

Sermsang Power Corporation Public Company Limited  
and its subsidiaries  
Review report and consolidated interim financial statements  
30 June 2018

## **Independent Auditor's Report on Review of Interim Financial Information**

To the shareholders of Sermsang Power Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sermsang Power Corporation Public Company Limited and its subsidiaries as at 30 June 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended 30 June 2018, and the consolidated statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Sermsang Power Corporation Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

**Emphasis of matter**

I draw attention to Note 2 and Note 3 to the financial statements regarding the change in accounting policy for investments in subsidiaries from the cost method to the equity method applied to the separate financial statements. The Company has restated the 2017 financial statements to reflect this change. My conclusion is not qualified in respect of this matter.

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 10 August 2018

**Sernsang Power Corporation Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	1,626,252	1,603,392	960,640	699,494
Trade and other receivables	4, 6	232,001	151,364	113,822	93,263
Short-term loans to related parties	4	-	-	308,997	302,997
Other current assets		47,508	45,729	7	-
<b>Total current assets</b>		<b>1,905,761</b>	<b>1,800,485</b>	<b>1,383,466</b>	<b>1,095,754</b>
<b>Non-current assets</b>					
Revenue department receivable		334,159	246,378	1,691	2,205
Long-term loans to related parties	4	-	-	1,258,885	1,162,004
Investments in subsidiaries	7	-	-	1,666,073	1,505,229
Property, plant and equipment	8	6,718,199	5,427,213	1,074	1,124
Intangible assets	9	686,603	654,207	58	66
Prepaid rent		141,077	141,003	-	-
Deferred tax assets	11	387	293	139	96
Other non-current assets		610	264	-	-
<b>Total non-current assets</b>		<b>7,881,035</b>	<b>6,469,358</b>	<b>2,927,920</b>	<b>2,670,724</b>
<b>Total assets</b>		<b>9,786,796</b>	<b>8,269,843</b>	<b>4,311,386</b>	<b>3,766,478</b>

The accompanying notes are an integral part of the financial statements.

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade payables and other payables	4	278,294	256,696	32,139	27,162
Retention payable		3,258	4,036	-	-
Short-term loans from related parties	4	-	-	146,318	147,580
Current portion of liabilities under finance lease agreements		-	70	-	-
Current portion of long-term loans	10	632,843	510,313	-	-
Other current liabilities		29,403	11,410	1,995	1,820
<b>Total current liabilities</b>		<b>943,798</b>	<b>782,525</b>	<b>180,452</b>	<b>176,562</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	10	5,266,988	4,061,676	450,012	-
Other non-current liabilities		4,735	3,973	693	479
Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries	7	-	-	270,221	281,607
<b>Total non-current liabilities</b>		<b>5,271,723</b>	<b>4,065,649</b>	<b>720,926</b>	<b>282,086</b>
<b>Total liabilities</b>		<b>6,215,521</b>	<b>4,848,174</b>	<b>901,378</b>	<b>458,648</b>

The accompanying notes are an integral part of the financial statements.

**Sermuang Power Corporation Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>Shareholders' equity</b>					
Share capital					
Registered					
	922,000,000 ordinary shares of Baht 1 each issued	922,000	922,000	922,000	922,000
Issued and fully paid up					
	922,000,000 ordinary shares of Baht 1 each issued	922,000	922,000	922,000	922,000
	Share premium	1,511,210	1,511,210	1,511,210	1,511,210
	Surplus on business combination under common control	33,098	33,098	33,098	33,098
Retained earnings					
	Appropriated - statutory reserve	12	40,714	40,714	40,714
	Unappropriated		885,463	814,990	885,463
	Other components of shareholders' equity		17,523	(14,182)	17,523
	Equity attributable to owners of the Company		3,410,008	3,307,830	3,410,008
	Non-controlling interests of the subsidiaries		161,267	113,839	-
	<b>Total shareholders' equity</b>		3,571,275	3,421,669	3,410,008
	<b>Total liabilities and shareholders' equity</b>		9,786,796	8,269,843	4,311,386

The accompanying notes are an integral part of the financial statements.

Directors

## Statement of comprehensive income

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
<b>Revenues</b>				
Sales	148,767	73,624	-	-
Subsidy for adder	150,057	156,149	-	-
Service income	-	-	7,250	9,000
Other income	2,620	1,282	9,421	15,278
<b>Total revenues</b>	<b>301,444</b>	<b>231,055</b>	<b>16,671</b>	<b>24,278</b>
<b>Expenses</b>				
Cost of sales	81,268	41,882	-	-
Administrative expenses	29,325	40,326	16,190	10,757
<b>Total expenses</b>	<b>110,593</b>	<b>82,208</b>	<b>16,190</b>	<b>10,757</b>
<b>Profit before share of profit from investment</b>				
<b>in subsidiaries, financial cost and income tax expenses</b>	190,851	148,847	481	13,521
Share of profit from investment in subsidiaries	7.2	-	155,672	110,050
<b>Profit before finance cost and income tax expenses</b>	190,851	148,847	156,153	123,571
Finance cost	35,842	39,212	3,395	13,050
<b>Profit before income tax expenses</b>	155,009	109,635	152,758	110,521
Income tax revenue	11	26	21	21
<b>Profit for the periods</b>	<b>155,035</b>	<b>109,635</b>	<b>152,779</b>	<b>110,542</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Exchange differences on translation of				
financial statements in foreign currency	31,080	(2,448)	26,239	(1,543)
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Actuarial loss - net of income tax	-	-	-	-
<b>Other comprehensive income for the periods</b>	<b>31,080</b>	<b>(2,448)</b>	<b>26,239</b>	<b>(1,543)</b>
<b>Total comprehensive income for the periods</b>	<b>186,115</b>	<b>107,187</b>	<b>179,018</b>	<b>108,999</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	152,779	110,542	152,779	110,542
Non-controlling interests of the subsidiaries	2,256	(907)		
	<b>155,035</b>	<b>109,635</b>		

The accompanying notes are an integral part of the financial statements.

## Statement of comprehensive income (continued)

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
<b>Comprehensive income attributable to:</b>				
Equity holders of the Company	179,018	108,999	179,018	108,999
Non-controlling interests of the subsidiaries	7,097	(1,812)		
	<u>186,115</u>	<u>107,187</u>		
<b>Earnings per share</b>				
Basic earnings per share	15			
Profit attributable to equity holders				
of the Company (Baht per share)	<u>0.166</u>	<u>0.160</u>	<u>0.166</u>	<u>0.160</u>
Weighted average number of ordinary shares (shares)	<u>922,000,000</u>	<u>691,625,000</u>	<u>922,000,000</u>	<u>691,625,000</u>

The accompanying notes are an integral part of the financial statements.



## Statement of comprehensive income

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
<b>Revenues</b>				
Sales	235,357	144,336	-	-
Subsidy for adder	285,018	303,539	-	-
Service income	-	-	14,500	18,000
Other income	3,457	1,609	17,078	25,322
<b>Total revenues</b>	<b>523,832</b>	<b>449,484</b>	<b>31,578</b>	<b>43,322</b>
<b>Expenses</b>				
Cost of sales	133,858	83,330	-	-
Administrative expenses	66,603	77,500	28,698	23,438
<b>Total expenses</b>	<b>200,461</b>	<b>160,830</b>	<b>28,698</b>	<b>23,438</b>
<b>Profit before share of profit from investment</b>				
<b>in subsidiaries, financial cost and income tax expenses</b>	<b>323,371</b>	<b>288,654</b>	<b>2,880</b>	<b>19,884</b>
Share of profit from investment in subsidiaries	7.2	-	260,526	217,661
<b>Profit before finance cost and income tax expenses</b>	<b>323,371</b>	<b>288,654</b>	<b>263,406</b>	<b>237,545</b>
Finance cost	62,321	77,354	4,117	24,666
<b>Profit before income tax expenses</b>	<b>261,050</b>	<b>211,300</b>	<b>259,289</b>	<b>212,879</b>
Income tax revenue (expense)	11	(23)	43	41
<b>Profit for the period</b>	<b>261,027</b>	<b>211,333</b>	<b>259,332</b>	<b>212,920</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Exchange differences on translation of				
financial statements in foreign currency	34,688	(3,750)	31,705	(2,700)
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Actuarial loss - net of income tax	-	-	-	-
<b>Other comprehensive income for the periods</b>	<b>34,688</b>	<b>(3,750)</b>	<b>31,705</b>	<b>(2,700)</b>
<b>Total comprehensive income for the periods</b>	<b>295,715</b>	<b>207,583</b>	<b>291,037</b>	<b>210,220</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	259,332	212,920	259,332	212,920
Non-controlling interests of the subsidiaries	1,695	(1,587)	-	-
	<b>261,027</b>	<b>211,333</b>		

The accompanying notes are an integral part of the financial statements.

## Statement of comprehensive income (continued)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
<b>Comprehensive income attributable to:</b>				
Equity holders of the Company	291,037	210,220	291,037	210,220
Non-controlling interests of the subsidiaries	4,678	(2,637)		
	<u>295,715</u>	<u>207,583</u>		
<b>Earnings per share</b>				
Basic earnings per share	15			
Profit attributable to equity holders				
of the Company (Baht per share)	<u>0.281</u>	<u>0.308</u>	<u>0.281</u>	<u>0.308</u>
Weighted average number of ordinary shares (shares)	<u>922,000,000</u>	<u>691,550,414</u>	<u>922,000,000</u>	<u>691,550,414</u>

The accompanying notes are an integral part of the financial statements.

## Statement of changes in shareholders' equity

For the six-month ended 30 June 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Note	Issued and paid-up share capital	Share Premium	Surplus on business combination under common control	Retained earnings		Other components of shareholder's equity				Total equity attributable to owners of the company	Non-controlling interest of subsidiaries	Total shareholder's equity
				Statutory reserve	Retained earnings	Other comprehensive income		Total equity of shareholder's				
						Exchange differences on translation of financial statements in foreign currency	Actuarial loss					
Balance as at 31 December 2016	690,875	-	33,098	-	515,872	2,301	(527)	1,774	1,241,619	55,190	1,296,809	
Paid up ordinary shares	750	-	-	-	-	-	-	-	750	-	750	
Profit for the period	-	-	-	-	212,920	-	-	-	212,920	(1,587)	211,333	
Other comprehensive income for the period	-	-	-	-	-	(2,700)	-	(2,700)	(2,700)	(1,050)	(3,750)	
Total comprehensive income for the period	-	-	-	-	212,920	(2,700)	-	(2,700)	210,220	(2,637)	207,583	
Statutory reserve	-	-	-	24,719	(24,719)	-	-	-	-	-	-	
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	16,523	16,523	
Balance as at 30 June 2017	691,625	-	33,098	24,719	704,073	(399)	(527)	(926)	1,452,589	69,076	1,521,665	
Balance as at 31 December 2017	922,000	1,511,210	33,098	40,714	814,990	(13,856)	(326)	(14,182)	3,307,830	113,839	3,421,669	
Profit for the period	-	-	-	-	259,332	-	-	-	259,332	1,695	261,027	
Other comprehensive income for the period	-	-	-	-	-	31,705	-	31,705	31,705	2,983	34,688	
Total comprehensive income for the period	-	-	-	-	259,332	31,705	-	31,705	291,037	4,678	295,715	
Dividend payment	-	-	-	-	(188,859)	-	-	-	(188,859)	-	(188,859)	
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	42,750	42,750	
Balance as at 30 June 2018	922,000	1,511,210	33,098	40,714	885,463	17,849	(326)	17,523	3,410,008	161,267	3,571,275	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Sermuang Power Corporation Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

Separate financial statements									
Note	Issued and paid up share capital	Share Premium	Surplus on business combination under common control	Retained earnings		Other components of shareholders' equity			
				Appropriated	Unappropriated	Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
						Exchange difference on translation of financial statement in foreign currency	Actuarial loss		
<b>Balance as at 31 December 2016 - as previously reported</b>	690,875	-	-	-	489,687	-	(315)	(315)	1,180,247
Cumulative effect of change in accounting policy	3	-	-	33,098	-	26,184	2,301	(212)	61,371
<b>Balance as at 31 December 2016 - as restated</b>	690,875	-	33,098	-	515,871	2,301	(527)	1,774	1,241,618
Paid up ordinary shares	750	-	-	-	-	-	-	-	750
Profit for the period (restated)	-	-	-	-	212,920	-	-	-	212,920
Other comprehensive income for the period	-	-	-	-	-	(2,700)	-	(2,700)	(2,700)
Total comprehensive income for the period	-	-	-	-	212,920	(2,700)	-	(2,700)	210,220
Statutory reserve	12	-	-	24,719	(24,719)	-	-	-	-
<b>Balance as at 30 June 2017</b>	691,625	-	33,098	24,719	704,072	(399)	(527)	(926)	1,452,588
<b>Balance as at 31 December 2017 - as previously reported</b>	922,000	1,511,210	-	40,714	768,857	-	16	16	3,242,797
Cumulative effect of change in accounting policy	3	-	-	33,098	-	46,133	(13,856)	(342)	65,033
<b>Balance as at 31 December 2017 - as restated</b>	922,000	1,511,210	33,098	40,714	814,990	(13,856)	(326)	(14,182)	3,307,830
Profit for the period	-	-	-	-	259,332	-	-	-	259,332
Other comprehensive income for the period	-	-	-	-	-	31,705	-	31,705	31,705
Total comprehensive income for the period	-	-	-	-	259,332	31,705	-	31,705	291,037
Dividend payment	13	-	-	-	(188,859)	-	-	-	(188,859)
<b>Balance as at 30 June 2018</b>	922,000	1,511,210	33,098	40,714	885,463	17,849	(326)	17,523	3,410,008

The accompanying notes are an integral part of the financial statements.

## Cash flow statement

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	261,050	211,300	259,289	212,879
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	91,683	59,271	101	93
Long-term employee benefits	472	326	214	203
Share of profit from investments in subsidiaries	-	-	(260,526)	(217,661)
Loss on exchange rate	8,008	3,451	-	-
Interest income	(2,817)	(763)	(17,071)	(25,149)
Finance cost	62,321	77,354	4,117	24,666
Profit (loss) from operating activities before				
changes in operating assets and liabilities	420,717	350,939	(13,876)	(4,969)
Operating assets (increase) decrease				
Trade and other receivables	(80,256)	(11,714)	(4,513)	(6,420)
Other current assets	(1,419)	(80,136)	(7)	(1,167)
Revenue Department receivable	(79,375)	(27,752)	514	-
Non-current assets	4,330	77	-	-
Increase (decrease) in operating liabilities				
Trade payables and other payables	18,980	(4,514)	3,583	(2,144)
Retention payable	(778)	2,025	-	-
Other current liabilities	1,882	1,844	175	415
Other non-current liabilities	291	(59)	-	-
Cash flow from (used in) operating activities	284,372	230,710	(14,124)	(14,285)
Cash paid for income tax	(497)	(32)	(374)	-
<b>Net cash flows from (used in) operating activities</b>	<b>283,875</b>	<b>230,678</b>	<b>(14,498)</b>	<b>(14,285)</b>

The accompanying notes are an integral part of the financial statements.

**Cash flow statement (continued)****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
				(Restated)
<b>Cash flows from investing activities</b>				
Short-term loans to related parties	-	-	(6,000)	(8,679)
Long-term loans to related parties	-	-	(96,881)	(206,567)
Investment in subsidiaries	-	-	-	(76,000)
Dividend income from investment	-	-	120,000	120,000
Acquisition of property, plant and equipment	(1,268,738)	(728,048)	(43)	(65)
Acquisition of intangible assets	(14,808)	(41)	-	(12)
Government grants	16,088	151,830	-	-
Interest income	2,817	763	1,400	185
Non-controlling interest of the subsidiaries	42,750	16,523	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(1,221,891)</b>	<b>(558,973)</b>	<b>18,476</b>	<b>(171,138)</b>
<b>Cash flows from financing activities</b>				
Short-term loans from related parties	-	(117)	(1,262)	57,846
Liabilities under finance lease agreements	(70)	(870)	-	-
Cash received from long-term loans	1,439,198	668,124	470,000	120,000
Payment of long-term loans	(176,948)	(179,650)	-	-
Paid up ordinary shares	-	750	-	750
Dividend payment	(188,859)	-	(188,859)	-
Payment of interest expenses and bank fee	(118,134)	(87,497)	(22,711)	(19,496)
<b>Net cash flows from financing activities</b>	<b>955,187</b>	<b>400,740</b>	<b>257,168</b>	<b>159,100</b>
<b>Difference in translation adjustments</b>	<b>5,689</b>	<b>(3,685)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>22,860</b>	<b>68,760</b>	<b>261,146</b>	<b>(26,323)</b>
Cash and cash equivalents at beginning of period	1,603,392	367,356	699,494	95,893
<b>Cash and cash equivalents at end of period</b>	<b>1,626,252</b>	<b>436,116</b>	<b>960,640</b>	<b>69,570</b>

**Supplemental cash flow information:**

Non - cash item

Increase in fixed assets by replacement	537	202	-	-
Interest expenses record to cost of property and equipment	26,091	19,771	-	-

The accompanying notes are an integral part of the financial statements.

## **Sernsang Power Corporation Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the three-month and six-month periods ended 30 June 2018**

#### **1. General information**

##### **1.1 Corporate information**

Sernsang Power Corporation Public Company Limited ("the Company") is a company limited incorporated under Thai Laws on 16 June 2015 and domiciled in Thailand. The major shareholder of the Company is a group of ordinary persons in the same family ("the group of major shareholders") by directly held by their names or held through the company (which its major shareholders were such group persons). The Company is principally engaged in investment, consultancy and provision of services for the power business to related parties. The registered office is at 325/14, Lan Luang Road, Si Yaek Mahanak, Dusit, Bangkok.

In January 2017, the Company was transformed from a limited company to be a public company limited and changed its name from "Sernsang Power Corporation Company Limited." to "Sernsang Power Corporation Public Company Limited".

The Market of Alternative Investment (mai) has approved the listing of the ordinary shares of the Company as securities on the mai, to be traded from 27 September 2017.

##### **1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### 1.3 Basis of preparation on the interim consolidated financial statements

The interim consolidated financial statements include the financial statements of Sernsang Power Corporation Public Company Limited (“the Company”) and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statement for the year ended 31 December 2017. During the period, there was no change in the composition of group.

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2018	31 December 2017
			(Percentage)	(Percentage)
<b><u>Subsidiary companies which directly held by the Company</u></b>				
Serm Sang Palang Ngan Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Corporation Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang International Company Limited	Investment and consultancy	Thailand	100	100
Access Energy Company Limited	Investment and consultancy	Thailand	100	100
Essential Power Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Solar Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Renewable Power Company Limited	Production and distribution of electricity	Thailand	100	100
Plus Energy Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Infinite Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Clean Solutions Company Limited	Production and distribution of electricity	Thailand	100	100
Prestige Group Company Limited	Production and distribution of electricity	Thailand	100	100
Triple P Renewable Company Limited	Production and distribution of electricity	Thailand	100	100
<b><u>Subsidiary companies which indirectly held by the Company</u></b>				
S. Global Power Limited	Investment and consultancy	Hong Kong	100	100
Surge Energy Corporation Limited	Investment and consultancy	Hong Kong	100	100
Access C Management Limited	Investment and consultancy	Hong Kong	100	100
Seijo Corporation	Investment and consultancy	Japan	100	100
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87	87
GK GSSE	Production and distribution of electricity	Japan	90	90
Zouen Energy GK	Production and distribution of electricity	Japan	100	100
Sernsang Sustainable Singapore Private Limited	Investment and consultancy	Singapore	100	100
Ashita Power 1 GK	Production and distribution of electricity	Japan	100	100
Ashita Power 2 GK	Production and distribution of electricity	Japan	100	100
Tenuun Gerel Construction LLC	Production and distribution of electricity	Mongolia	73.7	73.7



During the period, a subsidiary (Surge Energy Corporation Limited) has invested in subsidiary companies in Japan as follows.

The Company	Investment Amount	
	Currency	(Million)
SS Hidaka No Mori GK	Yen	197.4
GK GSSE	Yen	369.0
Zouen Energy GK	Yen	110.0
Ashita Power 1 GK	Yen	51.7
Ashita Power 2 GK	Yen	51.7

### **Called up and increase in share capital of subsidiary**

On 15 February 2018, Access C Management Limited passed a resolution to increase its registered share capital from 450,000 shares to 650,000 shares at a per value of USD 1. The Company fully paid for the share subscription on 15 and 23 February 2018.

## **1.4 New financial reporting standards**

### **(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes 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 Company and its subsidiaries' financial statements.

### **(b) Financial reporting standard that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarized below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

## 2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017 except for the following

During the current period, the Company decided to change its accounting treatment for investments in subsidiaries in the separate financial statements from the cost method to the equity method, effective from 1 January 2018, and has restated the comparative financial statements of the prior period to reflect the effects of the changes. The cumulative effects of the change in accounting policy is presented in Note 3 to the financial statements.

## 3. Cumulative effect of change in accounting policies

As described in Note 2 to the financial statements, the Company has changed its accounting policy. The cumulative effect of the change in accounting policies is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Separate financial statements		
	As at 30 June 2018	As at 31 December 2017	As at 31 December 2016
<b>Statements of financial position:</b>			
Increase in investment in subsidiaries	507,485	346,641	130,699
Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries	(270,221)	(281,607)	(69,326)
Increase in unappropriated retained earnings	186,660	46,134	26,184
Increase surplus on business combination under common control	33,098	33,098	33,098
Increase (decrease) in other components of shareholders' equity	17,506	(14,198)	2,091

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended

30 June

**Statements of comprehensive income**

**Profit or loss:**

Share gain from investment in subsidiaries	155,672	110,050
Decrease in dividend income	(15,000)	(80,000)
Increase in net profit	140,672	30,050

**Other comprehensive income:**

Increase (decrease) in share of other comprehensive income from investments in subsidiaries	26,239	(1,543)
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**Earnings per share (Baht):**

Increase in basic earnings per share	0.15	0.04
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(Unit: Thousand Baht)

For the six-month period ended

30 June

**Statements of comprehensive income**

**Profit or loss:**

Share gain from investment in subsidiaries	260,526	217,661
Decrease in dividend income	(120,000)	(120,000)
Increase in net profit	140,526	97,661

**Other comprehensive income:**

Increase (decrease) in share of other comprehensive income from investments in subsidiaries	31,705	(2,700)
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**Earnings per share (Baht):**

Increase in basic earnings per share	0.15	0.14
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#### 4. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended 30 June		For the three-month periods ended 30 June		Pricing policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Service income	-	-	7,250	9,000	Per agreement
Dividend income	-	-	15,000	80,000	
Interest income	-	-	8,014	14,998	2.0% - MLR+2.1% per annum
Interest expense	-	-	729	1,469	2.0% - 6.225% per annum
Service expense	-	-	2,550	-	Per agreement
<u>Transactions with related person and related parties</u>					
Sales	1,262	-	-	-	Per agreement
Rental and service expenses	146	90	90	90	Per agreement

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the six-month periods ended 30 June		For the six-month periods ended 30 June		Pricing policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Service income	-	-	14,500	18,000	Per agreement
Dividend income	-	-	120,000	120,000	
Interest income	-	-	15,671	25,042	2.0% - MLR+2.1% per annum
Interest expense	-	-	1,451	2,813	2.0% - 6.225% per annum
Service expense	-	-	5,100	-	Per agreement
<u>Transactions with related person and related parties</u>					
Sales	1,633	-	-	-	Per agreement
Professional fee	-	435	-	-	Per agreement
Rental and service expenses	236	180	180	180	Per agreement

As at 30 June 2018 and 31 December 2017, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial Statements		Separate	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<b>Accounts receivables</b>				
<b>- related parties (Note 6)</b>				
Subsidiaries	-	-	30,572	27,923
Related company	951	-	-	-
Total accounts receivables - related parties	951	-	30,572	27,923
<b>Interest receivables - related parties</b>				
Subsidiaries	-	-	79,390	63,719
Total interest receivable-related parties	-	-	79,390	63,719
<b>Interest payables - related parties</b>				
Subsidiaries	-	-	20,607	19,213
Total interest payable - related parties	-	-	20,607	19,213
<b>Accrued rental expense - director</b>				
Director	30	30	30	30
Total accrued rental expense - director	30	30	30	30

### Service income agreements

The Company entered into service income agreements with two subsidiaries whereby the subsidiaries has to pay service income as stated in the agreement.

### Power purchase agreement

A subsidiary (Sermuang Infinite Company Limited) entered into Power purchase agreement with a related company (Srinanaporn Marketing Company Limited) for 25 years. A subsidiary has generated revenue since March 2018.

**Loans to related parties and loan from related parties**

As at 30 June 2018 and 31 December 2017, the balance of loans between the Company and the related parties and their movements are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	For the six-month period ended 30 June 2018			
	Balance as at 1 January 2018	Increase during the period	Decrease during the period	Balance as at 30 June 2018
<b><u>Short-term loans to related party</u></b>				
<b><u>Subsidiaries</u></b>				
Triple P Renewable Company Limited	2,129	-	-	2,129
Access Energy Company Limited	13,681	6,000	-	19,681
Sermsang International Company Limited	287,187	-	-	287,187
Total short-term loans to subsidiaries	302,997	6,000	-	308,997
<b><u>Long-term loans to subsidiaries</u></b>				
Sermsang International Company Limited	1,162,004	14,400	-	1,176,404
Sermsang Infinite Company Limited	-	82,481	-	82,481
Total long-term loans to subsidiaries	1,162,004	96,881	-	1,258,885

The Company entered into long-term loans to Sermsang International Company Limited and the repayment date is within 9 August 2019 - 30 December 2019, which has interest rate at 2.1% per annum.

The Company entered into long-term loans to Sermsang Infinite Company Limited and the repayment date is within 31 January 2021, which has interest rate at 2.1% per annum

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the six-month period ended 30 June 2018			
	Balance as at	Increase	Decrease	Balance as at
	1 January	during	during	30 June
	2018	the period	the period	2018
<u>Short-term loans from related parties</u>				
Sernsang Corporation Company Limited	78,060	-	(800)	77,260
Essential Power Company Limited	11,599	-	-	11,599
Sernsang Solar Company Limited	40,717	1,000	(2,444)	39,273
Siam Renewable Power Company Limited	3,050	-	-	3,050
Plus Energy Company Limited	3,123	-	-	3,123
Sernsang Infinite Company Limited	18	-	(18)	-
Prestige Group Company Limited	2,324	-	-	2,324
Siam Clean Solution Company Limited	8,689	1,000	-	9,689
Total short-term loans from related parties	147,580	2,000	(3,262)	146,318

Directors and management's benefits

During the period, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2018	2017	2018	2017
Short-term employee benefits	6,137	6,751	6,137	6,751
Post-employment benefits	103	98	103	98
Total	6,240	6,849	6,240	6,849

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2018	2017	2018	2017
Short-term employee benefits	12,374	15,249	12,374	15,249
Post-employment benefits	207	198	207	198
Total	12,581	15,447	12,581	15,447

## 5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Cash	290	352	9	15
Bank deposits - Current accounts	1,762	3,876	60	60
Bank deposits - Saving accounts	1,624,200	1,599,164	960,571	699,419
Total	1,626,252	1,603,392	960,640	699,494

As at 30 June 2018, the Company has savings account of Baht 15 million that is pledged as collateral to secure long-term loans as discussed in Note 10 to the financial statements. A subsidiary has pledged its savings account amounting to Baht 314.9 million (31 December 2017: Baht 278.9 million) as collateral to secure long-term loans as discussed in Note 10 to the financial statements. A subsidiary is able to withdraw such savings account to use for its operation except for the bank deposit amount of Baht 200 million (31 December 2017: Baht 192 million) that has been held for a purpose of loan repayments.

A subsidiary in Japan has restricted saving deposit of Yen 260 million, or approximately Baht 78 million, under the loan-term loan agreement with bank. The subsidiary has requested to obtain permission from the bank on withdrawal of the restricted deposits.

## 6. Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
<b><u>Trade receivable - unrelated parties</u></b>				
Not yet due	216,078	144,732	-	-
Past due - not over 3 months	33	-	-	-
Total trade receivable - unrelated parties	216,111	144,732	-	-
<b><u>Trade receivable - related parties</u></b>				
Not yet due	467	-	4,892	3,210
Past due				
Up to 3 months	484	-	-	3,313
3 - 6 months	-	-	-	3,210
6 - 12 months	-	-	6,420	5,350
Over 1 year	-	-	19,260	12,840
Total trade receivable - related parties	951	-	30,572	27,923



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
<b><u>Other receivable - unrelated parties</u></b>				
Not yet due	14,939	6,632	3,860	1,621
Total other receivable - unrelated parties	14,939	6,632	3,860	1,621
<b><u>Other receivable - related parties</u></b>				
Interest receivable	-	-	79,390	63,719
Total other receivable - related parties	-	-	79,390	63,719
Total trade receivable and other receivable	232,001	151,364	113,822	93,263

## 7. Investments in subsidiaries

7.1 Details of investments in subsidiaries as presented in separate financial statement as at 30 June 2018 and 31 December 2017 are as follows:

(Unit: Thousand Baht)

Company Name	Separate financial Statements							
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		Carrying amounts based on equity method	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2018	2017	2018	2017	2018	2017	2018	2017
	(Percentage)	(Percentage)						(Restated)
<b>Subsidiary companies which directly held by the Company</b>								
Serm Sang Palang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506	1,473,475	1,308,259
Sermsang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	96,075	96,631
Sermsang International Co., Ltd.	100	100	10,000	10,000	10,000	10,000	-	-
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	-	-
Essential Power Co., Ltd.	100	100	13,250	13,250	13,250	13,250	12,100	12,155
Sermsang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	48,972	49,381
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	3,045	3,185
Sermsang Infinite Co., Ltd.	100	100	46,100	46,100	46,100	46,100	17,205	20,070
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	3,130	3,260
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,778	9,858
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	2,293	2,430
Triple P Renewable Co., Ltd.	100	100	2,500	2,500	2,500	2,500	-	-
Total					1,192,668	1,192,668	1,666,073	1,505,229
Less: provision for impairment of investment					(34,080)	(34,080)	-	-
					1,158,588	1,158,588	1,666,073	1,505,229

In addition, as at 30 June 2018 and 31 December 2017, investments in subsidiaries with a deficit in shareholders' equity were presented under the caption "Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries" in the financial statements are as follows:

(Unit: Thousand Baht)

Company Name	Separate financial Statements							
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		Carrying amounts based on equity method	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2018	2017	2018	2017	2018	2017	2018	2017
	(Percentage)	(Percentage)						(Restated)
<b><u>Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries</u></b>								
Sermsang International Co., Ltd.	100	100	10,000	10,000	10,000	10,000	(249,574)	(268,468)
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	(18,094)	(10,790)
Triple P Renewable Co., Ltd.	100	100	2,500	2,500	2,500	2,500	(2,553)	(2,349)
<b>Total loss in excess of cost over investments accounted for under equity method in investment in subsidiaries in separate financial statements</b>					<b>32,500</b>	<b>32,500</b>	<b>(270,221)</b>	<b>(281,607)</b>

## 7.2 Share of comprehensive income

During the period, the Company has recognised its share of profit (loss) from investments in subsidiaries in the separate financial statements as follows:

(Unit: Thousand Baht)

Company Name	For the three-month periods ended 30 June			
	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2018	2017	2018	2017
		(Restated)		(Restated)
Serm Sang Palang Ngan Co., Ltd.	152,839	154,696	-	-
Sermsang Corporation Co., Ltd.	(269)	714	-	-
Sermsang International Co., Ltd.	8,465	(36,218)	26,846	(1,543)
Access Energy Co., Ltd.	(3,742)	(4,502)	(607)	-
Essential Power Co., Ltd.	(27)	(1,158)	-	-
Sermsang Solar Co., Ltd.	(152)	(155)	-	-

(Unit: Thousand Baht)

For the three-month periods ended 30 June				
Separate financial statements				
Company Name	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2018	2017	2018	2017
		(Restated)		(Restated)
Siam Renewable Power Co., Ltd.	(70)	10	-	-
Sermsang Infinite Co.,Ltd.	(1,100)	(3,266)	-	-
Plus Energy Co., Ltd.	(64)	10	-	-
Siam Clean Solutions Co., Ltd.	(37)	(32)	-	-
Prestige Group Co., Ltd.	(68)	6	-	-
Triple P Renewable Co., Ltd.	(103)	(55)	-	-
Total	155,672	110,050	26,239	(1,543)

(Unit: Thousand Baht)

For the six-month periods ended 30 June				
Separate financial statements				
Company Name	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2018	2017	2018	2017
		(Restated)		(Restated)
Serm Sang Palang Ngan Co., Ltd.	285,216	295,868	-	-
Sermsang Corporation Co., Ltd.	(556)	1,411	-	-
Sermsang International Co., Ltd.	(13,219)	(61,473)	32,113	(2,700)
Access Energy Co., Ltd.	(6,896)	(9,721)	(408)	-
Essential Power Co., Ltd.	(55)	(1,164)	-	-
Sermsang Solar Co., Ltd.	(409)	(205)	-	-
Siam Renewable Power Co., Ltd.	(140)	15	-	-
Sermsang Infinite Co.,Ltd.	(2,865)	(6,918)	-	-
Plus Energy Co., Ltd.	(129)	21	-	-
Siam Clean Solutions Co., Ltd.	(80)	(86)	-	-
Prestige Group Co., Ltd.	(137)	13	-	-
Triple P Renewable Co., Ltd.	(204)	(100)	-	-
Total	260,526	217,661	31,705	(2,700)

### 7.3 Dividend income

During the period, the company received dividend as follows:

(Unit: Thousand Baht)

Company Name	Dividend income			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Serm Sang Palang Ngan Co., Ltd.	15,000	80,000	120,000	120,000
Total	15,000	80,000	120,000	120,000

### 8. Property, plant and equipment

The movements of property, plant and equipment for the six-month period ended 30 June 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
31 December 2017	5,773,002	1,408
Additions during the period	1,295,432	43
Disposal and written off during the period	(603)	-
Exchange differences on translation	83,513	-
30 June 2018	7,151,344	1,451
<b>Accumulated depreciation</b>		
31 December 2017	345,789	284
Depreciation of disposal and written off during the period	(71)	-
Depreciation for the period	87,427	93
30 June 2018	433,145	377
<b>Net book value</b>		
31 December 2017	5,427,213	1,124
30 June 2018	6,718,199	1,074

As at 30 June 2018, a subsidiary has pledged and mortgaged all property plant and equipment with net book value of Baht 2,668.5 million (31 December 2017: Baht 2,726.4 million) as collateral against credit facilities obtained from two financial institutions as discussed in Note 10 to the financial statements.

As at 30 June 2018, a subsidiary in Japan has mortgaged all machineries and equipment of solar power plant with net book value of Baht 1,655.6 million as collateral against credit facilities obtained from financial institutions as discussed in Note 10 to the financial statements.

As at 30 June 2018, subsidiaries had vehicle with net book value of Baht 0.8 million (31 December 2017: Baht 1.5 million) which were acquired under finance lease agreements.

During the period, the subsidiaries in Japan capitalised their borrowing costs as construction in progress-power plant totaling to Baht 26.0 million (31 December 2017: Baht 50.0 million).

## 9. Intangible assets

The movements in intangible assets for the six-month period ended 30 June 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
31 December 2017	657,640	91
Additions during the period - Cost	14,808	-
Exchange differences on translation	21,915	-
30 June 2018	694,363	91
<b>Accumulated amortisation</b>		
31 December 2017	3,433	25
Amortisation for the period	4,327	8
30 June 2018	7,760	33
<b>Net book value</b>		
31 December 2017	654,207	66
30 June 2018	686,603	58

## 10. Long-term loans

								(Unit: Thousand Baht)
Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated financial statements		Separate financial statements		Notes
				30 June 2018	31 December 2017	30 June 2018	31 December 2017	
1)	THBFIX 3 months plus additional rate	Baht	Repayments of principal and interest are to be made on quarterly basis starting from June 2015 and ending in December 2024	1,673,579	1,850,527	-	-	a)
2)	Fixed rate per agreement	Baht	Repayments of principal and interest are to be made on quarterly basis starting from March 2020 and ending in December 2025	470,000	-	470,000	-	b)
3)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from September 2018 and ending in June 2036	1,907,973	1,565,507	-	-	c)
4)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from March 2021 to December 2037	1,508,011	938,807	-	-	d)
5)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from March 2019 to December 2035	602,929	442,740	-	-	e)
Total loan from banks				6,162,492	4,797,581	470,000	-	
Less: Deferred finance charges				(262,661)	(225,592)	(19,988)	-	
Total				5,899,831	4,571,989	450,012	-	
Less: Current portion				(632,843)	(510,313)	-	-	
Long-term loans - net of current portion				5,266,988	4,061,676	450,012	-	

### Note:

- a) As at 30 June 2018, a subsidiary (Serm Sang Palang Ngan Co., Ltd.) had pledged the bank saving account and mortgaged property, plant and equipment with two commercial banks as discussed in Note 5 and Note 8 to the financial statements.
- b) On 30 March 2018, The Company entered into loans agreements with two commercial banks, total credit facilities amounting to Baht 2,000 million consisting of 2 tranches. First tranche of Baht 800 million is subject to fixed interest rate as per agreement and the second tranche of Baht 1,200 million is charged at THBFIX 3 months plus additional rate. The Company had drawn totaling to Baht 470 million. The Company uses the dividend received from a subsidiary to guarantee the loan.

- c) On 10 August 2016, a subsidiary (SS Hidaka No Mori GK) has entered into loan agreements with financial institutions for the solar power plant project in Japan. The credit facility was Yen 6,362.0 million. As at 30 June 2018, a subsidiary had fully drawn (31 December 2017: Yen 5,401.9 million). All machines and plant equipment for solar power plant have been mortgaged as collateral against credit facilities.
- d) On 28 June 2017, a subsidiary (GK GSSE) entered into loan agreement with financial institution, total credit facility amounting to Yen 10,023.0 million. As at 30 June 2018, the subsidiary had drawn Yen 5,028.3 million (31 December 2017: Yen 3,239.4 million).
- e) On 17 November 2017, a subsidiary (Zouen Energy GK) entered into loan agreement with financial institution, total credit facility amounting to Yen 2,453.0 million. As at 30 June 2018, the subsidiary had drawn Yen 2,010.4 million (31 December 2017: Yen 1,527.7 million).

The loan agreements contain several covenants which, among other things; require the Company and its subsidiaries to maintain debt-to-equity ratio at the rate stipulated in the agreement, and the dividend payment is required to meet the conditions in loan agreements and notify the bank.

As at 30 June 2018, the Company and its subsidiaries have undrawn credit facilities amounting to Baht 1,770 million and Yen 5,437.2 million (The Company and its subsidiaries: 31 December 2017: Yen 1,705.0 million and Yen 8,668.9 million and the Company: Baht 1,665.0 million).

## 11. Income tax expenses (revenue)

Income tax expenses (revenue) for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows:

	(Unit : Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	21	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences and others	(47)	-	(21)	(21)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>(26)</b>	<b>-</b>	<b>(21)</b>	<b>(21)</b>

(Unit : Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	117	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences and others	(94)	(33)	(43)	(41)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>23</b>	<b>(33)</b>	<b>(43)</b>	<b>(41)</b>

The reconciliation between accounting profit (loss) and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statement	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2018	2017	2018	2017
				(Restated)
Accounting profit before tax	155,009	109,635	152,758	110,521
Applicable tax rate	0%, 10%, 15%, 16.5%, 17%, 20%	0%, 15%, 16.5%, 20%	20%	20%
Accounting profit before corporate income tax multiplied by income tax rate	30,355	22,071	30,551	22,103
Effects of:				
Promotional privileges (Note 14)	(30,550)	(30,921)	-	-
Non-deductible expenses	389	345	41	9
Exempted revenue	-	-	(31,134)	(22,009)
Tax losses for the period, that were not recognised as deferred tax assets/(utilised) and additional expense deductions allowed	(220)	8,505	521	(124)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>(26)</b>	<b>-</b>	<b>(21)</b>	<b>(21)</b>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2018	2017	2018	2017
				(Restated)
Accounting profit before tax	261,050	211,300	259,289	212,879
Applicable tax rate	0%, 10%, 15%, 16.5%, 17%, 20%	0%, 15%, 16.5%, 20%	20%	20%
Accounting profit before corporate income tax multiplied by income tax rate	52,160	43,047	51,857	42,575
Effects of:				
Promotional privileges (Note 14)	(57,008)	(59,137)	-	-
Non-deductible expenses	615	551	141	32
Exempted revenue	-	-	(52,105)	(43,532)
Tax losses for the period, that were not recognised as deferred tax assets/(utilised) and additional expense deductions allowed	4,256	15,506	64	884
Income tax expenses (revenue) reported in the statement of comprehensive income	23	(33)	(43)	(41)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2018	2017	2018	2017
Actuarial loss	-	-	-	-
<b>Income tax expense as reported in the statement of comprehensive income</b>	-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Actuarial loss	-	-	-	-
<b>Income tax expense as reported in the statement of comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	387	293	139	96

## 12. Statutory reserve

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

## 13. Dividend payment

On 30 April 2018, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2017 earning of Baht 0.205 per share, totaling Baht 188.9 million. The dividend was paid to shareholders in May 2018.

#### 14. Promotional privileges

A subsidiary (Sermsang Palang Ngan Co.,Ltd.) has received promotional privileges from the Board of Investment for the production of electricity generated from solar energy, pursuant to the investment promotion certificate No. 2645(1)/2556 issued on 19 November 2013. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (2 February 2015) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

A subsidiary (Sermsang Infinite Co.,Ltd) has received promotional privileges from the Board of Investment for the production of electricity generated from solar energy rooftop, pursuant to the investment promotion certificates as follows.

No. 60-1446-1-00-1-0 issued on 20 December 2017

No. 61-0246-1-00-1-0 issued on 9 March 2018

No. 61-0796-1-00-1-0 issued on 5 July 2018

No. 61-0797-1-00-1-0 issued on 5 July 2018

No. 61-0798-1-00-1-0 issued on 5 July 2018

No. 61-0799-1-00-1-0 issued on 5 July 2018

No. 61-0800-1-00-1-0 issued on 5 July 2018

Subject to certain imposed conditions, the privileges include an exemption from corporate income tax that up to 100 percentage of investment excluding land and working capital for a period of 8 years from the date the promoted operations begin generating revenues (12 March 2018 and 1 March 2018 respectively).

A subsidiary (Sermsang Solar Co., Ltd) has received promotional privileges from the Board of Investment for the production of electricity generated from solar energy, pursuant to the investment promotion certificate No. 61-0508-1-00-10 issued on 3 May 2018. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on profits from the promoted business, not exceeding 100% of total investment exclude land and working capital for a term of 8 years from commercial operation date. As at 30 June 2018, the subsidiary has not yet started operation.

The subsidiaries' operating revenues and subsidy for adder as presented in statement of comprehensive income for the six-month periods ended 30 June 2018 and 2017 are revenues from promoted operations of Baht 427 million and Baht 447 million, respectively.

## **15. Earnings per share**

Basic earnings per share in the separate financial statement is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

## **16. Segment information**

The company and its subsidiaries are principally engaged in the production and distribution of electricity from solar energy including an investment in this business. Management of the Company considered that the group has one operation segment. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

## **17. Commitments and contingent liabilities**

### **17.1 Power purchase agreement**

On 7 June 2013, a subsidiary (Serm Sang Palang Ngan Company Limited) entered into power purchase agreement with Electricity Generating Authority of Thailand (“EGAT”). The agreement covered the periods of five years and it will be renewable for a period of five years. According to electricity sale to EGAT, the subsidiary will be granted a subsidy for adder at Baht 6.5 per kilowatt-hour for the period of ten years starting from the first commercial date (2 February 2015).

On 31 March 2017, a subsidiary in Japan (SS Hidaka No Mori GK) entered into power purchase agreement with Hokkaido Electric Power Company Limited for 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 26 February 2018, a subsidiary (Serm Sang Solar Co., Ltd) entered into power purchase agreement with Provincial Electricity Authority (“PEA”) for 25 years. According to electricity sale to PEA, the subsidiary requires to comply with conditions in the agreement.

### **17.2 Capital Commitments**

As at 30 June 2018, the subsidiaries in Japan had capital commitments of Yen 6,485.9 million (2017: Yen 10,264.1 million), relating to the project development, land purchase and licenses. The subsidiary in Mongolia had capital commitments of MNT 36,401.8 million (31 December 2017: MNT 28.82 million) relating, to the project development, machinery and equipment purchase.

As at 30 June 2018, the subsidiaries in Thailand had capital commitments of Baht 153.53 million, relating to the project development, and equipment purchase.

### 17.3 Land Lease Agreement

A subsidiary in Japan has entered into long-term land lease agreement since 2017 - 2018 that has period 20 years approximately and a total rental expense per year is Yen 151.1 million (31 December 2017: Yen 151.1 million).

### 17.4 Service Agreement

As at 30 June 2018 and 31 December 2017, the Company and its subsidiaries have future minimum lease payment required under these non-cancellable operating leases contracts as follows:

	(Unit Million Baht)	
	30 June 2018	31 December 2017
Payable		
In up to 1 year	40	39
In over 1 year and up to 5 years	161	160
In over 5 years	67	88
Total	268	287

As at 30 June 2018, the subsidiaries in Japan entered into various service agreements and the service expenses are Yen 67.5 million per year (31 December 2017: Yen 61.7 million).

### 17.5 Share capital of subsidiaries

As at 30 June 2018, the Company has commitments in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 517.6 million (31 December 2017: Baht 517.6 million), a subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 2,068.4 million (31 December 2017: Yen 2,611.8 million). A subsidiary in Singapore has a commitment to pay for investment in subsidiary in Mongolia of USD 8.6 million (31 December 2017: USD 8.6 million).

### 17.6 Bank Guarantees

As at 30 June 2018, there were outstanding bank guarantees of Baht 32.3 million, issued by bank on behalf of the Company and its subsidiaries in order to guarantee contracted performance to state enterprises, and Baht 31.0 million issued on behalf of the Company's (31 December 2017: the Company and the subsidiaries of Baht 85.3 million, and the Company of Baht 72.0 million).

**17.7 Derivatives**

- a)** As at 30 June 2018 and 31 December 2017, a subsidiary (Sermuang Palang Ngan Company Limited) has the interest rate swap contracts as follows:

	Contract value		Received interest rate	Paid interest rate	Due date
	30 June 2018	31 December 2017			
1.	Baht 251 Million	Baht 278 Million	Floating interest rate, THBFIX-REUTERS 3 months plus 2 percent per annum	Fixed interest rate 5.795 percent per annum	30 December 2024
2.	Baht 837 Million	Baht 925 Million	Floating interest rate, THBFIX-REUTERS 3 months plus 2 percent per annum	Fixed interest rate 5.710 percent per annum	30 December 2024

**b) Forward exchange contracts**

As at 30 June 2018, subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 30 June 2018			
Currency	Maturity Date	Contractual exchange	
		rate (Baht per 1 foreign currency unit)	Bought amount
US Dollar	13 November 2018	31.93	US Dollar 1.0 Million
US Dollar	13 November 2018	32.14	US Dollar 0.5 Million
US Dollar	15 November 2018	32.02	US Dollar 0.5 Million
US Dollar	30 November 2018	31.87	US Dollar 11.3 Million
US Dollar	13 May 2019	31.98	US Dollar 0.5 Million
US Dollar	15 May 2019	31.85	US Dollar 0.5 Million

## 17.8 Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from purchase of assets and account receivable - revenue department and loan from financial institutions that are denominated in foreign currencies. As at 30 June 2018 and 31 December 2017, the balances of financial assets and liabilities denominated in foreign currencies which have not hedged any foreign currency risk are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	2,250,185	1,649,528	12,753,573	9,536,125	0.29990	0.28981
US dollar	1,337	11,745	4,379	5,926	33.16715	32.68090
Singapore dollar	30	30	-	3	24.28475	24.45025
Mongolia	165,326	33,383	5,342	333,146	0.01346	0.01344
Euro	-	-	-	50	38.49260	39.02725

## 18. Events after the reporting period

### 18.1 Capital increase of subsidiary

In July 2018, a subsidiary invested in its overseas subsidiary amounting to USD 6.3 million.

## 19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2018.