Impairment loss of assets	Consolidated, the year end of 2020 the Company had total assets of 1,921.81 million Baht, comparing to December 31, 2019 of 2,472.85 million Baht, a decrease of amount 551.04 million Baht or 22.28% from the decrease in Cash and cash equivalents, Trade accounts and other current receivable , Unbilled receivables ,inventories. And Impairment loss of assets

**Source of funds**

	<u>Separate</u>	<u>Consolidated</u>
<b>Capital Structure</b>	The Company financial statement, the year end of 2020 the Company's resulting in a debt to equity (D/E Ratio) is 01.83 times while December 31, 2019 level of 1.76 times for the period.	Consolidated, the year end of 2020 the Company's resulting in a debt to equity (D/E Ratio) is 2.61 times while December 31, 2019 level of 2.63 times for the period.
<b>Shareholders</b>	The Company financial statement ,the year end of 2020 the Company's shareholders of 494.51 million Baht, Comparing to December 31, 2019 of 1,061.24 million Baht, a decrease of amount 566.73 million Baht or 53.40% because of net loss.	Consolidated, the year end of 2020 the Company's shareholders of 502.17 million Baht, Comparing to December 31, 2019 of 1,040.68 million Baht, a decrease of amount 538.51 million Baht or 51.74% because of net loss.
<b>Liabilities</b>	The Company financial statement, the year end of 2020 the Company's had total liabilities of 996.82 million Baht, December 31, 2019 total liabilities of 956.79 million Baht an increased as 40.03 million Baht or 4.18% by increase of long term loans from financial institutions.	Consolidated, the year end of 2020 the Company's had total liabilities of 1,419.64 million Baht, December 31, 2019 total liabilities of 1,432.17 million Baht a decreased as 12.53 million Baht or 0.87% 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, 2020**



**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, 2020, 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 2020, the Group has such revenues included in profit and loss amounting to Baht 130.78 million in the consolidated financial statement and Baht 113.48 million in the separate financial statement accounting for 44.76% of total revenues in the consolidated statement of comprehensive income and 53.92% 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 7.1.1 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.

**Emphasis on information and events**

As described in Note 2 to the financial statement, as at December 31, 2020, the Company's current liabilities was in excess of its current assets by the amounting to Baht 550.70 million and it had continuous loss with net loss for the year 2020 of Baht 571.03 million. These factors raise substantial doubts about its abilities to continue as going concern. The continuation as a going concern of the Company depends upon its efficient operation to profitable level and its ability to generate adequate working fund for the operations of the Company. My opinion is not qualified with respect to this matter.

I draw attention to Condensed Note 4.2 to the financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 in preparation of the financial statements for the year ended December 31, 2020. My conclusion is not modified in respect of this matter.

**Other Information**

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

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

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

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

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

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

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

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

**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements**

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

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

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

**Auditor's Responsibilities for the Audit of the consolidated and separate financial statements (Con't)**

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

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

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

On 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 1<sup>st</sup>, 3<sup>rd</sup>, Soi Viphavadee Rangsit 44,

Chatuchak, Bangkok

March 1, 2021

## SOLARTRON PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit : Baht					
		Consolidated			Separate		
	Note	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	9	21,508,575	30,588,908	23,216,663	492,715	10,795,775	690,621
Trade accounts and other current receivables - net	8, 10	108,242,230	148,624,394	125,233,898	107,398,651	141,939,612	252,144,238
Current contract assets	8, 11	1,724,014	6,018,634	107,742,293	30,022,405	40,475,861	166,692,256
Retention receivables		4,076,253	4,168,001	3,792,242	4,076,253	4,168,001	3,792,242
Short - term loans to subsidiary and related party	8.2	-	-	-	-	5,700,000	5,700,000
Short - term loan to other company	12	158,400	-	2,900,000	158,400	-	2,900,000
Inventories - net	13	60,519,487	98,227,914	286,051,860	60,519,487	98,227,914	286,051,860
Other current assets		10,007,355	9,079,282	47,189,342	9,063,336	6,927,844	36,637,740
<b>Total current assets</b>		<b>206,236,314</b>	<b>296,707,133</b>	<b>596,126,298</b>	<b>211,731,247</b>	<b>308,235,007</b>	<b>754,608,957</b>
<b>NON - CURRENT ASSETS</b>							
Current financial assets pledged as collateral	14	45,976,880	45,979,148	45,564,551	45,976,880	45,979,148	45,564,551
Investments in subsidiaries - net	15	-	-	-	166,299,350	166,299,350	199,548,950
Investments in joint venture - net		-	-	681,119	-	-	-
Property, plant and equipment - net	16	1,535,607,041	2,045,752,701	2,197,166,882	953,070,697	1,433,246,425	1,579,220,502
Right of use assets - net	17.1	27,170,610	19,897,590	20,799,653	8,177,554	-	-
Intangible assets - net	18	10,227,876	11,493,476	14,825,923	10,227,877	11,493,476	14,825,923
Deferred tax assets	19	91,114,231	47,274,544	85,895,865	90,618,335	47,274,544	85,895,865
Other non - current assets		5,481,426	5,748,728	9,974,077	5,229,870	5,497,146	9,777,854
<b>Total non - current assets</b>		<b>1,715,578,064</b>	<b>2,176,146,187</b>	<b>2,374,908,070</b>	<b>1,279,600,563</b>	<b>1,709,790,089</b>	<b>1,934,833,645</b>
<b>TOTAL ASSETS</b>		<b>1,921,814,378</b>	<b>2,472,853,320</b>	<b>2,971,034,368</b>	<b>1,491,331,810</b>	<b>2,018,025,096</b>	<b>2,689,442,602</b>

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, 2020**

		Unit : Baht					
		Consolidated			Separate		
Note	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>							
<b>CURRENT LIABILITIES</b>							
Bank overdraft and short - term							
loans from financial institutions	20	91,934,564	109,031,996	451,700,881	89,272,945	105,025,662	448,591,055
Payable under factoring contracts	21	5,355,225	8,544,931	10,885,828	5,355,225	8,544,931	10,885,828
Trade accounts and other current payables	8.1, 22	191,475,740	189,423,973	260,772,925	195,523,536	187,581,533	262,117,597
Current contract liabilities	8.1, 11	5,633,722	8,400,287	2,153,223	5,633,722	8,400,287	16,681,317
Discounted bills of exchange	23	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Short - term loans from subsidiaries	8.2	-	-	-	113,381,730	108,931,730	32,800,000
Short - term loans from directors	8.2	246,632,517	195,348,750	128,940,106	246,632,517	195,348,750	128,940,106
Short - term loans from other person	24	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000
Current portion of liabilities under							
Long - term loans from financial institutions	25	44,821,076	40,943,676	187,868,109	917,021	108,887	160,463,109
Lease liabilities	17.2	2,447,848	251,475	583,271	2,447,848	251,475	583,271
Provision for employee benefits	26.1	8,107,940	11,405,752	9,863,468	8,107,940	11,405,752	9,863,468
Accrued income tax		139,966	36,918	366,253	-	-	-
Other current liabilities		8,648,799	9,288,663	47,981,820	8,156,780	9,563,704	47,480,702
<b>Total current liabilities</b>		<b>692,197,397</b>	<b>659,676,421</b>	<b>1,188,115,884</b>	<b>762,429,264</b>	<b>722,162,711</b>	<b>1,205,406,453</b>
<b>NON - CURRENT LIABILITIES</b>							
Long - term loans from financial institutions - net	25	658,689,806	705,195,917	322,008,750	165,640,279	167,325,257	-
Lease liabilities - net	17.2	6,256,905	-	251,475	6,256,905	-	251,475



Provision for employee benefit - net	26.1	20,951,685	25,339,420	17,121,273	20,951,684	25,339,420	17,121,273
Non current contract liabilities		17,659,889	19,735,370	4,288,488	17,659,889	19,735,350	4,288,488
Non current liabilities		23,886,095	22,225,216	-	23,886,094	22,225,216	-
<b>Total non current liabilities</b>		<u>727,444,380</u>	<u>772,495,923</u>	<u>343,669,986</u>	<u>234,394,851</u>	<u>234,625,243</u>	<u>21,661,236</u>
<b>TOTAL LIABILITIES</b>		<u>1,419,641,777</u>	<u>1,432,172,344</u>	<u>1,531,785,870</u>	<u>996,824,115</u>	<u>956,787,954</u>	<u>1,227,067,689</u>

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, 2020**

		Unit : Baht					
		Consolidated			Separate		
Note	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)	December 31, 2020	December 31, 2019 (Restated)	January 1, 2019 (Restated)	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Con't)</b>							
<b>SHAREHOLDERS' EQUITY</b>							
Share capital	27						
Authorized share capital							
544,124,723 common shares of Baht 1.- each in 2020 and							
870,597,723 common shares of Baht 1.- each in 2019	544,124,723	870,597,723	870,597,723	544,124,723	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	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	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	55,965,054	55,965,054	
Unappropriated	(1,634,663,306)	(1,098,093,767)	(695,809,120)	(1,324,342,952)	(757,613,505)	(356,475,734)	
Other components of shareholders' equity	236,424,992	236,424,992	236,424,992	-	-	-	
Equity attributable to owners of the parent	420,612,333	957,181,872	1,359,466,519	494,507,695	1,061,237,142	1,462,374,913	
Non - controlling interests	81,560,268	83,499,104	79,781,979	-	-	-	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>502,172,601</b>	<b>1,040,680,976</b>	<b>1,439,248,498</b>	<b>494,507,695</b>	<b>1,061,237,142</b>	<b>1,462,374,913</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,921,814,378</b>	<b>2,472,853,320</b>	<b>2,971,034,368</b>	<b>1,491,331,810</b>	<b>2,018,025,096</b>	<b>2,689,442,602</b>	

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, 2020**

		Unit : Baht				
		Consolidated		Separate		
		2020	2019	2020	2019	
Not			(Restated)		(Restated)	
e						
<b>REVENUES</b>						
	Revenue from sales of goods with installation	8.1	130,783,329	164,695,198	113,475,548	202,197,272
	Revenue from sales of electricity		69,153,943	99,784,978	-	-
	Revenue from sales and hire of work	8.1	79,348,414	156,070,430	79,348,414	157,046,457
	Other incomes	8.1	12,882,737	14,322,672	17,645,361	25,681,756
	<b>Total revenues</b>		<b>292,168,423</b>	<b>434,873,278</b>	<b>210,469,323</b>	<b>384,925,485</b>
<b>EXPENSES</b>						
	Cost of sales - goods with installation	8.1	101,584,017	177,278,525	104,717,549	205,844,107
	Cost of sales - electricity		43,536,684	43,190,378	-	-
	Cost of sales - goods and hire of work		80,341,720	202,307,299	80,341,720	202,307,299
	Administrative expenses		168,870,229	191,565,382	168,870,229	191,565,382
	Distribution costs		15,321,191	20,823,820	15,321,191	20,823,820
	Administrative expenses		67,878,427	100,823,703	75,441,361	88,317,803
	Impairment loss of assets	16	348,157,614	-	348,157,614	-
	<b>Total expenses</b>		<b>825,689,882</b>	<b>735,989,107</b>	<b>792,849,664</b>	<b>708,858,411</b>
	<b>LOSS FROM OPERATING</b>		<b>(533,521,459)</b>	<b>(301,115,829)</b>	<b>(582,380,341)</b>	<b>(323,932,926)</b>
	Finance costs	8.1	(54,096,448)	(58,023,131)	(33,177,812)	(38,507,825)
	Share of profit (loss) in joint venture		-	(681,119)	-	-
	<b>LOSS BEFORE INCOME TAX</b>		<b>(587,617,907)</b>	<b>(359,820,079)</b>	<b>(615,558,153)</b>	<b>(362,440,751)</b>
	Income tax (expenses)	19.1	44,810,430	(38,686,884)	44,529,604	(38,636,461)
	<b>NET LOSS FOR THE YEAR</b>		<b>(542,807,477)</b>	<b>(398,506,963)</b>	<b>(571,028,549)</b>	<b>(401,077,212)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
	Defined benefit plan remeasurement profit (loss)		-	-	-	-
	net from income tax	19.2	4,743,251	(60,559)	4,743,251	(60,559)
	<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(538,064,226)</b>	<b>(398,567,522)</b>	<b>(566,285,298)</b>	<b>(401,137,771)</b>

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, 2020**

		Unit : Baht			
		Consolidated		Separate	
	Note	2020	2019 (Restated)	2020	2019 (Restated)
<b>NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO :</b>					
Owners of the parent		(540,868,641)	(402,224,088)		
Non - controlling interests		(1,938,836)	3,717,125		
<b>NET PROFIT (LOSS) FOR THE YEAR</b>		<u>(542,807,477)</u>	<u>(398,506,963)</u>		
<b>COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :</b>					
Owners of the parent		(536,125,390)	(402,284,647)		
Non - controlling interests		(1,938,836)	3,717,125		
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<u>(538,064,226)</u>	<u>(398,567,522)</u>		
<b>BASIC LOSS PER SHARE (BAHT : SHARE)</b>					
Net loss in equity attributable to owners of the parent	29	(0.99)	(0.74)	(1.05)	(0.74)

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,**  
**2020**

		Unit : Baht							
		Consolidated							
		Equity attributable to owners of the parent							
	Note	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other component of shareholders' equity Gain from investment transference	Total equity attribute to the parent	Non - controlling interest	Total shareholder's equity
				Appropriated legal reserve	Unappropriated				
Balance as at January 1, 2019 (Before 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
The impacts from correction of significant errors	5	-	-	-	(34,496,874)	-	(34,496,874)	-	(34,496,874)
Balance as at January 1, 2019 (After Adjustment)		544,124,723	1,218,760,870	55,965,054	(695,809,120)	236,424,992	1,359,466,519	79,781,979	1,439,248,498
<i>Comprehensive Loss for the year :</i>									
Loss for the year		-	-	-	(402,224,088)	-	(402,224,088)	3,717,125	(398,506,963)
Other comprehensive loss for the year		-	-	-	(60,559)	-	(60,559)	-	(60,559)
Total comprehensive loss for the year		-	-	-	(402,284,647)	-	(402,284,647)	3,717,125	(398,567,522)
Balance as at December 31, 2019		<u>544,124,723</u>	<u>1,218,760,870</u>	<u>55,965,054</u>	<u>(1,098,093,767)</u>	<u>236,424,992</u>	<u>957,181,872</u>	<u>83,499,104</u>	<u>1,040,680,976</u>
Balance as at January 1, 2020(Before Adjustment)		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

The impacts from correction of significant errors	5	-	-	-	(1,363,627)	-	(1,363,627)	-	(1,363,627)
Balance as at January 1, 2020 (After Adjustment)		544,124,723	1,218,760,870	55,965,054	(1,098,093,767)	236,424,992	957,181,872	83,499,104	1,040,680,976
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standards	6	-	-	-	(444,149)	-	(444,149)	-	(444,149)
Balance as at January 1, 2020 (After Adjustment)		544,124,723	1,218,760,870	55,965,054	(1,098,537,916)	236,424,992	956,737,723	83,499,104	1,040,236,827
<i>Comprehensive loss for the year :</i>									
Loss for the year		-	-	-	(540,868,641)	-	(540,868,641)	(1,938,836)	(542,807,477)
Other comprehensive loss for the year		-	-	-	4,743,251	-	4,743,251	-	4,743,251
Total comprehensive loss for the year		-	-	-	(536,125,390)	-	(536,125,390)	(1,938,836)	(538,064,226)
Balance as at December 31, 2020		<u>544,124,723</u>	<u>1,218,760,870</u>	<u>55,965,054</u>	<u>(1,634,663,306)</u>	<u>236,424,992</u>	<u>420,612,333</u>	<u>81,560,268</u>	<u>502,172,601</u>

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, 2020**

Unit : Baht					
Separate					
Note	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Total shareholder's equity
			Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2019 (Before Adjustment)	544,124,723	1,218,760,870	55,965,054	(293,837,388)	1,525,013,259
The impacts from correction of significant errors	-	-	-	(62,638,346)	(62,638,346)
Balance as at January 1, 2019 (After Adjustment)	544,124,723	1,218,760,870	55,965,054	(356,475,734)	1,462,374,913
<i>Comprehensive Loss for the year :</i>					
Loss for the year	-	-	-	(401,077,212)	(401,077,212)
Other comprehensive loss for the year	-	-	-	(60,559)	(60,559)
Total comprehensive loss for the year	-	-	-	(401,137,771)	(401,137,771)
Balance as at December 31, 2019	544,124,723	1,218,760,870	55,965,054	(757,613,505)	1,061,237,142
Balance as at January 1, 2020 (Before Adjustment)	544,124,723	1,218,760,870	55,965,054	(757,492,490)	1,061,358,157
The impacts from correction of significant errors	-	-	-	(121,015)	(121,015)
Balance as at January 1, 2020 (After Adjustment)	544,124,723	1,218,760,870	55,965,054	(757,613,505)	1,061,237,142
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standards	-	-	-	(444,149)	(444,149)
Balance as at January 1, 2020 (After Adjustment)	544,124,723	1,218,760,870	55,965,054	(758,057,654)	1,060,792,993
<i>Comprehensive Loss for the year :</i>					
Loss for the year	-	-	-	(571,028,549)	(571,028,549)
Other comprehensive loss for the year	-	-	-	4,743,251	4,743,251
Total comprehensive loss for the year	-	-	-	(566,285,298)	(566,285,298)
Balance as at December 31, 2020	544,124,723	1,218,760,870	55,965,054	(1,324,342,952)	494,507,695



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, 2020

		Unit : Baht			
		Consolidated		Separate	
	Note	2020	2019 (Restated)	2020	2019 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before income tax		(587,617,907)	(359,820,079)	(615,558,153)	(362,440,751)
Reconciliations of net profit (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expenses	16, 17, 18	171,911,743	175,686,891	135,470,711	140,734,143
Written - off withholding tax		29	-	-	-
Allowance for expected credit loss	10	2,983,651	5,326,901	12,392,075	5,326,901
Reversal of allowances for expected credit loss	10	(3,226,960)	(4,499,270)	(3,226,960)	(4,499,270)
Allowance for loss on diminution in value of inventories	13	1,205,421	13,755,334	1,205,421	13,755,334
Reversal of loss on diminution in value of inventories	13	(4,176,705)	-	(4,176,705)	-
Expected credit losses from loan to related company	8.2	1,200,000	-	7,200,000	-
Impairment losses of assets	16	358,681,800	-	358,681,800	-
Reversal of impairment losses of assets	16	(10,524,186)	-	(10,524,186)	-
Post employee benefit expenses	26	2,166,306	12,571,051	2,166,306	12,571,051
Reversal of employee benefit	26	(2,616,000)	-	(2,616,000)	-
Loss (gain) from disposal of assets	16, 17	(7,909,989)	6,120,770	(8,161,952)	6,120,770
Loss from written - of assets	16	920,216	-	914,870	-
Share of loss (profit) in Joint Venture		-	681,118	-	-
Unrealized (gain) loss on exchange rate		(318,511)	(558,992)	(318,511)	(423,533)
Transferring assets to inventory		(113,278)	-	(113,278)	-
Gain from transferred investment		-	-	-	(4,934,010)
Other income		(380,000)	-	(380,000)	-
Interest income		(444,960)	(1,998,711)	(843,394)	(399,000)
Adback expenses		1,091,538	-	1,091,538	-
Interest expenses		54,096,448	58,023,131	33,177,812	38,507,825
Loss from operating activities before changes in operating assets and liabilities		(23,071,344)	(94,711,856)	(93,618,606)	(155,680,540)
Decrease (increase) in operating assets:-					
Trade accounts and other current receivables		40,291,206	(23,623,276)	25,314,339	110,235,386
Current contract assets		3,052,007	104,430,004	10,453,456	126,216,395
Retentions receivables		91,748	(375,759)	91,748	(375,759)
Inventories		40,679,711	174,068,612	40,679,711	174,068,612
Other current assets		(928,073)	28,894,721	(2,239,950)	29,709,896
Other non - current assets		313,335	(252,029)	313,335	(366,635)

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, 2020**

		Unit : Baht			
		Consolidated		Separate	
	Note	2020	2019 (Restated)	2020	2019 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES (Con't)</b>					
Increase (decrease) in operating liabilities:					
Trade accounts and other current payables		(9,023,616)	(68,896,421)	(8,834,650)	(73,956,532)
Current contract liabilities		(1,718,960)	5,199,458	(2,766,565)	(9,328,636)
Employee benefit paid for the year	26	(1,306,790)	(2,886,319)	(1,306,790)	(2,886,319)
Other current liabilities		(1,687,470)	(6,342,828)	(871,376)	(37,916,998)
Contractual liabilities with customers		(2,075,481)	15,446,881	(2,075,480)	15,446,881
Other non - current liabilities		(2,929,879)	(11,953,816)	1,660,878	22,225,217
<b>Cash provided by (used in) operating activities</b>		<b>41,686,394</b>	<b>118,997,372</b>	<b>(33,199,950)</b>	<b>197,390,968</b>
Expenses (income) tax paid		(1,457,796)	13,482,925	(1,097,461)	4,647,343
<b>Net cash provided by (used in) operating activities</b>		<b>40,228,598</b>	<b>132,480,297</b>	<b>(34,297,411)</b>	<b>202,038,311</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease (Increase) in current financial assets					
pledged as collateral		2,268	(414,597)	2,268	(414,597)
Short - term loans to subsidiary and related party	8.2	(1,200,000)	(5,500,000)	(1,500,000)	(6,730,500)
Receipt from short - term loans to subsidiary and related party	8.2	-	8,400,000	-	9,630,500
Short - term loans to other company	12	(180,000)	-	(180,000)	-
Receipt from short - term loans to other company	12	21,600	-	21,600	-
Acquisition of property, plant and equipment	16	(1,136,673)	(28,815,555)	(1,520,000)	(204,973)
Cash received from disposal assets	16	10,671,769	2,656,585	11,045,601	2,656,585
Interest income		489,362	1,998,711	471,181	-
<b>Net cash provided by (used in) investing activities</b>		<b>8,668,326</b>	<b>(21,674,856)</b>	<b>8,340,650</b>	<b>4,937,015</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Decrease in bank overdraft and short - term					
loans from financial institutions		(17,097,432)	(342,668,885)	(15,752,717)	(343,565,394)
Decrease in payable under factoring contracts		(3,189,706)	(2,340,897)	(3,189,706)	(2,340,897)
Interest paid for discounted bill of exchange		(8,228,490)	(7,386,543)	(8,228,490)	(7,386,543)
Receipt of short - term loans from subsidiaries	8.2	-	-	5,800,000	128,070,704
Repayment of short - term loans from subsidiaries	8.2	-	-	(1,350,000)	(19,938,974)

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, 2020**

		Unit : Baht				
		Consolidated		Separate		
		2020	2019	2020	2019	
			(Restated)		(Restated)	
Note						
<b>CASH FLOWS FROM FINANCING ACTIVITIES (Con't)</b>						
	Receipt of short - term loans from directors	8.2	53,328,166	70,556,644	53,328,166	70,556,644
	Repayment of short - term loans from directors	8.2	(2,044,400)	(4,148,000)	(2,044,400)	(4,148,000)
	Receipt of long - term loans from financial institution	25	-	427,434,144	-	167,434,144
	Repayment of long - term loans from financial institutions	25	(42,009,571)	(191,171,410)	(897,363)	(160,463,109)
	Repayment of lease liabilities	17.2	(3,089,262)	(583,271)	(3,089,262)	(583,271)
	Interest paid		(35,646,562)	(53,124,978)	(8,922,527)	(24,505,476)
	<b>Net cash provided by (used in) financing activities</b>		<b>(57,977,257)</b>	<b>(103,433,196)</b>	<b>15,653,701</b>	<b>(196,870,172)</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(9,080,333)</b>	<b>7,372,245</b>	<b>(10,303,060)</b>	<b>10,105,154</b>
	<b>Cash and cash equivalents at beginning of the year</b>		<b>30,588,908</b>	<b>23,216,663</b>	<b>10,795,775</b>	<b>690,621</b>
	<b>Cash and cash equivalents at end of the year</b>		<b>21,508,575</b>	<b>30,588,908</b>	<b>492,715</b>	<b>10,795,775</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION**

1.	Non - cash iteme					
	The Company purchase of fixed assets on lease contract		12,149,793	-	11,542,540	-
2.	Unutilized credit facilities for future working capital		107,941,402	213,388,004	92,683,021	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 THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2020****1. GENERAL INFORMATION****1.1 General information about the Company**

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 16<sup>th</sup> 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 have 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 9 megawatts. The Commercial Operation Date (COD) was December 30, 2016. In addition, a 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 megawatts. 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.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic (COVID-19) in Thailand and other countries is continuing to evolve widely, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Company and its subsidiaries' management have continuously monitored ongoing developments and evaluated its operation and the management must use estimate and judgement in respect of various issues as the situation has evolved.

**2. COMPANY'S OPERATION**

As at December 31, 2020, the Company's current liabilities was in excess of its current assets by the amounting to Baht 550.70 million and it had continuous loss with net loss for the year 2020 of Baht 571.03 million. The Company also lacks financial liquidity to perform its short-term debt. These factors raise substantial doubts about its abilities to continue as going concern. The continuation as a going concern of the Company depends upon its efficient operation to profitable level and its ability to generate adequate working fund Company. These financial statements have been prepared in accordance with Thai Financial Reporting Standard for Publicly Accountable Entities (TFRS for PAEs) under going concern basis, and thus, they do not include any of the adjustments that might be required to adjust assets to their recoverable values and liabilities to the amounts that might be repaid and reclassifications of accounts that might be necessary should the Company be able to continue its operations as a going concern.

### **3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

#### **3.1 Basis of preparation of financial statements**

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

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("TFAC") and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No. 1 (Revised 2019) 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.3, B.E. 2562" dated December 26, 2019 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, 2020.

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.

### **3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)**

#### **3.2 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). The details of subsidiaries as follows:

Name of Company	Operation		Percentage of Holdings	
	Type of business	Location	2020	2019
<b>Subsidiaries held by The Company :</b>				
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%	51.00%
Solartron Energy 3 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	100.00%	100.00%
Solartron Energy 5 Co., Ltd.	Produce and distribute of electricity from solar energy	Thailand	51.00%	51.00%
SLTT Joint venture	Produce and distribute of electricity from solar energy	Thailand	50.00%	50.00%

(\*) The subsidiary has not commenced commercial activity.

3.2.1 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.

3.2.2 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.

3.2.3 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.

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

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

3.2.5 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.

### **3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)**

#### **3.2 Basis of preparation of consolidated financial statements (Con't)**

3.2.6 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.

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

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

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

3.2.8 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.

3.2.9 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.

#### **3.3 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.

### **4. ADOPTION OF NEW ACCOUNTING STANDARDS**

#### **4.1 Adoption of new accounting standards effective in the current year**

In current year, the Company and its subsidiaries have applied the revised (revised 2019) and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) Interpretations (SIC and TFRIC) and Accounting Treatment Guidance as announced by the Federation of Accounting Professions which are effective for fiscal periods beginning on or after 1 January 2020.

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. However, some of these standards involve changes to key principles, as follows:



#### 4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

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

###### *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 Standards

TAS 32 Financial Instruments: Presentation

###### Thai Financial Reporting Standard

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

###### Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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.

The effects of the adoption of these accounting standards are described below:

###### - Recognition of credit losses

The Company and its subsidiaries are to recognize an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company and its subsidiaries apply simplified approach to consider impairment of trade receivables. The Company and its subsidiaries' management have considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

###### *TFRS 16 Leases*

TFRS 16 supersedes TAS 17, 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. Lessors will continue to classify leases as either operating or finance leases.

#### 4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

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

The Company and its subsidiaries adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated. The cumulative effect of first adoption of new accounting standard as disclosed in Note 6 to the financial statements.

##### *The new and amended financial reporting standards*

The new and amended financial reporting standards that will have no significant impact on the Group are:

##### Thai Accounting Standards

TAS 12 (revised 2019)	Income tax
TAS 19 (revised 2019)	Employee benefits
TAS 23 (revised 2019)	Borrowing cost
TAS 28 (revised 2019)	Investments in associated and joint ventures

##### Thai Financial Reporting Standards

TFRS 3 (revised 2019)	Business combinations
TFRS 11(revised 2019)	Joint arrangements

##### Interpretation

TFRIC 23	Uncertainty over income tax treatments
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##### TAS 12 Income tax

Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized.

##### TAS 19 Employee benefits

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

##### TAS 23 Borrowing costs

Amendment to TAS 23, Borrowing costs clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

##### TAS 28 Investments in associates and joint ventures

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Company and its subsidiary(ies) must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

**4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)**

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

## TFRS 3 Business combinations

Amendment to TFRS 3, Business combinations clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

## TFRS 11, Joint arrangements

Amendment to TFRS 11, Joint arrangements clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

## 4.2 Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation".

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives :

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilized.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

## 4.3 New Thai Accounting Standards announce during the year not yet adopted

In current year, the Thailand Federation of Accounting Professions has issued Notification regarding the revised (revised 2020) and newly Conceptual Framework for Financial Reporting 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 which effective for the financial statements for fiscal years beginning on or after January 1, 2021. The Company and its subsidiaries have not applied such standards before the effective period.

**4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)**

## 4.3 New Thai Accounting Standards announce during the year not yet adopted (Con't)

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The 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 :

*Conceptual Framework for Financial Reporting*

Revised Conceptual Framework for Financial Reporting added the following key principals and guidance :

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, clarification the role of management's ability to maintain the entity's economic resources, and uncertainty of the measurement in financial reporting.

This revised has no impact to the Company and its subsidiaries.

*TAS 1 Presentation of financial statements and TAS 8 Accounting policies, changes in accounting estimates and errors*

Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

The revised has no impact to the Company and its subsidiaries.

*TFRS 9 Financial instruments and TFRS 7, Financial instruments: disclosures*

Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

This revised Thai Financial Reporting Standard has no impact to the Company and its subsidiaries.

## 5. CORRECTION OF SIGNIFICANT ERROR

During the year of 2020, the Company discovered that incremental actual cost of certain solar panel installation projects started in 2017 and 2018 and completed in 2019 were different from project cost

estimate used to measure progress of completion in revenue from contracts recognition. In addition, product warranties were included in unrealized revenue from contracts. The Company, therefore, corrected errors by retrospective restating the comparative financial statements. The effects of the correction of errors are summarized as the following:

	Unit : Thousand Baht			
	Consolidated			
	Dec 31, 2019	Error improvement from		Jan 1, 2020
		Recognition of revenue from sales with installation increase (decrease)	Recognition of contract income increase (decrease)	
<u>Statement of financial position as at 31 December 2019</u>				
Unbilled receivables	6,506	(488)	-	6,018
Other current liabilities	6,711	3,626	-	10,337
Revenue from contractual liabilities				
with customers	39,575	-	(19,839)	19,736
Non current liabilities	5,136	-	17,090	22,226
Deficit at the beginning period	1,096,730	1,364	-	1,098,094

	Unit : Thousand Baht			
	Consolidated			
	Previously Reported	Error improvement from		Restated
		Recognition of revenue from sales with installation increase (decrease)	Recognition of contract income increase (decrease)	
<u>Statement of comprehensive income for the year ended 31 December 2019</u>				
Revenue from sales of goods				
with installation	143,810	(20,175)	(1,629)	122,006
Cost of sales - goods with installation	322,585	(21,478)	(1,543)	299,564
Net loss for the year	340,452	(1,303)	86	339,235
Basic loss per share (Baht : Share)	(0.62)	(0.00)	(0.00)	(0.62)

## 5. CORRECTION OF SIGNIFICANT ERROR (Con't)

	Unit : Thousand Baht			
	Separate			
	Dec 31, 2019	Error improvement from		Jan 1, 2020
		Recognition of revenue from sales with installation increase (decrease)	Recognition of contract income increase (decrease)	
<u>Statement of financial position as at 31 December 2019</u>				
Unbilled receivables	39,721	755	-	40,476
Other current liabilities	5,938	3,626	-	9,564
Revenue from contractual liabilities				
with customers	39,575	-	(19,839)	19,736
Non current liabilities	5,136	-	17,090	22,226
Deficit at the beginning period	757,492	(121)	-	757,371

	Unit : Thousand Baht			
	Separate			
	Previously Reported	Error improvement from		Restated
		Recognition of revenue from sales with installation increase (decrease)	Recognition of contract income increase (decrease)	
<u>Statement of comprehensive income for the year ended 31 December 2019</u>				
Revenue from sales of goods				
with installation	172,094	37,118	(1,629)	207,563
Cost of sales - goods with installation	333,679	(21,476)	(1,543)	(310,658)
Net loss for the year	336,358	(58,596)	86	277,848
Basic loss per share (Baht : Share)	(0.61)	0.10	(0.00)	(0.51)

## 6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 5.1 to the financial statements, during the current period, the Company and its subsidiary has adopted financial reporting standards related to financial instruments and TFRS 16 which will have no effect to the retained earnings as at January 1, 2020 and no restatement to the comparative information.

### 6.1 Financial instrument

Classification and measurement :

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

	Unit : Thousand Baht					
	Classification and measurement in accordance with TFRS 9					
	Consolidated			Separate		
	Carrying amounts under the former basis	Fair value through Profit or loss	Amortized cost	Carrying amounts under the former basis	Fair value through Profit or loss	Amortized cost
<b>Financial assets</b>						
Cash and cash equivalents	30,589	-	30,589	10,796	-	10,796
Trade accounts and other current receivables	148,624	-	148,624	141,940	-	141,940
Current contract assets	6,506	-	6,506	39,721	-	39,721
Short - term loans to subsidiary	-	-	-	5,700	-	5,700
Current financial assets pledged as collateral	45,979	-	45,979	45,979	-	45,979
<b>Total</b>	<b>231,698</b>	<b>-</b>	<b>231,698</b>	<b>244,136</b>	<b>-</b>	<b>244,136</b>
<b>Financial liabilities</b>						
Bank overdraft and short - term loans from financial institutions	109,032	-	109,032	105,026	-	105,026
Payable under factoring contracts	8,545	-	8,545	8,545	-	8,545
Trade accounts and other current payables	189,328	-	189,328	188,117	-	188,117
Discounted bills of exchange	40,000	-	40,000	40,000	-	40,000
Short - term loans from subsidiaries	-	-	-	108,932	-	108,932
Short - term loans from directors	195,349	-	195,349	195,349	-	195,349
Short - term loans from other person	47,000	-	47,000	47,000	-	47,000
Long - term loans from financial institutions	746,140	-	746,140	167,434	-	167,434
<b>Total</b>	<b>1,335,394</b>	<b>-</b>	<b>1,335,394</b>	<b>860,403</b>	<b>-</b>	<b>860,403</b>

Financial assets and financial liabilities which measured at amortized cost is closed to fair value.

The change in accounting policy due to the adoption of financial reporting standards related to financial instruments has no impact to retained earning as at January 1, 2020.

## 6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

### 6.2 Leases

Upon initial application of TFRS 16, the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rates as at January 1, 2020. The weighted-average interest rate implicit in the lease applied to the lease liabilities are 3.275%. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

#### Impact on the financial information

The adoption of Thai Financial Reporting Standard No. 16 has impact to the Company and its subsidiaries' statement of financial position as of January 1, 2020, are as follows :

	Unit : Thousand Baht		
	Consolidated		
	Adjustment		
The previous accounting policies	Thai Financial Reporting Standard No. 16	After adjustment	
<b>STATEMENT OF FINANCIAL POSITION</b>			
<u>Non - current assets</u>			
Right-of-use assets	19,898	12,149	32,047
<u>Current liabilities</u>			
Current portion of lease liabilities	251	2,976	3,227
<u>Non - current liabilities</u>			
Lease liabilities - net	-	8,567	8,567
<u>Shareholder' equity</u>			
Deficit at the beginning period	1,096,730	444	1,097,174



## 6. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS (Con't)

### 6.2 Leases (Con't)

The adoption of Thai Financial Reporting Standard No. 16 has impact to the Company and its subsidiaries' statement of financial position as of January 1, 2020, are as follows : (Con't)

	Unit : Thousand Baht		
	Separate		
	The previous accounting policies	Adjustment Thai Financial Reporting Standard No. 16	After adjustment
<b>STATEMENT OF FINANCIAL POSITION</b>			
<u>Non - current assets</u>			
Right-of-use assets	-	12,149	12,149
<u>Current liabilities</u>			
Current portion of lease liabilities	251	2,976	3,227
<u>Non - current liabilities</u>			
Lease liabilities - net	-	8,567	8,567
<u>Shareholder' equity</u>			
Deficit at the beginning period	757,492	444	757,936

The measurement of lease liabilities at the January 1, 2020 are as follow :

	Unit : Thousand Baht	
	Consolidated and Separate	
Operating lease commitments as at December 31, 2019		3,561
<u>Add</u> Option to extend lease term		7,982
<u>Less</u> Deferred interest expense		(3)
Increase in lease liabilities due to TFES 16 adoption		11,540
Liability under finance lease contract as at December 31, 2019		254
Lease liabilities as at January 1, 2020		11,794
Comprised of :		
Current lease liabilities		3,227
Non - current lease liabilities		8,567
Total		11,794

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarized below :

	Unit : Thousand Baht	
	Consolidated and Separate	
Office area		10,585
Vehicles		1,565
Total right-of-use assets		12,150

## 7. 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. Except a new accounting policy for the year 2020 as a result of the first adoption of revised and newly accounting standard as follows :-

- Financial instrument
- Lease

Details of the new accounting policies adopted by the Company and its subsidiaries as disclosed in Note 7.19 and 7.7 to the financial statements respectively.

### 7.1 Recognition of revenues and expenses

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.

#### 7.1.1 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.

#### 7.1.2 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.

**7. SIGNIFICANT ACCOUNTING POLICIES (Con't)****7.1 Recognition of revenues and expense (Con't)****7.1.3 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.

**7.1.4 Proceeds from services are recognized when services are rendered.****7.1.5 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.****7.1.6 Interest expense's from financial liabilities at amortized cost is calculated using the effective interest method and are recognized on an accrual basis.****7.1.7 Others income and expense is recognized on an accrual basis.****7.2 Cash and cash equivalents**

Cash and cash equivalent consist of cash on hand, bank deposits with financial institution with an original maturity of 3 month or less, which are not restricted to any use and all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value 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.

**7.3 Trade accounts and other current receivables and allowance for expected credit losses***Accounting policies adopted since January 1, 2020*

Trade accounts receivable are stated at the net allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 7.18.4

*Accounting policies adopted before January 1, 2020*

Trade accounts receivable are stated at the net realizable value.

The Company and its subsidiaries provide allowance for doubtful accounts for estimated losses that may incur in collection of receivables. The allowance is based on collection experiences and current status of receivables outstanding at the reporting date.

**7. SIGNIFICANT ACCOUNTING POLICIES (Con't)****7.4 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.

**7.5 Investments****7.5.1 Investments in subsidiaries.**

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

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.

**7.5.2 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.

**7.6 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.

**7. SIGNIFICANT ACCOUNTING POLICIES (Con't)****7.6 Property, plant and equipment and depreciation (Con't)**

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.

#### 7.7 Lease

At inception of contract, the Company and its subsidiaries assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

#### *Accounting policies adopted since January 1, 2020*

##### 7.7.1 Long-term leases - where is the lessee

The Company and its subsidiaries applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company and its subsidiaries recognizes right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### *Right-of-use assets*

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognized, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

### 7.7 Lease (Con't)

#### 7.7.1 Long-term leases - where is the lessee (Con't)

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Office area	6	Years
Vehicle	5	Years

If ownership of the leased asset is transferred to the Company and its subsidiaries at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### *Lease liabilities*

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Company and its subsidiaries discounted the present value of the lease payments by the interest rate implicit in the lease or the Company and its subsidiaries incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases and leases of low-value assets*

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

#### *Accounting policies adopted since January 1, 2020*

##### 7.7.2 Long-term leases - Where is the lessee

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.

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

### 7.7 Lease (Con't)

#### 7.7.2 Long-term leases - Where is the lessee (Con't)

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*

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

*Lease hold rights*

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

Leasehold rights is amortized straight line method over the lease period (21 years).

7.8 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.

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

7.9 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 life 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

#### 7.10 Employee benefits

##### 7.10.1 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.

##### 7.10.2 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 recognized as expenses when incurred.

##### 7.10.3 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.

## 7. SIGNIFICANT ACCOUNTING POLICIES (Con't)

### 7.11 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.

#### 7.12 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.

#### 7.13 Income tax

The tax expense for the year 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 subsidiaries 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.

## 7. SIGNIFICANT ACCOUNTING POLICIES (Con't)

#### 7.13 Income tax (Con't)

*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.

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.

**7.14 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.

**7. SIGNIFICANT ACCOUNTING POLICIES (Con't)****7.15 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.

#### 7.16 Impairment of non - financial assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the assets. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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

An impairment loss is recognized in profit or loss

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exist, the Company estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### 7.17 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.

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

#### 7.18 Financial instruments

*Accounting policies adopted since January 1, 2020*

The Company and its subsidiaries initially measure financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

## 7.18.1 Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost. The classification of financial assets at initial recognition is driven by the Company and its subsidiaries business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

*Financial assets at FVTPL*

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement. These financial assets include derivatives, security investments held for trading, equity investments which the Company and its subsidiaries has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognized as other income in the income statement.

*Financial assets at FVOCI (debt instruments)*

The Company and its subsidiaries measure financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the income statement.

*Financial assets at amortized cost*

The Company and its subsidiaries measure financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or impaired.

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

## 7.18 Financial instruments (Con't)

#### 7.18.2 Classification and measurement of financial liabilities

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

Except for derivative liabilities, at initial recognition the Company and its subsidiaries financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company and its subsidiaries takes into account any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

#### 7.18.3 Derecognition of financial instruments

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiaries has transferred substantially all the risks and rewards of the asset, or the Company and its subsidiaries has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss.

#### 7.18.4 Impairment of financial assets

##### *Debt instruments not held at FVTPL*

The Company and its subsidiaries recognize an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and its subsidiaries expects to receive, discounted at an approximation of the original effective interest rate.

##### *Trade receivables and contract assets*

For trade receivables and contract assets, the Company and its subsidiaries applies a simplified approach in calculating ECLs. Therefore, the Company and its subsidiaries does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

### 7. SIGNIFICANT ACCOUNTING POLICIES (Con't)

#### 7.18 Financial instruments (Con't)

#### 7.18.4 Impairment of financial assets (Con't)

##### *ECL Calculation*

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company and its subsidiaries consider a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company and its subsidiaries may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

##### *Written-off*

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

#### 7.18.5 Derecognition of financial instruments

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiaries have transferred substantially all the risks and rewards of the asset, or the Company and its subsidiaries have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### 7.19 Determination of fair values

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 applies 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 measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

#### 7.19 Determination of fair values (Con't)

In applying the above-mentioned valuation techniques, the Company and its subsidiaries 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.

#### 7.20 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TFRS 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, thus, the actual results may differ from carrying amounts of assets and liabilities based on the estimates and assumptions.

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.

All other estimates mentioned above are further detailed in the corresponding disclosures except significant accounting judgments and estimates are as follow :

##### 7.20.1 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.

#### 7. SIGNIFICANT ACCOUNTING POLICIES (Con't)

## 7.20 Significant accounting judgments and estimates (Con't)

## 7.20.1 Revenue from contracts with customers (Con't)

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.

## 7.20.2 Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize 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.

## 7.20.3 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.

## 7.20.4 Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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

## 7.20 Significant accounting judgments and estimates (Con't)



#### 7.20.5 Allowance for obsolescence and diminution in inventories

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.

#### 7.20.6 Depreciation of Property plant and equipment and right-of-use assets and amortization of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes

#### 7.20.7 Impairment

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.

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.

#### 7.20.8 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.

### 7. SIGNIFICANT ACCOUNTING POLICIES (Con't)

#### 7.20 Significant accounting judgments and estimates (Con't)

#### 7.20.9 Employee benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

#### 7.20.10 Leases

##### *Determining the lease term with extension and termination options - as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Company and its subsidiaries are reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company and its subsidiaries to exercise either the extension or termination option. After the commencement date, the Company and its subsidiaries reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

##### *Estimating the incremental borrowing rate - as a lessee*

The Company and its subsidiaries cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company and its subsidiaries would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

##### *Determining the lease term of contracts with renewal and termination options*

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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

### 7.20 Significant accounting judgments and estimates (Con't)

#### 7.20.11 Fair value of financial instruments

In determining the fair value of financial instruments disclosed in the financial statements that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value disclosed in the financial statements and disclosures of fair value hierarchy.

#### 7.20.12 Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation. However, actual results could differ from the estimates.

### 8. RELATED PARTY TRANSACTIONS

The Company has certain transactions with subsidiaries related company, joint venture and related persons. 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 parties except subsidiaries as described in Note 3.2 to the financial statements are as follows :

Company's name	Relationship	Operation		Percentage of Holdings	
		Type of business	Location	2020	2019
Thai Solar Future Co., Ltd	1	Exploration, design and installation of solar cells	Thailand	-	-
Mr.Akaradej Rojmeta	2	-	-	3.96	3.96
Mrs.Patama Wongtoythong	3	-	-	-	-

The nature of relationship among the Company with related company.

1. A director of this company is a director of the company.
2. The Company's shareholder and director.
3. The Company's director.

### 8. RELATED PARTY TRANSACTIONS (Con't)

8.1 The significant transactions with related parties are as follows :

Unit : Baht	
Consolidated	Separate

	Pricing policies	2020		2019	
		2020	2019	2020	2019
<b>Subsidiaries</b>					
Revenue from sales with installation	Per contract	-	-	-	1,265,989
Management incomes	Per contract	-	-	4,920,000	8,641,547
Maintenance service incomes	Per contract	-	-	8,520,000	6,652,000
Revenue from sale	Market price	-	-	-	217,700
	7% per	-	-		
Interest incomes	annum			416,615	407,967
Interest expenses	4.20%, 7% per annum	-	-	5,079,405	4,889,546
Credit loss on lending		-	-	6,000,000	-
<b>Joint Venture</b>					
	7% per				
Interest incomes	annum	70,918	103,509	70,918	103,509
Credit loss on lending		1,200,000	-	1,200,000	-
<b>Related company</b>					
Revenue from sale	Market price	218,138	-	218,138	-
Other income	Market price	32,800	2,795,800	32,800	2,795,800
Cost of sales with solar cells installation	Market price		-		-
<b>Related persons</b>					
Interest expenses	2.90%, 5.00% per annum	10,981,177	7,011,642	10,981,177	7,011,642

### 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	
	2020	2019	2020	2019
Short - term benefits	26,198,879	32,655,910	25,198,879	32,655,910
Post - employment benefits	552,843	1,912,305	552,843	1,912,305
Total	26,751,722	34,568,215	26,751,722	34,568,215

## 8. RELATED PARTY TRANSACTIONS (Con't)

8.2 The outstanding balances of accounts with related parties are as follows :

Unit : Baht

	Consolidated		Separate	
	2020	2019	2020	2019
<b>Trade accounts and other current receivables</b>				
Subsidiaries	-	-	22,311,126	6,336,590
Joint venture	427,444	100,000	427,444	100,000
Related company	3,475,391	3,212,238	3,475,391	3,212,238
<b>Total</b>	<b>3,902,835</b>	<b>3,312,238</b>	<b>26,213,961</b>	<b>9,648,628</b>
<b>Current contract assets</b>				
Unbilled receivables :				
Revenue recognize on percentage of completion basis :				
Subsidiaries	-	-	51,062,054	60,654,675
Value of contract billed :				
Subsidiaries	-	-	(24,006,270)	(27,440,060)
<b>Unbilled receivables - net</b>	<b>-</b>	<b>-</b>	<b>27,055,778</b>	<b>33,214,615</b>
<b>Trade accounts and other current payables</b>				
Subsidiaries	-	-	7,959,394	2,879,990
Related company	26,982,717	30,721,336	26,982,717	30,721,336
Related persons	27,487,056	16,014,819	27,487,056	16,014,819
<b>Total</b>	<b>54,469,773</b>	<b>46,736,155</b>	<b>62,429,167</b>	<b>49,616,145</b>

## 8. RELATED PARTY TRANSACTIONS (Con't)

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

Unit : Baht

	Consolidated		Separate	
	2020	2019	2020	2019
<b>Current contract liabilities</b>				
Construction revenue received in advance				
Value of contract billed :				
Joint venture	-	791,948	-	791,948
Revenue recognize on percentage of completion basis :				
Joint venture	-	(786,635)	-	(786,635)
Construction revenue received in advance - net				
	-	5,313	-	5,313

**Short - term loans to subsidiaries and related party**

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

		Unit : Baht				
		Consolidated				
Interest Rate (% p.a.)	As at	Movement during the period		Expected credit loss	As at	
		Jan 1, 2020	Increase			Repayme nt
SLTT Joint venture	7.00%	-	1,200,000	-	(1,200,000)	-
Total		-	1,200,000	-	(1,200,000)	-

The above - mentioned loans which were due on demand.

		Unit : Baht				
		Consolidated				
Interest Rate (% p.a.)	As at	Movement during the period		Expected credit loss	As at	
		Jan 1, 2020	Increase			Repayme nt
Solartron Energy 1 Co., Ltd	7.00%	5,700,00	300,000	-	(6,000,000)	-
SLTT Joint venture	7.00%	-	1,200,000	-	(1,200,000)	-
Total		5,700,000	1,500,000	-	(7,700,000)	-

The above - mentioned loans to subsidiaries, the related companies were granted loans by issuing 7 promissory notes due on demand.

**8. RELATED PARTY TRANSACTIONS (Con't)**

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

Movements of allowance of expected credit loss to subsidiary and relate company are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Balance as at beginning the year	-	-	-	-
<u>Add</u> Increase during the year	1,200,000	-	7,200,000	-
Balance as at ending the year	1,200,000	-	7,200,000	-

#### Short - term loans from subsidiaries

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

	Unit : Baht				
	Interest Rate (% p.a.)	As at Jan 1, 2020	Separate		As at Dec 31, 2020
			Movement during the year		
			Increase	Repayment	
Solartron Energy 2 Co., Ltd	7.00%	1,600,000	-	-	1,600,000
Solartron Energy 3 Co., Ltd	4.20%	93,448,631	-	-	93,448,631
Solartron Energy 5 Co., Ltd	7.00%	13,883,099	5,800,000	(1,350,000)	18,333,099
<b>Total</b>		<b>108,931,730</b>	<b>5,800,000</b>	<b>(1,350,000)</b>	<b>113,381,730</b>

The above - mentioned loans from subsidiaries, the Company was granted loans by issuing 21 promissory notes due on demand.

#### Short - term loans from directors

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

	Unit : Baht				
	Interest Rate (% p.a.)	As at Jan 1, 2020	Consolidated and Separate		As at Dec 31, 2020
			Movement during the year		
			Increase	Repayment	
Director 1	-	12,515,644	2,633,166	(1,494,400)	13,654,411
Director 2	2.90%, 5.00%	182,833,106	50,695,000	(550,000)	232,978,106
<b>Total</b>		<b>195,348,750</b>	<b>53,328,166</b>	<b>(2,044,400)</b>	<b>246,632,517</b>

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

## 8.3 Other Information

The Company have been mortgaged as contract to install of 3 subsidiaries and a joint venture as described in Notes 20 and 26 to the financial statement.

## 9. CASH AND CASH EQUIVALENT

Cash and cash equivalent, consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Cash on hand	59,181	95,000	39,181	75,000
Cash at bank - saving and current account	21,449,394	30,445,245	453,534	10,672,112
- 3 month fixed deposit	-	48,663	-	48,663
<b>Total</b>	<b>21,508,575</b>	<b>30,588,908</b>	<b>492,715</b>	<b>10,795,775</b>

The above fixed deposit accounts received interest at the rate of 0.65 - 1.00% per annum.

In 2020, The Company's management was approved to open the book bank in the cash keeper's name that all withdrawn will be approval by the authorized directors.

## 10. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET

Trade accounts and other current receivables, consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
Subsidiaries	-	-	13,777,762	739,691
Joint venture	356,526	100,000	356,526	100,000
Related companies	3,475,391	3,212,238	3,475,391	3,212,238
Other companies	105,331,675	154,835,750	97,984,135	141,981,974
Trade accounts receivable - foreign	4,740,059	4,502,606	4,740,059	4,502,606
Accrued income	5,821,481	-	-	-
<b>Total trade accounts receivable</b>	<b>119,725,132</b>	<b>162,650,594</b>	<b>120,333,873</b>	<b>150,536,509</b>
<u>Less</u> Allowance for expected credit losses	(26,831,479)	(27,074,788)	(36,239,903)	(27,074,788)
<b>Trade accounts receivable - net</b>	<b>92,893,653</b>	<b>135,575,806</b>	<b>84,093,970</b>	<b>123,461,721</b>



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

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

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Other current receivables</u>				
Other receivables - subsidiaries	-	-	6,366,500	3,846,650
Other receivables - other companies	2,867,600	2,867,600	2,867,600	2,867,600
Advance payment	2,876,684	3,012,644	2,729,609	2,974,932
Accrued interest - subsidiaries	-	-	2,166,864	1,750,249
Accrued interest - joint venture	70,918	-	70,918	-
Accrued interest - other companies	302,211	417,530	302,211	417,530
Advance payments - other companies	7,370,182	4,794,484	7,370,182	4,794,484
Project receivables	262,048	247,932	262,048	247,932
Advance payment	1,349,762	1,708,398	1,168,749	1,578,514
Other receivables	249,172	-	-	-
Total other current receivables	15,348,577	13,048,588	23,304,681	18,477,891
Total trade accounts and other current receivables - net	108,242,229	148,624,394	107,398,651	141,939,612

Trade accounts receivable aged by number of months consist of:

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Subsidiaries and related company</b>				
Accounts receivable not yet due	-	-	1,039,700	134,071
Accounts receivable over due :				
Under or equal to 3 months	41,901	-	2,421,001	316,720
Over 3 months to 6 months	227,437	-	2,057,137	288,900
Over 6 months to 12 months	350,342	2,991,506	8,879,603	2,991,506
Over 12 months	3,212,237	320,732	3,212,238	320,732
Total	3,831,917	3,312,238	17,609,679	4,051,929
<u>Less</u> Allowance of expected				
Credit loss	(290,253)	-	(9,698,676)	-
Net	3,541,664	3,312,238	7,911,003	4,051,929

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

Trade accounts receivable aged by number of months consist of:- (Con't)

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Other companies</b>				
Accounts receivable not yet due	13,921,636	22,828,493	752,615	9,974,717
Accounts receivable over due :				
Under or equal to 3 months	3,198,195	7,569,501	3,198,195	7,569,501
Over 3 months to 6 months	23,340	853,496	23,340	853,496
Over 6 months to 12 months	11,797	67,718,740	11,797	67,718,740
Over 12 months	98,738,248	60,368,126	98,738,247	60,368,126
<b>Total</b>	<b>115,893,216</b>	<b>159,338,356</b>	<b>102,724,194</b>	<b>146,484,580</b>
<u>Less</u> Allowance for expected credit losses	(26,541,227)	(27,074,788)	(26,541,227)	(27,074,788)
<b>Net</b>	<b>89,351,989</b>	<b>132,263,568</b>	<b>76,182,967</b>	<b>119,409,792</b>

Accounts receivable over due 12 months amounting to Baht 85.42 million are government agency receivables. The management is in the process of collecting and expecting to receive full payment.

Movements of allowance for doubtful accounts are as follows :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Beginning balance for the year	27,074,788	26,247,157	27,074,788	26,247,157
<u>Add</u> Increase during the year	237,453	5,326,901	237,453	5,326,901
Expected credit loss (ECL)	2,746,200	-	12,154,623	-
<u>Less</u> Reversal during the year	(3,226,961)	(4,499,270)	(3,226,961)	(4,499,270)
Ending balance for the year	26,831,480	27,074,788	36,239,903	27,074,788

**11. CURRENT CONTRACT ASSETS AND LIABILITIES**

Current assets and liabilities arising from contracts, consist of:

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Long - term construction contract value with</b>				
- Subsidiaries	-	-	379,465,380	379,465,380
- Joint venture	-	791,963	-	791,963
- Other companies	379,283,942	305,041,678	379,283,942	305,041,678
Total long - term construction contract value	379,283,942	305,833,641	758,749,322	685,299,021
Retentions as per contract	2,776,254	1,289,000	2,776,254	1,289,000
<b>Current contract assets</b>				
Unbilled receivables				
Revenue recognize on percentage of completion basis :				
Subsidiaries	-	-	51,062,055	61,409,480
Other companies	93,587,151	112,343,613	94,829,763	112,831,420
Total	93,587,151	112,343,613	145,891,818	174,240,900
Value of contract billed :				
Subsidiaries	-	-	(24,006,276)	(27,440,060)
Other companies	(91,863,137)	(106,324,979)	(91,863,137)	(106,324,979)
Total	(91,863,137)	(106,324,979)	(115,869,413)	(133,765,039)
Unbilled receivables - net	1,724,014	6,018,634	30,022,405	40,475,861
<b>Current contract liabilities</b>				
Construction revenue received in advance				
Value of contract billed :				
Joint venture	-	791,948	-	791,948
Other companies	197,939,153	171,576,176	197,939,153	171,576,176
Total	197,939,153	172,368,124	197,939,153	172,368,124
Revenue recognize on percentage of completion basis :				
Joint venture	-	(786,635)	-	(786,635)
Other companies	(195,507,350)	(164,228,808)	(195,507,350)	(164,228,808)
Total	(195,507,350)	(165,015,443)	(195,507,350)	(165,015,443)
Construction revenue received in advance - net	2,431,803	7,352,681	2,431,803	7,352,681
Advance receipt from sale	3,201,919	1,047,606	3,201,919	1,047,606
Total current contract liabilities	5,633,722	8,400,287	5,633,722	8,400,287

**12. SHORT-TERM LOAN TO OTHER COMPANY**

Movements of short - term loan to other company are as follow :

	Interest Rate  (% p.a.)	Unit : Baht			
		Consolidated and Separate			
		As at Jan 1, 2020	Movement during the year		As at Dec 31, 2020
		Increase	Received		
Solartron Energy 4 Co., Ltd.	7.00%	-	180,000	(21,600)	158,400

The above - mentioned loan which were due on demand.

**13. INVENTORIES - NET**

Inventories, consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Finished goods	31,135,000	61,215,149	31,135,000	61,215,149
Raw materials	6,363,923	16,670,489	6,363,923	16,670,489
Spare part and supplies	39,217,697	39,510,693	39,217,697	39,510,693
Total	76,716,620	117,396,331	76,716,620	117,396,331
<u>Less</u> Allowance for diminution in value of inventories and slow moving	(16,197,133)	(19,168,417)	(16,197,133)	(19,168,417)
Net	60,519,487	98,227,914	60,519,487	98,227,914

Movement of allowance for diminution in value and slow moving of inventories consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Balance at beginning of the year	19,168,417	5,413,083	19,168,417	5,413,083
<u>Add</u> Increase during the year	1,205,421	13,755,334	1,205,421	13,755,334
<u>Less</u> Reversal during year	(4,176,705)	-	(4,176,705)	-
Balance at ending of the year	16,197,133	19,168,417	16,197,133	19,168,417

**14. CURRENT FINANCIAL ASSETS PLEDGED AS COLLATERAL**

Current financial assets pledged as collateral consist of :

Type of deposits	Interest Rate (% per annum)		Unit : Baht			
			Consolidated		Separate	
	2020	2019	2020	2019	2020	2019
3 - 12 months fixed deposits	0.45 - 1.375	0.65 - 1.375	45,976,880	45,973,900	45,976,880	45,973,900
Saving account	0.375	0.375	-	5,248	-	5,248
<b>Total</b>			<b>45,976,880</b>	<b>45,979,148</b>	<b>45,976,880</b>	<b>45,979,148</b>

The above - mentioned fixed deposits have been mortgaged as collateral under a credit facility agreement of the Company and its subsidiaries as a whole amount.

**15. INVESTMENTS IN SUBSIDIARIES - NET**

Investments in subsidiaries, consist of :

	Authorized Share (Thousand Baht)		Paid-up share (Thousand Baht)		Percentage of holding (%)	
	2020	2019	2020	2019	2020	2019
	Solartron Energy 1 Co., Ltd.	1,000	1,000	1,000	1,000	99.96
Solartron Energy 2 Co., Ltd.	100,000	100,000	33,250	33,250	51.00	51.00
Solartron Energy 3 Co., Ltd.	100,000	100,000	100,000	100,000	100.00	100.00
Solartron Energy 5 Co., Ltd.	105,000	105,000	105,000	105,000	51.00	51.00

Unit : Thousand Baht

	Separate			
	Cost method		Dividend for the year	
	2020	2019	2020	2019
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 5 Co., Ltd.	53,550	53,550	-	-
<b>Total</b>	<b>167,297</b>	<b>167,297</b>	<b>-</b>	<b>-</b>
<b>Less Allowance for impairment losses</b>	<b>(998)</b>	<b>(998)</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>166,299</b>	<b>166,299</b>	<b>-</b>	<b>-</b>

**15. INVESTMENTS IN SUBSIDIARIES - NET**

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

	Unit : Thousand Baht	
	Separate	
	2020	2019
Beginning balance	167,297	200,547
Dispose investment	-	(33,250)
Ending balance	167,297	167,297

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 4.93 million in the financial statements for the year.

**16. PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment - net consist of.-.

	Unit : Baht								
	Consolidated								
	Land and Land improvement	Buildings and improvement	Machinery and Equipment	Solar power plant	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Solar plant construction in process	Total
<b>Cost</b>									
As at January 1, 2019	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
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
<b>Accumulated depreciation</b>									
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
<b>Allowance for impairments loss</b>									
As at January 1, 2019	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
Increased (deceased) during the year	-	-	-	-	-	-	-	-	-
As at December 31, 2019	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
<b>Net book value</b>									
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

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

Property, plant and equipment - net consist of.-. (Con't)

	Unit : Baht								
	Consolidated								
	Land and Land improvement	Buildings and improvement	Machinery and Equipment	Solar power plant	Furniture, fixture and office equipment	Vehicles	Assets under construction and installation	Solar plant construction in process	Total
<b>Cost</b>									
As at January 1, 2020	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
Purchase during the year	-	-	-	-	-	1,277,196	1,633,277	7,390,657	10,301,130
Disposal during the year	-	(20,034,844)	(42,688,938)	(9,360)	(12,405,433)	(26,888,462)	-	-	(102,022,037)
Transfer in (out) during the year	-	-	-	7,990,629	-	-	(1,738,298)	(10,828,440)	(4,576,109)
As at December 31, 2020	49,349,804	181,813,843	1,890,239,270	706,544,249	4,263,894	5,711,380	-	4,425,891	2,842,348,332
<b>Accumulated depreciation</b>									
As at January 1, 2020	27,676,437	75,428,441	638,388,399	94,515,863	14,883,499	30,415,263	-	-	881,307,902
Depreciation for the year	1,736,055	7,809,552	118,478,987	35,475,294	1,087,230	568,954	-	-	165,156,072
Disposal during the year	-	(19,130,483)	(41,722,953)	(4,014)	(12,376,721)	(26,230,870)	-	-	(99,465,304)
As at December 31, 2020	29,412,492	64,107,510	715,144,433	129,987,143	3,594,008	4,753,347	-	-	946,998,933
<b>Allowance for impairments loss</b>									
As at January 1, 2020	10,524,186	1,060,559	-	-	-	-	-	-	11,584,745
Increased (decreased) during the year	(10,524,186)	18,400,840	340,280,960	-	-	-	-	-	348,157,614
As at December 31, 2020	-	19,461,399	340,280,960	-	-	-	-	-	359,742,359
<b>Net book value</b>									
As at January 1, 2020	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
As at December 31, 2020	19,937,312	98,244,934	834,813,877	576,557,106	669,886	958,033	-	4,425,891	1,535,607,040
<b>Depreciation for the year ended December 31, consist of:-</b>							2020	2019	
Production cost and cost of goods sold							163,892,061	165,201,297	
Administrative expense							1,264,011	6,251,084	



Total

165,156,072	171,452,381
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**16. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)**

Property, plant and equipment - net consist of.-. (Con't)

	Unit : Baht						
	Separate						
	Land and Land improvement	Buildings and Buildings improvements	Machinery and equipment	Furniture, fixture And office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
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
<b>Accumulated depreciation</b>							
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	-	-	(17,805,230)	(1,227,098)	(2,015,859)	-	(21,048,187)
As at December 31, 2019	27,676,437	75,428,441	638,317,906	14,883,499	30,415,263	-	786,721,546
<b>Allowance for impairments loss</b>							
As at January 1, 2019	10,524,186	1,060,559	-	-	-	-	11,584,745
Increased (decreased) during the year	-	-	-	-	-	-	-
As at December 31, 2019	10,524,186	1,060,559	-	-	-	-	11,584,745
<b>Net book value</b>							
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	1,293,944,326	1,785,828	902,383	105,021	1,433,246,426

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

Property, plant and equipment - net consist of.-. (Con't)

	Unit : Baht						Total
	Separate						
	Land and Land improvement	Buildings and Buildings improvements	Machinery and equipment	Furniture, fixture And office equipment	Vehicles	Assets under construction and installation	
<b>Cost</b>							
As at January 1, 2020	49,349,804	201,848,687	1,932,262,232	16,669,327	31,317,646	105,021	2,231,552,717
Purchase during the year	-	-	-	-	-	1,520,000	1,520,000
Disposal during the year	-	(20,034,844)	(42,688,938)	(12,405,433)	(26,883,462)	-	102,012,677
Transfer in (out) during the year	-	-	-	-	380,000	113,278	493,278
Classified as intangible assets	-	-	-	-	-	(1,738,299)	(1,738,299)
As at December 31, 2020	49,349,804	181,813,843	1,889,573,294	4,263,894	4,814,184	-	2,129,815,019
<b>Accumulated depreciation</b>							
As at January 1, 2020	27,676,437	75,428,441	638,317,906	14,883,499	30,415,263	-	786,721,546
Depreciation for the year	1,736,055	7,809,552	118,478,987	1,087,230	507,750	-	129,619,574
Disposal during the year	-	(19,130,483)	(41,722,953)	(12,376,721)	(26,109,000)	-	(99,339,157)
As at December 31, 2020	29,412,492	64,107,510	715,073,940	3,594,008	4,814,013	-	817,001,963
<b>Allowance for impairments loss</b>							
As at January 1, 2020	10,524,186	1,060,559	-	-	-	-	11,584,745
Increased (decreased) during the year	(10,524,186)	18,400,840	340,280,960	-	-	-	348,157,614
As at December 31, 2020	-	19,461,399	340,280,960	-	-	-	359,742,359
<b>Net book value</b>							
As at January 1, 2020	11,149,181	125,359,687	1,293,944,326	1,785,828	902,383	105,021	1,433,246,426
As at December 31, 2020	19,937,312	98,244,934	834,218,394	669,886	170	-	953,070,697

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

Depreciation for the year ended December 31, consist of:- (Con't)

	Unit : Baht	
	Seperate	
	2020	2019
Cost of production and sell	128,355,562	131,150,610
Administrative expense	1,264,012	6,251,084
<b>Total</b>	<b>129,619,574</b>	<b>137,401,694</b>

As at December 31, 2020 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 25 to the financial statements).
- 2) The Company had fully depreciated fixed assets but still in active use at the cost value totaling in Baht 72.43 million (2019 : Baht 147.82 million), and assets under leases agreements as disclosed in Note 17 to the financial statements.
- 3) The Company had revalued its land, buildings and constructions, machines and equipments by independent appraiser approved by the Securities and Exchange Commission (SEC) using market price approach for land and replacement cost approach for buildings and constructions and machines and equipment which shown in the appraisal report dated December 30, 2020, that the fair value of the land exceed than the carrying value and the fair value of the buildings and constructions and machine and equipment lower than carrying value. The Company had recorded the impairment losses in profit or loss for the year 2020.

**17. LEASES LIABILITIES****17.1 Right-of-used assets - net**

Movements of right-of-use assets are summarized below:-

	Unit : Thousand Baht			
	Consolidated and Separate			
	Land	Buildings and usable area	Vehicle	Total
<b>Cost of assets</b>				
Net bode value as at January 1, 2019	20,799,653	-	-	20,799,653
Amortization for the year	(902,063)	-	-	(902,063)
<b>Net book value as at December 31, 2019</b>	<b>19,897,590</b>	<b>-</b>	<b>-</b>	<b>19,897,590</b>

Movements of right-of-use assets are summarized below:-

	Unit : Thousand Baht			
	Consolidated			
	Land	Buildings and usable area	Vehicle	Total
<b>Cost of assets</b>				
As at January 1, 2020 (before adjusted)	22,617,524	-	-	22,617,524
Adjustment from TFRS 16 adoption	-	14,442,615	4,500,000	18,942,615
As at January 1, 2020 (after adjusted)	22,617,524	14,442,615	4,500,000	41,560,139
Disposals during the year	-	-	(4,500,000)	(4,500,000)
As at December 31, 2020	22,617,524	14,442,615	-	37,060,139
<b>Accumulated depreciation</b>				
As at January 1, 2020 - (before adjusted)	2,719,934	-	-	2,719,934
Adjustment from TFRS 16 adoption	-	3,857,959	2,934,863	6,792,822
As at January 1, 2020 - (after adjusted)	2,719,934	3,857,959	2,934,863	9,512,756
Depreciation for the year	906,571	2,415,065	440,137	3,751,773
Disposals during the year	-	-	(3,375,000)	(3,375,000)
AS at December 31, 2020	3,626,505	6,213,024	-	3,889,529
<b>Net book value</b>				
As at January 1, 2020 (before adjusted)	19,897,590	10,584,656	1,565,137	32,047,383
AS at December 31, 2020	18,991,019	8,179,591	-	27,170,610
<b>Depreciation for the year consist of:</b>			2020	2019
Cost of services			906,571	904,093
Administrative expenses			2,845,202	-
Total			3,751,773	904,093

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

**17. LEASES LIABILITIES (Con't)****17.1 Right-of-used assets - net (Con't)**

Movements of right-of-use assets for the year end December 31, 2020, are summarized below:- (Con't)

	Unit : Thousand Baht			
	Land	Separate		
		Buildings and usable area	Vehicle	Total
<b>Cost of assets</b>				
As at January 1, 2020 (before adjusted)	-	-	-	-
Adjustment from TFRS 16 adoption	-	14,442,615	4,500,000	18,942,615
As at January 1, 2020 (after adjusted)	-	14,442,615	4,500,000	18,942,615
Disposals during the year	-	-	(4,500,000)	(4,500,000)
As at December 31, 2020	-	14,442,615	-	14,442,615
<b>Accumulated depreciation</b>				
As at January 1, 2020 (before adjusted)	-	-	-	-
Adjustment from TFRS 16 adoption	-	3,857,959	2,934,863	6,792,822
As at January 1, 2020 (after adjusted)	-	3,857,959	2,934,863	6,792,822
Depreciation for the year	-	2,407,102	440,137	2,847,239
Disposals during the year	-	-	(3,375,000)	(3,375,000)
AS at December 31, 2020	-	6,265,061	-	6,265,061
<b>Net book value</b>				
As at January 1, 2020 (before adjusted)	-	10,584,656	1,565,137	12,149,793
AS at December 31, 2020	-	8,177,554	-	8,177,554
<b>Depreciation for the year consist of:</b>			2020	2019
Administrative expenses			2,847,239	-

**17. LEASES LIABILITIES (Con't)****17.2 Lease liabilities - net**

Lease liabilities are as follow :

	Unit : Baht	
	Consolidated and Separate	
	2020	2019
Lease liabilities	9,212,707	254,528
<u>Less</u> Deferred interest	(507,954)	(3,053)
The present value of the minimum rental.	8,704,753	251,475
<u>Less</u> Current portion	(2,447,848)	(251,475)
Net	6,256,905	-

The Company entered into the rental at building and vehical for the business operation as monthly payment  
The term of rental agreements are approvimated 3 - 5 year and the agreement are non cancel lable

Movements of lease liability account during the year ended December 31, 2020 was summarized below

	Unit : Baht
	Consolidated and Separate
Balance as at January1, 2020 (before adjust)	251,475
Adjustment from TFRS 16 adoption	11,542,540
Balance as at January 1, 2020 (after adjusted)	11,794,015
<u>Less</u> Payment during the year	(3,089,262)
Balance as at December 31, 2020	8,704,753

Present value of minimum lease payment net of deferred interest expenses by lease contract :

	Unit : Thousand Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Less than 1 year	2,447,848	-	2,447,848	-
More than 1 year but less than 5 years	6,256,905	-	6,256,905	-
Total	8,704,753	-	8,704,753	-

**17. LEASES LIABILITIES (Con't)****17.2 Lease liabilities - net (Con't)**

The following are the amounts relating to lease contracts recognized in the statement of income for the year ended December 31, 2020 :

	Unit : Thousand Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Depreciation expenses of right-of-use assets	2,847,239	-	2,847,239	-
Interest expenses on lease liabilities	339,920	-	339,920	-
Variable lease payments	674,100	-	674,100	-

**18. INTANGIBLE ASSETS - NET**

Intangible asset - net consist of.-

	Unit : Baht			
	Consolidated and Separate			
	Software Computer	Industrial Standard Certificates	Work in progress	Total
As at January 1, 2019	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
Amortization for the year	(1,471,532)	(1,532,365)	-	(3,003,897)
Transfer for the year	-	-	1,738,298	1,738,298
As at December 31, 2020	2,728,550	5,761,027	1,738,298	10,227,876

**19. DEFERRED TAX ASSETS**

Deferred tax assets consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Deferred tax assets	91,114,231	47,274,544	90,618,335	47,274,544

**19. DEFERRED TAX ASSETS (Con't)**

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

	Unit : Baht			As at Dec 31, 2020
	Consolidated			
	(Charged) Credited to			
	As at Jan 1, 2020	Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts receivable	5,414,957	1,774,973	-	7,189,930
Inventory	3,833,684	(594,257)	-	3,239,427
Short - term loans to related party	-	2,063,828	-	2,063,828
Investment in subsidiaries	199,920	-	-	199,920
Property, plant and equipment	2,316,949	69,631,523	-	71,948,472
Long - term loans from financial institutions	-	(123,828)	-	(123,828)
Employee benefit obligation	7,349,034	433,261	(1,185,813)	6,596,482
Unused tax loss	28,160,000	(28,160,000)	-	-
<b>Total</b>	<b>47,274,544</b>	<b>45,025,500</b>	<b>(1,185,813)</b>	<b>91,114,231</b>

	Unit : Baht			As at Dec 31, 2020
	Separate			
	(Charged) Credited to			
	As at Jan 1, 2020	Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>				
Trade accounts receivable	5,414,957	1,774,973	-	7,189,930
Inventory	3,833,684	(594,257)	-	3,239,427
Short - term loans to related party	-	1,440,000	-	1,440,000
Investment in subsidiaries	199,920	-	-	199,920
Property, plant and equipment	2,316,949	69,631,523	-	71,948,472
Long - term loans from financial institutions	-	4,104	-	4,104
Employee benefit obligation	7,349,034	433,261	(1,185,813)	6,596,482
Unused tax loss	28,160,000	(28,160,000)	-	-
<b>Total</b>	<b>47,274,544</b>	<b>44,529,604</b>	<b>(1,185,813)</b>	<b>90,618,335</b>



**19. DEFERRED TAX ASSETS (Con't)**

19.1 Movements in deferred tax assets during the period were as follows : (Con't)

	Unit : Baht			
	Consolidated and Separate			
	(Charged) Credited to			
	As at	Other		As at
Jan 1, 2019	Profit or loss	comprehensive 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
<b>Total</b>	<b>85,895,865</b>	<b>(38,636,461)</b>	<b>15,140</b>	<b>47,274,544</b>

As at December 31, 2020, the Company have not been recognized in respect of tax loss since 2017 - 2019 amounting to Baht 930.60 million (in 2019 : 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.

In 2020, the Company had adjusted deferred tax asset from carry forward loss of Baht 28.16 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.

Income tax recognized in profit or loss

	Unit : Baht			
	For the year ended December 31,			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Current income tax</u>				
Income tax for the year	215,070	50,423	-	-
<u>Deferred tax</u>				
Deferred tax expense relating to the original and reversal of temporary differences	(45,025,500)	38,636,461	(44,529,604)	38,636,461
<b>Income tax expenses (income)</b>	<b>(44,810,430)</b>	<b>38,686,884</b>	<b>(44,529,604)</b>	<b>38,636,461</b>

**19. DEFERRED TAX ASSETS (Con't)**

19.2 Income tax expenses are as follows : (Con't)

	Unit : Baht					
	For the year ended December 31,					
	Consolidated and Separate					
	2020			2019		
Before tax	Tax (expense)	Net tax	Before tax	Tax (expense)	Net tax	
	income			income		
Deferred tax for :						
Defined benefit plan actuarial gains	(5,929,064)	1,185,813	(4,743,251)	75,699	(15,140)	60,559

19.3 Reconciliation for effective tax rate

	Unit : Baht			
	2020			
	Consolidated		Separate	
	Tax rate %	Tax amount (Baht)	Tax rate %	Tax amount (Baht)
Profit before income (loss) tax	20%	(587,617,907)	20%	(615,558,153)
Tax expense		(117,523,581)		(123,111,630)
Tax effect of expenses that are not deductible for tax purposes		72,713,151		78,582,026
Tax expense (effective rate)		(44,810,430)		(44,529,604)

	Unit : Baht			
	2019			
	Consolidated		Separate	
	Tax rate %	Tax amount (Baht)	Tax rate %	Tax amount (Baht)
Profit before income tax	20%	(359,820,079)	20%	(362,440,751)
Tax expense		(71,964,016)		(72,488,150)
Tax effect of expenses that are not deductible for tax purposes		110,650,900		111,124,611
Tax expense (effective rate)		38,686,884		38,636,461

**19. DEFERRED TAX ASSETS (Con't)**

## 19.4 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.

**20. BANK OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS**

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

	Unit : Baht					
	Interest Rate (%)		Consolidated		Separate	
	2020	2019	2020	2019	2020	2019
Bank overdraft	1.55 - 6.875	2.80 - 7.125	52,714,564	54,037,596	50,052,945	50,031,262
Promissory notes	4.50 - 5.25	5.25	39,220,000	54,994,400	39,220,000	54,994,400
Total			91,934,564	109,031,996	89,272,945	105,025,662

The abovementioned credit facilities were secured by the same collaterals' for long - term loans from financial institutions as described in Condensed Note 25 to the financial statements. 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.

**21. 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.

**22. TRADE ACCOUNTS AND OTHER CURRENT PAYABLES**

Trade accounts and other current payables, consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Trade accounts payable</u>				
Related companies	21,970,919	30,721,336	21,970,919	30,721,336
Other companies	76,272,676	104,370,224	74,171,889	102,274,125
Note payables	3,180,170	3,584,839	3,180,170	3,584,839
Total trade accounts payable	101,423,765	138,676,399	99,322,978	136,580,300
<u>Other current payables</u>				
Asset payables	4,922,323	4,417,242	4,922,323	4,417,242
Accrued expenses - subsidiaries	-	-	-	2,879,990
Accrued expenses - related company and persons	31,533,227	-	64,046,272	16,014,819
Accrued expenses - other companies	34,075,688	32,755,452	7,959,394	15,161,888
Other payables	6,554,580	1,047,606	6,306,412	20
Retention - related company	965,627	-	965,627	-
Retention - other companies	12,000,530	12,527,274	12,000,530	12,527,274
Total other current payables	90,051,975	50,747,574	96,200,558	51,001,233
Total trade accounts and other current payables	191,475,740	189,423,973	195,523,536	187,581,533

**23. DISCOUNTED BILLS OF EXCHANGE**

Discounted bills of exchange consist of.-

	Unit : Baht	
	Consolidate and Separate	
	2020	2019
Discounted bills of exchange	40,000,000	40,000,000
<u>Less</u> Repayment during the year	-	-
Net	40,000,000	40,000,000

Bill number (No.)	Rate (% per annum)	Due Date		Unit : Baht	
				Consolidated and Separate	
		2020	2019	2020	2019
1	12.00	Jan 29, 2021	Jan 31, 2020	20,000,000	20,000,000
2	10.00 - 12.00	Feb 4, 2021	Feb 6, 2020	20,000,000	20,000,000
Total discounted bills of exchange				40,000,000	40,000,000

**24. SHORT - TERM LOANS FROM OTHER PERSONS**

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

	Interest rate (% p.a.)	Unit : Baht			
		Consolidated and Separate			
		As at Jan 1, 2020	Movement during the year		As at Dec 31, 2020
		Increase	Repayment		
First facility	5.00	7,000,000	-	-	7,000,000
Second facility	6.00	40,000,000	-	-	40,000,000
<b>Total</b>		<b>47,000,000</b>	<b>-</b>	<b>-</b>	<b>47,000,000</b>

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

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

**25. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET**

Long - term loans from financial institutions, consist of :

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Long - term loans	746,139,593	509,876,859	167,434,144	160,463,109
<u>Add</u> Increase during the year	-	427,434,144	-	167,434,144
<u>Less</u> Repayment during the year	(42,009,571)	(191,171,410)	(897,363)	(160,463,109)
<u>Add</u> Adjustment of loan amount to EIR method	(619,140)	-	20,519	-
Long - term loans balance	703,510,882	746,139,593	166,557,300	167,434,144
<u>Less</u> Current portion	(44,821,076)	(40,943,676)	(917,021)	(108,887)
<b>Net</b>	<b>658,689,806</b>	<b>705,195,917</b>	<b>165,640,279</b>	<b>167,325,257</b>

**25. 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 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.

As at December 31, 2020, 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			
			Consolidated		Separate	
2020	2019		2020	2019	2020	2019
<b><u>Solartron Pcl.</u></b>						
167.43	167.43	MLR - 3.375, MLR - 2.775	166.56	167.43	166.56	167.43
		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				
<b><u>Solartron Energy 5 Co., Ltd.</u></b>						
304.50	304.50	5.50	242.35	250.45	-	-
		Repayment principal with interest on 58 quarterly installment payments commencing from June 2017 and shall be completed within September 2031.				

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

As at December 31, 2020 and 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			
2020	2019			Consolidated		Separate	
				2020	2019	2020	2019
<b><u>Solartron Energy 2 co., Ltd.</u></b>							
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.	65.47	71.56	-	-
<b><u>Solartron Energy 3 Co., Ltd.</u></b>							
260.00	260.00	MLR - 2.575	Repayment principal with interest 59 quarterly installment payments commencing from December 2019 and shall be completed within June 2034.	229.13	256.70	-	-
<u>818.93</u>	<u>818.93</u>			<u>703.51</u>	<u>746.14</u>	<u>166.56</u>	<u>167.43</u>

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 and The Company has pledged the total shares of Solartron Energy 3 Co., Ltd. hold by the Company as additional collateral.

**The subsidiaries :**

Three subsidiaries' loans were secured by

1. Mortgage 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.

**26. PROVISION FOR EMPLOYEE BENEFIT - NET**

The Company and its subsidiaries operate 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.

26.1 Movements in the present value of the employee benefits obligations consist of :

	Unit : Baht	
	Consolidated and Separate	
	2020	2019
Employee benefit obligation at the beginning period		
Post - employee benefits :		
Legal severance payment plan	36,745,172	26,984,741
Recognized in profit or loss for the year :		
Past service cost	-	5,002,728
Current service cost	1,789,598	6,733,443
Interest Cost	376,708	834,880
Reversal employee benefit	(2,616,000)	-
Total	(449,694)	12,571,051
Recognized in other comprehensive income for the year		
Actuarial (gain) losses from the re - measurement of employee benefit obligations	(5,929,064)	75,699
Others		
The benefit paid during the year	(1,306,790)	(2,886,319)
Post - employee benefits :		
Legal severance payment plan	29,059,625	36,745,172
<u>Less</u> Current portion	(8,107,940)	(11,405,752)
Employee benefit obligation - net	20,951,685	25,339,420

As at December 31, 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit in the consolidated and separate financial statements are 14 years and 26 years respectively.



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

26.2 The expense is recognized in the following line items in the profit or loss :

	Unit : Baht	
	Consolidated and Separate	
	2020	2019
<u>Profit or loss</u>		
Cost of sales and services	784,826	2,691,229
Distribution costs	-	1,684,956
Administrative expense	867,977	6,382,561
Management's benefit expenses	513,503	1,912,305
Total	2,166,306	12,571,051
<u>Other comprehensive income</u>		
Remeasurement of defined gain (loss) plan		
Employee benefit - net from income tax	(4,743,251)	60,559

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

	Unit : Baht	
	Consolidated and Separate	
	2020	2019
Financial assumptions	2,630,568	-
Experience adjustment	(7,650,977)	75,699
Demographic assumption changes	(908,654)	-
Total	(5,929,063)	75,699

Significant assumptions use in the estimation under actuarial principle at the reporting date consist of :

	Consolidated and Separate	
	2020	2019
* Discount rate	1.49%	2.63%
Salary increase rate	6%	3%, 6.25%
** Employee turnover rate	2.87% - 34.38%	2% - 76%
***Mortality rate	TMO2017	TMO2017
Retirement age (year)	60	60

\* Market yield from government's bond for legal severance payments plan

\*\* Reference from TMO2017 : Thai Mortality Ordinary Table of 2017

**26. 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	
	2020	2019
<u>Discount rate</u>		
1% increase	(2,906,392)	(3,386,623)
1% decrease	3,455,993	4,038,005
<u>Future Salary growth</u>		
1% increase	3,262,726	4,154,536
1% decrease	(2,816,992)	(3,547,239)
<u>Resignation rate</u>		
1% increase	(2,762,136)	(3,645,570)
1% decrease	3,400,492	4,322,985

**27. SHARE CAPITAL**2020

- 27.1 The Company's Annual General Shareholders' Meeting 2020 held on July 30, 2020 has resolved To approved the decrease of the authorized share capital of 326,473,000 common shares at the par value of Baht 1 each resulted in decrease in the authorized share capital from Baht 870,597,723 to Baht 544,124,723

The Company had completed the registration of the capital reduction with the Ministry of Commerce on August 6, 2020.

2019

- 27.2 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 :
- 27.2.1 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. SHARE CAPITAL (Con't)**2019 (Con't)

27.2.2 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.

## 28. LEGAL RESERVE

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

## 29. BASIC LOSS PER SHARE

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

	Consolidated		Separate	
	2020	2019 (Restated)	2020	2019 (Restated)
Profit (loss) for the period (Baht)	540,868,641	(402,224,088)	(571,028,549)	(401,077,212)
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)	(0.99)	(0.74)	(1.05)	(0.74)

## 30. 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 ended December 31, 2020							
	Segment 1	Segment 2		Segment 3	Segment 4	Segment 5	Total
	Domestic	Domestic	Foreign	Domestic	Domestic	Domestic	
Revenue from sales	113.48	79.33	-	96.21	0.01	-	289.04
<u>Less</u> Inter - segment	(9.75)	-	-	-	-	-	(9.75)
Total revenue from sales	103.73	79.33	-	96.21	0.01	-	279.29
Loss from operating							(546.40)
Unallocated income							12.88
Finance cost							(54.09)
Income tax (expenses)							44.81
Other comprehensive income (loss)							4.74
Comprehensive income (loss) for the period							(538.06)
Income of non - controlling interest							(1.94)
Net profit (loss) attributable shareholders of the parent							(536.12)
Property plant and equipment-net							
As at December 31, 2020							
Unallocated							1,535.61
Total assets as at December 31, 2020							1,921.81

### 30. OPERATING SEGMENT (Con't)

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

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	159.38	145.41	2.50	98.81	9.36	8.16	426.62
<u>Less</u> 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							(315.45)
Unallocated income							14.32
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							(398.57)
Income of non - controlling interest							(3.72)
Net profit (loss) attributable shareholders of the parent							(402.28)
Property plant and equipment-net							
As at December 31, 2019							
Unallocated							2,045.75
Total assets as at December 31, 2019							2,473.34

### 31. EXPENSES BY NATURE

Significant expenses classified by nature consist of:-

	Unit : Baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Changes in inventories of finished goods and work in process	29,313,178	106,018,376	29,313,178	106,018,376
Raw material and supplies used	669,368	40,127,116	669,368	40,127,116
Management's benefit expenses	24,227,479	30,325,510	24,227,479	30,325,510
Employee expenses	59,999,645	80,893,327	59,999,645	80,893,327
Depreciation and amortization expenses	171,911,743	175,686,891	135,470,711	140,734,143
Finance cost	59,592,467	58,023,131	33,177,812	38,507,825

### 32. 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, 2020			December 31, 2019		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues	100,405,526	191,762,897	292,168,423	226,222,562	208,650,716	434,873,278
Cost and expenses	(188,293,603)	(691,492,727)	(879,786,330)	(270,168,216)	(523,844,022)	(794,012,238)
Share of profit(loss) in joint venture	-	-	-	-	(681,119)	(681,119)
Income tax (expense)	-	44,810,430	44,810,430	-	(38,686,884)	(38,686,884)
Net profit (loss) for the year	(87,888,077)	(454,919,400)	(542,807,477)	(43,945,654)	(354,561,309)	(398,506,963)

### 32. 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:

	Unit : Baht					
	Separate					
	December 31, 2020			December 31, 2019		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues	31,236,031	179,233,292	210,469,323	151,326,189	233,599,296	384,925,485
Cost and expenses	(122,591,831)	(703,435,645)	(826,027,476)	(200,919,633)	(546,446,603)	(747,366,236)
Income tax (expense)	-	44,529,604	44,529,604	-	(38,636,461)	(38,636,461)
Net profit (loss) for the year	(91,355,800)	479,672,749	(571,028,549)	(49,593,444)	351,483,768	(401,077,212)

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.

### 33. PROVIDENT FUND

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

For the year 2020 and 2019 the Company contributed to the fund amounting to Baht 0.53 million and Baht 2.28 million respectively.

### 34. FINANCIAL INSTRUMENTS

Fair values of financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of net book value.

#### 34.1 Financial risk management objected and policies

The Company and its subsidiaries are exposed to a variety of financial risks, including credit risk, market risk (including foreign exchange and interest rate risk) and liquidity risk. The Company and its subsidiaries overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company and its subsidiaries' financial statement.

The Company and its subsidiaries' financial instruments principally comprise cash and cash equivalents, trade and other receivables, contract assets, other financial assets, trade and other payables, long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### 34.2 Credit risk

Credit risk is the risk of financial losses if a customer or the counterparty in a financial instrument fails to meet its obligations. The risk consists mainly of trade accounts and other receivables, contract assets, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

#### 34.2.1 Trade accounts, other receivables and contract assets

The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts, other receivables and contract assets are regularly monitored. In addition, the Company and its subsidiaries does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company and its subsidiaries classifies customer segments by customer type, the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### 34.2.2 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company and its subsidiaries treasury department in accordance with the Company and its subsidiaries treasury policy. Investments are made only in fixed deposit with approved counterparty banks with credit-ratings at investment grade assigned by international credit agencies or one of the top two local banks, and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed and updated throughout the year. The limits are set to minimize concentration risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### 34.3 Market risk

#### 34.3.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates arises mainly from trade receivables / trade payables - international and accounts payable from purchasing of equipment transactions that are denominated in foreign currencies. The Company and its subsidiary's(ies') exposure to the risk of changes in foreign exchange rates relates primarily to the Company and its subsidiary's(ies') operating activities.

The Company had significant assets and liabilities as at December 31, 2020 and 2019 follows:

Consolidated	Separate	Average rate
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	2020	2019	2020	2019	
<b>Assets</b>					
Euro	76,170	76,170	76,170	76,170	36.4949
<b>Liabilities</b>					
US dollar	5,150	170,500	5,150	170,500	30.2068
Euro	4,170	112,551	4,170	112,551	37.2578
Euro	503	21,005	503	21,005	22.9540

There is no significant impact on the Company and its subsidiaries profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

### 34.3.2 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 as sets and financial liabilities of the Company and its subsidiaries had interest rate risk as follows:

	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				
<b>As at December 31, 2020</b>							
<b>Financial assets</b>							
Cash and cash equivalents	59	-	-	21,290	159	21,508	0.05 - 1.000
Trade accounts and other current receivables	-	-	-	-	108,242	108,242	-
Current contract assets	-	-	-	-	1,724	1,724	-
Cash at bank held on collateral	45,974	-	-	-	-	45,974	0.65 - 1.375
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	97,289	-	97,289	1.60 - 6.875
Trade accounts and other current payables	-	-	-	-	191,475	191,475	-
Discounted bill of exchange	293,632	-	-	-	-	293,632	2.90, 5.00
Long-term loan from financial institution	40,000	-	-	-	-	40,000	10,12
Liabilities under hire-purchase contracts	28,322	432,839	-	242,350	-	703,511	MLR-2.575, 7

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				
	<b>As at December 31, 2019</b>						
<b>Financial assets</b>							
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
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	117,577	-	117,577	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	27,514	461,929	-	256,697	-	74,140	MLR-2.5757
Liabilities under hire-purchase contracts	251	-	-	-	-	251	4.85

Unit : Thousand Baht

	Fixed interest rates			Floating Interest rate	Non-Interest bearing	Total	Interest Rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
	<b>As at December 31, 2020</b>						
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	453	39	493	0.05 - 0.375
Trade accounts and other current receivables	-	-	-	-	107,399	107,399	-
Short - term loan to subsidiaries	5,700	-	-	-	-	5,700	7.00
Current contract assets	-	-	-	-	30,022	30,022	-
Cash at bank held on collateral	45,976	-	-	-	-	45,976	0.15 - 6.875
<b>Financial liabilities</b>							
Bank overdraft and short - term loans							
from financial institutions	-	-	-	94,628	-	94,628	1.60 - 6.875
Trade accounts and other current payables	-	-	-	-	195,524	195,524	-
Discounted bill of exchange	40,000	-	-	-	-	40,000	10,12
Short - term loan from subsidiaries	113.38	-	-	-	-	113.38	4.20 - 7.00
Long-term loan from financial institution	917	165,640	-	166,557	-	166,557	7
Liabilities under hire-purchase contracts	293,680	-	-	-	-	293,680	10.0, 5.0, 7.0

Unit : Thousand Baht

Separate				
Fixed interest rates	Floating Interest	Non-Interest	Total	Interest Rate

	Within 1 yr	1 – 5 yrs	Over 5 yrs	rate	bearing		(% p.a.)
<b>As at December 31, 2019</b>							
<b>Financial assets</b>							
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	065 - 1.375
<b>Financial liabilities</b>							
<b>Bank overdraft and short - term loans</b>							
from financial institutions	-	-	-	113,570	-	113,570	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

### 34.3 Liquidity risk

The Company and its subsidiaries need liquidity to meet their obligations. Individual companies are responsible for their own cash balances and the raising of internal and external credit lines to cover the liquidity needs, subject to guidance by the Company and its subsidiaries.

The Company and its subsidiaries monitor the risk of a shortage of liquidity position by a recurring liquidity planning and maintains an adequate level of cash, fixed deposits and unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarizes the maturity profile of the Company and its subsidiaries' non-derivative financial liabilities and derivative financial instruments as at December 31, 2020 based on contractual undiscounted cash flows:

Unit : Thousand baht					
Consolidated (As at December 31, 2020)					
Note	On demand	Less than 1 year	1 - 5 year	Over 5 year	Total
Bank overdraft and short - term loans from financial institutions	52,715	39,220	-	-	91,935
Payable under factoring contracts	-	5,355	-	-	5,355
Trade accounts and other current payable	-	191,476	-	-	191,476
Discounted bill of exchange	-	40,000	-	-	40,000
Short- term loan from directors	246,632	-	-	-	246,632
Short - term loan from other person	-	47,000	-	-	47,000
Lease liabilities	-	2,448	6,256	-	8,704
<b>Total</b>	<b>299,347</b>	<b>325,499</b>	<b>6,256</b>	<b>-</b>	<b>631,102</b>

Unit : Thousand baht					
Consolidated (As at December 31, 2019)					
Note	On demand	Less than 1 year	1 - 5 year	Over 5 year	Total

Bank overdraft and short - term						
loans from financial institutions	20	54,038	54,994	-	-	109,032
Payable under factoring contracts	21	-	11	-	-	11
Trade accounts and other						
current payable	22	-	189,424	-	-	189,424
Discounted bill of exchange	23	-	40,000	-	-	40,000
Short - term loan from other	24					
person		47,000	-	-	-	47,000
Long - term loans from financial						
institution	25	-	40,943	705,195	-	746,138
Total		<u>101,038</u>	<u>325,372</u>	<u>705,195</u>	<u>-</u>	<u>1,131,605</u>

Unit : Thousand baht

Separate (As at December 31, 2020)

	Note	Less than				Total
		On demand	1 year	1 - 5 year	Over 5 year	
Bank overdraft and short - term						
loans from financial institutions	20	50,052	39,220	-	-	89,272
Payable under factoring contracts	21	-	5,355	-	-	5,355
Trade accounts and other						
current payable	8.1 ,22	-	195,523	-	-	195,523
Discounted bill of exchange	23	-	40,000	-	-	40,000
Short - term loan from subsidiaries	8.2	113,382	-	-	-	113,382
Short- term loan from directors	8.2	246,632	-	-	-	246,632
Short - term loan from other	24					
person		47,000	-	-	-	47,000
Long - term loans from financial	25					
institution		-	917	165,640	-	166,557
Lease liabilities	17.2	-	2,447	6,256	-	8,703
Total		<u>457,066</u>	<u>283,462</u>	<u>171,896</u>	<u>-</u>	<u>912,424</u>

Unit : Thousand baht

Separate (As at December 31, 2019)

	Note	Less than				Total
		On demand	1 year	1 - 5 year	Over 5 year	
Bank overdraft and short - term						
		50,031	54,994	-	-	105,025

loans from financial institutions	20					
Payable under factoring contracts	21	-	8,544	-	-	8,544
Trade accounts and other						
current payable	8.1,22	-	188,117	-	-	188,117
Discounted bill of exchange	23	-	40,000	-	-	40,000
Short - term loan from subsidiaries	8.2	108,932	-	-	-	108,932
Short- term loan from directors	8.2	246,632	-			246,632
Short - term loan from other person	24	-	47,000	-	-	47,000
Long - term loans from financial institution	25	-	109	167,325	-	167,434
<b>Total</b>		<b>405,595</b>	<b>338,764</b>	<b>167,325</b>	<b>-</b>	<b>911,684</b>

#### 34.4 Fair value of financial instruments

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, short-term loans, accounts payable and bank overdrafts and short-term borrowings, the carrying amounts in the statements of financial position approximate their fair value.
- The fair value of fixed rate debentures and long-term liabilities is estimated by discounting expected future cash flow by the current market interest rate of financial instruments with similar terms and conditions.

### 35. CREDIT FACILITIES

The Company had credit facilities with commercial banks as follows:

	Unit : Million baht			
	Consolidated		Separate	
	2020	2019	2020	2019
Bank overdraft	54.50	54.50	50.00	50.00
Letter of credit trust receipt, promissory	50.00	84.50	50.00	71.00
Note and issuance of letter of guaranteed	214.50	383.50	201.00	383.50
Long - term loan	818.93	818.93	167.43	167.43
<b>Total</b>	<b>1,137.93</b>	<b>1,341.43</b>	<b>468.43</b>	<b>671.93</b>

Three 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 Notes 20 and 26 to the interim financial information.

### 36. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 and 2019 the Company and its subsidiaries have commitments and contingent liabilities as follows:

#### *Contingent liabilities :*

36.1 The Company has letter of guarantee issued by several banks to government and private organizations of amounting to Baht 67.28 million (2019 : 77.09 Million Baht) for the consolidated financial statements and amounting of 62.66 Million Baht (2019 : 72.47 Million Baht) for the separate financial statement.

36.2 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.

36.3 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.

#### 36.4 *Capital commitments :*

The Company had future commitment in respect of construction agreement amounting to Baht 34.24 million (2019 : Baht 42.27 million) in the consolidated.

### 37. LAWSUIT

37.1 The Company was sued by several creditors in a civil case for its debt amounting to Baht 19.82 million. The judge has ordered the case into mediation and the company has entered into a debt restructuring agreement. However, as at December 31, 2020, of Baht 18.85 million. The case is presently in the court.

37.2 As at November 27, 2020, a short-term loan payable (See Note 24 to the financial statements) filed a lawsuit with the Civil Court for the Company to repay the debt amounting to Baht 40 million. Currently in the process of examine the witness.

### 38. CAPITAL MANAGEMENT

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

As at December 31, 2020, debt-to-equity ratio in the consolidated financial statements was 2.83 : 1 (2019 : 1.37 : 1), and the separate financial statement was 2.02 : 1 (2019 : 0.47 : 1).

### 39. RECLASSIFICATION

The Company and its subsidiaries have reclassified certain accounts in the financial statements for the year ended December 31, 2019, have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity.

The reclassifications are as follows :

	Unit : Thousand Baht					
	Consolidated		Separate			
	Reclassified	Increase (Decrease)	Previously reported	Reclassified	Increase (Decrease)	Previously reported
<u>Statement of comprehensive income</u>						
<u>Expenses</u>						
Cost of sales - goods						
with installation	177,278,525	(191,565,382)	368,843,907.00	205,844,107	(191,565,382)	397,409,489.00
Administrative expenses	191,565,382	191,565,382	-	191,565,382	191,565,382	-

### 40. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on March 1, 2020.