

Sermsang Power Corporation Public Company Limited  
and its subsidiaries  
Review report and consolidated interim financial statements  
30 September 2019

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

To the shareholders of Sermuang Power Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sermuang Power Corporation Public Company Limited and its subsidiaries as at 30 September 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Sermuang 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.

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 14 November 2019

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

**Statement of financial position**

**As at 30 September 2019**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		As at	As at	As at	As at
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	873,698	1,125,130	73,590	356,811
Short-term restricted bank deposits	4	283,001	438,922	95,841	235,071
Trade and other receivables	3, 5	640,985	408,800	201,461	134,597
Unbilled Receivables	6	-	32,012	-	-
Short-term loans to related parties	3	-	-	431,690	108,363
Other current assets		22,516	10,081	2,162	-
<b>Total current assets</b>		<b>1,820,200</b>	<b>2,014,945</b>	<b>804,744</b>	<b>834,842</b>
<b>Non-current assets</b>					
Long-term restricted bank deposits	7	162,367	96,733	16,630	10
Revenue Department receivable		14,556	68,634	-	768
Long-term loans to related parties	3	-	-	2,599,578	2,095,078
Investments in subsidiaries under equity method	8	-	-	2,301,435	1,761,822
Long-term investment		26,661	17,079	-	-
Property, plant and equipment	9	9,357,462	8,352,084	847	1,004
Intangible assets	10	1,076,086	950,633	35	49
Prepaid rental		124,624	135,997	-	-
Deferred tax assets	13	664	482	271	182
Other non-current assets		301,864	256,141	-	-
<b>Total non-current assets</b>		<b>11,064,284</b>	<b>9,877,783</b>	<b>4,918,796</b>	<b>3,858,913</b>
<b>Total assets</b>		<b>12,884,484</b>	<b>11,892,728</b>	<b>5,723,540</b>	<b>4,693,755</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 September 2019**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		As at	As at	As at	As at
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade payables and other payables		497,688	503,820	32,475	35,472
Construction retention		5,157	5,319	-	-
Short-term loan from bank	11	366,956	-	366,956	-
Short-term loan from related parties	3	-	-	103,345	106,095
Share acquisition payable to subsidiary's existing shareholders		9,401	117,504	-	-
Current portion of liabilities under finance lease agreement		168	-	-	-
Current portion of long-term loans from bank	12	627,678	508,587	256,305	-
Other current liabilities		10,693	11,671	227	1,155
<b>Total current liabilities</b>		<b>1,517,741</b>	<b>1,146,901</b>	<b>759,308</b>	<b>142,722</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreement - net of current portion		1,055	-	-	-
Long-term loans from bank - net of current portion	12	7,331,454	6,868,208	1,241,427	780,645
Deferred tax liabilities	13	11,193	-	-	-
Other non-current liabilities		7,638	19,473	1,355	910
Loss in excess of cost over investments accounted for under equity method in investments in subsidiaries	8	-	-	38,480	235,937
<b>Total non-current liabilities</b>		<b>7,351,340</b>	<b>6,887,681</b>	<b>1,281,262</b>	<b>1,017,492</b>
<b>Total liabilities</b>		<b>8,869,081</b>	<b>8,034,582</b>	<b>2,040,570</b>	<b>1,160,214</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 September 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
922,000,000 ordinary shares of Baht 1 each		922,000	922,000	922,000	922,000
Issued and paid up					
922,000,000 ordinary shares of Baht 1 each		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	14	64,815	64,815	64,815	64,815
Unappropriated		1,312,463	1,084,056	1,312,463	1,084,056
Other components of shareholders' equity		(160,616)	(81,638)	(160,616)	(81,638)
Equity attributable to owners of the Company		3,682,970	3,533,541	3,682,970	3,533,541
Non-controlling interests of the subsidiaries		332,433	324,605	-	-
<b>Total shareholders' equity</b>		<b>4,015,403</b>	<b>3,858,146</b>	<b>3,682,970</b>	<b>3,533,541</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,884,484</b>	<b>11,892,728</b>	<b>5,723,540</b>	<b>4,693,755</b>

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

Directors

(Unaudited but reviewed)

**Sermuang Power Corporation Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Revenues</b>					
Sales		257,483	150,336	-	-
Subsidy for adder		139,027	141,101	-	-
Service income		187	-	7,250	7,250
Other income		1,850	1,382	26,243	9,885
<b>Total revenues</b>		<b>398,547</b>	<b>292,819</b>	<b>33,493</b>	<b>17,135</b>
<b>Expenses</b>					
Cost of sales		132,602	87,961	-	-
Administrative expenses		59,181	46,626	16,592	15,747
<b>Total expenses</b>		<b>191,783</b>	<b>134,587</b>	<b>16,592</b>	<b>15,747</b>
<b>Profit before share of profit from investment</b>					
<b>in subsidiaries, finance cost and income tax expense</b>		<b>206,764</b>	<b>158,232</b>	<b>16,901</b>	<b>1,388</b>
Share of profit from investments in subsidiaries	8.2	-	-	147,358	123,188
<b>Profit before finance cost and income tax expenses</b>		<b>206,764</b>	<b>158,232</b>	<b>164,259</b>	<b>124,576</b>
Finance cost		52,731	41,446	20,287	6,104
<b>Profit before income tax expenses</b>		<b>154,033</b>	<b>116,786</b>	<b>143,972</b>	<b>118,472</b>
Income tax revenue (expense)	13	(2,078)	(347)	30	21
<b>Profit for the periods</b>		<b>151,955</b>	<b>116,439</b>	<b>144,002</b>	<b>118,493</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		(8,433)	(79,521)	(6,287)	(67,322)
<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 loss for the periods</b>		<b>(8,433)</b>	<b>(79,521)</b>	<b>(6,287)</b>	<b>(67,322)</b>
<b>Total comprehensive income for the periods</b>		<b>143,522</b>	<b>36,918</b>	<b>137,715</b>	<b>51,171</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		144,002	118,493	144,002	118,493
Non-controlling interests of the subsidiaries		7,953	(2,054)		
		151,955	116,439		

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

(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018
<b>Comprehensive income attributable to:</b>					
Equity holders of the Company		137,715	51,171	137,715	51,171
Non-controlling interests of the subsidiaries		5,807	(14,253)		
		<u>143,522</u>	<u>36,918</u>		
<b>Earnings per share</b>					
Basic earnings per share	17				
Profit attributable to equity holders					
of the Company (Baht per share)		<u>0.16</u>	<u>0.13</u>	<u>0.16</u>	<u>0.13</u>
Weighted average number of ordinary shares (shares)		<u>922,000,000</u>	<u>922,000,000</u>	<u>922,000,000</u>	<u>922,000,000</u>

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 comprehensive income****For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018
<b>Revenues</b>					
Sales		655,150	385,693	-	-
Subsidy for adder		441,189	426,119	-	-
Revenue from construction service		11,903	-	-	-
Service income		562	-	21,750	21,750
Other income		6,663	4,839	63,972	26,963
<b>Total revenues</b>		<b>1,115,467</b>	<b>816,651</b>	<b>85,722</b>	<b>48,713</b>
<b>Expenses</b>					
Cost of sales		328,295	221,819	-	-
Cost of construction		10,100	-	-	-
Administrative expenses		176,850	113,229	42,532	44,445
<b>Total expenses</b>		<b>515,245</b>	<b>335,048</b>	<b>42,532</b>	<b>44,445</b>
<b>Profit before share of profit from investments</b>					
<b>in subsidiaries, finance cost and income tax expenses</b>		600,222	481,603	43,190	4,268
Share of profit from investments in subsidiaries	8.2	-	-	433,348	383,714
<b>Profit before finance cost and income tax expenses</b>		600,222	481,603	476,538	387,982
Finance cost		147,544	103,767	48,146	10,221
<b>Profit before income tax expenses</b>		452,678	377,836	428,392	377,761
Income tax revenue (expense)	13	(11,496)	(370)	89	64
<b>Profit for the periods</b>		<b>441,182</b>	<b>377,466</b>	<b>428,481</b>	<b>377,825</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(97,197)	(44,833)	(78,978)	(35,617)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	-	-	-
<b>Other comprehensive loss for the periods</b>		<b>(97,197)</b>	<b>(44,833)</b>	<b>(78,978)</b>	<b>(35,617)</b>
<b>Total comprehensive income for the periods</b>		<b>343,985</b>	<b>332,633</b>	<b>349,503</b>	<b>342,208</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		428,481	377,825	428,481	377,825
Non-controlling interests of the subsidiaries		12,701	(359)	-	-
		<b>441,182</b>	<b>377,466</b>		

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



(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018
<b>Comprehensive income attributable to:</b>					
Equity holders of the Company		349,503	342,208	349,503	342,208
Non-controlling interests of the subsidiaries		(5,518)	(9,575)		
		<u>343,985</u>	<u>332,633</u>		
<b>Earnings per share</b>					
Basic earnings per share	17				
Profit attributable to equity holders of the Company (Baht per share)		<u>0.46</u>	<u>0.41</u>	<u>0.46</u>	<u>0.41</u>
Weighted average number of ordinary shares (shares)		<u>922,000,000</u>	<u>922,000,000</u>	<u>922,000,000</u>	<u>922,000,000</u>

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

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
Retained earnings						Other components shareholder's of equity					
						Other comprehensive income					
						Exchange differences		Total		Total equity	
						on translation of		other components		attributable	
						financial statements		of shareholder's		to owners	
						in foreign currency		equity		of the company	
						Acturial loss				Non-controlling	
										interest of	
										subsidiaries	
										Total	
										shareholder's	
Note	Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Statutory reserve	Retained earnings						equity
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	-	-	-	-	377,825	-	-	-	377,825	(359)	377,466
Other comprehensive loss for the period	-	-	-	-	-	(35,617)	-	(35,617)	(35,617)	(9,216)	(44,833)
Total comprehensive income (loss) for the period	-	-	-	-	377,825	(35,617)	-	(35,617)	342,208	(9,575)	332,633
Dividend payment	-	-	-	-	(188,859)	-	-	-	(188,859)	-	(188,859)
Non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	161,845	161,845
Balance as at 30 September 2018	922,000	1,511,210	33,098	40,714	1,003,956	(49,473)	(326)	(49,799)	3,461,179	266,109	3,727,288
Balance as at 31 December 2018	922,000	1,511,210	33,098	64,815	1,084,056	(81,311)	(327)	(81,638)	3,533,541	324,605	3,858,146
Profit for the period	-	-	-	-	428,481	-	-	-	428,481	12,701	441,182
Other comprehensive loss for the period	-	-	-	-	-	(78,978)	-	(78,978)	(78,978)	(18,219)	(97,197)
Total comprehensive income (loss) for the period	-	-	-	-	428,481	(78,978)	-	(78,978)	349,503	(5,518)	343,985
Dividend payment	15	-	-	-	(200,074)	-	-	-	(200,074)	-	(200,074)
Non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	13,346	13,346
Balance as at 30 September 2019	922,000	1,511,210	33,098	64,815	1,312,463	(160,289)	(327)	(160,616)	3,682,970	332,433	4,015,403

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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

## Separate financial statements

						Other components of shareholders' equity					
						Other comprehensive income			Total other components of shareholders' equity		Total shareholders' equity
						Exchange difference on translation of financial statement in foreign currency	Actuarial loss				
Note	Issued and paid up share capital	Share premium	Surplus on business combination under common control	Retained earnings							
				Appropriated	Unappropriated						
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		
Profit for the period	-	-	-	-	377,825	-	-	-	377,825		
Other comprehensive loss for the period	-	-	-	-	-	(35,617)	-	(35,617)	(35,617)		
Total comprehensive income for the period	-	-	-	-	377,825	(35,617)	-	(35,617)	342,208		
Dividend payment	-	-	-	-	(188,859)	-	-	-	(188,859)		
Balance as at 30 September 2018	922,000	1,511,210	33,098	40,714	1,003,956	(49,473)	(326)	(49,799)	3,461,179		
Balance as at 31 December 2018	922,000	1,511,210	33,098	64,815	1,084,056	(81,311)	(327)	(81,638)	3,533,541		
Profit for the period	-	-	-	-	428,481	-	-	-	428,481		
Other comprehensive loss for the period	-	-	-	-	-	(78,978)	-	(78,978)	(78,978)		
Total comprehensive income for the period	-	-	-	-	428,481	(78,978)	-	(78,978)	349,503		
Dividend payment	15	-	-	-	(200,074)	-	-	-	(200,074)		
Balance as at 30 September 2019	922,000	1,511,210	33,098	64,815	1,312,463	(160,289)	(327)	(160,616)	3,682,970		

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

(Unaudited but reviewed)

**Sermasang Power Corporation Public Company Limited and its subsidiaries****Cash flow statement****For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	452,678	377,836	428,392	377,761
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	225,412	148,993	181	154
Loss from write-off fixed asset	84	-	-	-
Long-term employee benefits	915	708	445	323
Share of profit from investments in subsidiaries	-	-	(433,348)	(383,714)
Unrealised loss on exchange rate	7,245	12,376	-	-
Interest income	(2,665)	(3,369)	(63,552)	(26,923)
Finance cost	147,544	103,767	48,146	10,221
Profit (loss) from operating activities before changes in operating assets and liabilities	831,213	640,311	(19,736)	(22,178)
Operating assets (increase) decrease				
Trade and other receivables	(229,323)	(322,660)	(3,126)	(9,377)
Unbilled revenue	32,012	-	-	-
Other current assets	(12,435)	(1,892)	(2,162)	-
Revenue Department receivable	61,045	1,953	768	537
Non-current assets	(34,349)	(5,580)	-	-
Increase (decrease) in operating liabilities				
Trade payables and other payables	(4,682)	39,583	(4,560)	1,047
Share acquisition payable to subsidiary's existing shareholders	(108,102)	212,598	-	-
Retention payable	(162)	262	-	-
Other current liabilities	(979)	1,201	(926)	88
Other non-current liabilities	1,926	(89)	-	-
Cash flows from (used in ) operating activities	536,164	565,687	(29,742)	(29,883)
Cash paid for income tax	(4,312)	(1,351)	(1,059)	(629)
<b>Net cash flows from (used in) operating activities</b>	<b>531,852</b>	<b>564,336</b>	<b>(30,801)</b>	<b>(30,512)</b>

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

(Unaudited but reviewed)

**Sernsang Power Corporation Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Short-term restricted bank deposits	155,920	(7,963)	139,230	-
Long-term restricted bank deposits	(65,634)	(109,211)	(16,620)	(15,011)
Short-term loans to related parties	-	-	(323,327)	(6,050)
Long-term loans to related parties	-	-	(504,501)	(674,501)
Investment in subsidiaries	-	-	(602,700)	(200)
Long-term investment	(9,582)	-	-	-
Dividend income from investment	-	-	220,000	120,000
Acquisition of property, plant and equipment	(1,511,156)	(2,310,709)	(10)	(72)
Acquisition of intangible assets	(174,342)	(80,103)	-	-
Subsidy from the government	121,708	15,148	-	-
Interest income	2,665	3,369	873	1,400
Non-controlling interest of the subsidiaries	13,346	161,845	-	-
<b>Net cash flows used in investing activities</b>	<b>(1,467,075)</b>	<b>(2,327,624)</b>	<b>(1,087,055)</b>	<b>(574,434)</b>
<b>Cash flows from financing activities</b>				
Short-term loans from related parties	-	-	(2,750)	(17,612)
Liabilities under finance lease agreements	(36)	(70)	-	-
Cash received from short-term loans	366,956	-	366,956	-
Cash received from long-term loans	1,147,488	2,973,825	715,000	800,000
Payment of long-term loans	(408,036)	(435,536)	-	-
Dividend payment	(200,074)	(188,859)	(200,074)	(188,859)
Payment of interest expense and bank fee	(191,063)	(300,132)	(44,497)	(27,919)
<b>Net cash flows from financing activities</b>	<b>715,235</b>	<b>2,049,228</b>	<b>834,635</b>	<b>565,610</b>
<b>Translation adjustments</b>	<b>(31,444)</b>	<b>(36,386)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(251,432)</b>	<b>249,554</b>	<b>(283,221)</b>	<b>(39,336)</b>
Cash and cash equivalents at beginning of period	1,125,130	1,411,243	356,811	699,494
<b>Cash and cash equivalents at end of period</b>	<b>873,698</b>	<b>1,660,797</b>	<b>73,590</b>	<b>660,158</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Increase in fixed assets by replacement	148	633	-	-
Interest expenses record to cost of property and equipment	54,098	36,779	-	-
Advance paid to subsidiary's existing shareholders	-	244,861	-	-
Share acquisition payable to subsidiary's former shareholders	-	212,598	-	-
Liabilities under finance lease agreements	1,258	-	-	-

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

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

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 2019**

**1. General information**

**1.1 Corporate information**

Sernsang Power Corporation Public Company Limited (“the Company”) is a public company limited incorporated under Thai Laws and domiciled in Thailand, and listed on the Stock Exchange of 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 by the company. 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.

**1.2 Basis of the 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 interim financial statements.

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

The interim consolidated financial statements include the financial statements of Serm Sang 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 2018.

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September	31 December
			2019	2018
			(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
Sermsang Corporation Company Limited	Production and distribution of electricity	Thailand	100	100
Sermsang 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
Sermsang 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
Sermsang 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
Sermsang 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	75	75
Truong Thanh Quang Ngai Power and High Technology JSC.	Production and distribution of electricity	Vietnam	80	80
Sea Sun Energy Partners Pte.,Ltd	Investment and consultancy	Singapore	84	-
PT Sea Sun Energi	Production and distribution of electricity	Indonesia	84	-

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

- 1.3.1.1 During the period, the subsidiary invested in Ashita Power 2 GK amounting to Yen 2 Million.
- 1.3.1.2 During the period, the subsidiary invested in Sea Sun Energy Partners Pte.,Ltd established in Singapore which engaged in investment business. The subsidiary's shareholding was 84% and paid for the share amounting to USD 520,000 on 6 June 2019.
- 1.3.1.3 During the period, the subsidiary invested in PT Sea Sun Energi, which is established in Indonesia and engaged in production and distribution of electricity on solar rooftop by 99.96% of shareholding. The subsidiary has paid for the share amounting to USD 180,000 on 18 July 2019.
- 1.3.1.4 During the period, the subsidiary invested in GK GSSE amounting to Yen 315 million.

### **1.4 New financial reporting standards**

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

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

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers



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 recognised 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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard 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 amortised cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **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 recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on 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 2018.

### 3. 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, key managements and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended 30 September		For the three-month periods ended 30 September		Pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Service income	-	-	7,250	7,250	Per agreement
Interest income	-	-	26,117	9,853	2.0% - 3.6% per annum
Interest expense	-	-	522	689	2.0% per annum
Service expense	-	-	2,550	2,550	Per agreement
<u>Transactions with related parties</u>					
Sales	1,643	1,229	-	-	Per agreement
Rental and service expenses	90	136	90	90	Per agreement

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Service income	-	-	21,750	21,750	Per agreement
Dividend income	-	-	220,000	120,000	
Interest income	-	-	62,679	25,523	2.0% - 3.7% per annum
Interest expense	-	-	1,562	2,140	2.0% per annum
Service expense	-	-	7,650	7,650	Per agreement
<u>Transactions with related parties</u>					
Sales	4,767	2,862	-	-	Per agreement
Revenue from construction service	273	-	-	-	Per agreement
Rental and service expenses	270	372	270	270	Per agreement
Purchase computer software	504	-	-	-	Per agreement

As at 30 September 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial Statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
<b>Accounts receivables</b>				
<b>- related parties (Note 5)</b>				
Subsidiaries	-	-	2,217	20,359
Related parties	1,135	823	-	-
Total accounts receivables - related parties	1,135	823	2,217	20,359
<b>Interest receivables - related parties</b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	169,942	107,263
Total interest receivables-related parties	-	-	169,942	107,263
<b>Accrued service income - related party</b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	1,338	-
Total accrued service income - related party	-	-	1,338	-
<b>Accrued service expense - related party</b>				
Subsidiaries	-	-	2,729	-
Total accrued service expense - related party	-	-	2,729	-
<b>Interest payables - related parties</b>				
Subsidiaries	-	-	22,369	20,806
Total interest payables - related parties	-	-	22,369	20,806
<b>Accrued rental expense - director</b>				
Director	30	30	30	30
Total accrued rental expense - director	30	30	30	30

### Service income agreement

The Company entered into service income agreement with two subsidiaries whereby the subsidiaries have to pay service income on monthly basis as stated in the agreement.

A subsidiary entered into service income agreement with the Company whereby the Company has to pay service income as stated in the agreement.

**Power purchase agreement**

On 15 August 2017, a subsidiary (Sermsang Infinite Co., Ltd.) entered into Power purchase agreement with a related company (Srinanaporn Marketing Co., Ltd) for 25 years. The subsidiary has commenced to generate revenue since March 2018.

On 17 August 2018, a subsidiary (Sermsang Infinite Co., Ltd.) entered into Power purchase agreement with a related company (Srinanaporn Marketing Co., Ltd.) for 25 years. The subsidiary has commenced to generate revenue since April 2019.

**Loans to related parties and loans from related parties**

As at 30 September 2019, the balance of loans between the Company and the related parties and their movements are as follows:

(Unit: Thousand Baht)				
Separate financial statement				
For the nine-month periods ended 30 September 2019				
	Balance as at 1 January 2019	Increase during the period	Decrease during the period	Balance as at 30 September 2019
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Access Energy Company Limited	19,731	-	-	19,731
Sermsang International Company Limited	88,632	-	(10,000)	78,632
Truong Thanh Quang Ngai Power and High Technology JSC	-	333,327	-	333,327
Total short-term loans to related parties	<u>108,363</u>	<u>333,327</u>	<u>(10,000)</u>	<u>431,690</u>
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Sermsang Solar Company Limited	11,123	72,500	-	83,623
Sermsang International Company Limited	1,970,474	455,000	-	2,425,474
Access Energy Company Limited	5,500	20,000	-	25,500
Sermsang Infinite Company Limited	107,981	-	(43,000)	64,981
Total long-term loans to related parties	<u>2,095,078</u>	<u>547,500</u>	<u>(43,000)</u>	<u>2,599,578</u>

The Company entered into loan agreements with Sermsang Solar Company Limited. The loan is repayable within 2021, which have interest rate at 3.05% - 3.7% per annum.

(Unaudited but reviewed)

The Company entered into loan agreements with Serm Sang International Company Limited. The loans are repayable within 2020 - 2029, which have interest rate at 3.05% - 3.7% per annum.

The Company entered into loan agreements with Serm Sang Infinite Company Limited. The loans are repayable within 2021, which have interest rate at 3.05% - 3.7% per annum.

The Company entered into the loan agreements with Access Energy Company Limited. The loans are repayable within 2021 - 2029, which have interest rate at 3.05 - 3.7% per annum.

(Unit: Thousand Baht)

	Separate financial statement		
	For the nine-month periods ended 30 September 2019		
	Balance as at	Increase	Balance as at
	1 January	during the	30 September
	2019	period	2019
<u>Short-term loans from related parties</u>			
Serm Sang Corporation Company Limited	76,990	-	76,090
Essential Power Company Limited	11,599	-	11,229
Siam Renewable Power Company Limited	2,879	-	2,509
Plus Energy Company Limited	2,953	-	2,583
Prestige Group Company Limited	2,155	-	1,785
Siam Clean Solution Company Limited	9,519	-	9,149
Total short-term loans to related parties	<u>106,095</u>	<u>-</u>	<u>103,345</u>

#### Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods		For the three-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	4,946	6,388	4,946	6,388
Post-employment benefits	144	104	144	104
Total	<u>5,090</u>	<u>6,492</u>	<u>5,090</u>	<u>6,492</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	16,309	18,762	16,309	18,762
Post-employment benefits	430	311	430	311
Total	16,739	19,073	16,739	19,073

#### 4. Cash and cash equivalents/Short - term restricted bank deposits

##### Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Cash	276	3,506	4	4
Deposit in transit	30,406	-	29,658	-
Bank deposits - Current accounts	305,622	760	72	32
Bank deposits - Saving accounts	537,394	1,120,864	43,856	356,775
Total	873,698	1,125,130	73,590	356,811

As at 30 September 2019, a subsidiary (Serm Sang Palang Ngan Company Limited) has pledged its bank deposit in savings account amounting to Baht 173.9 million (31 December 2018 Subsidiary: Baht 90.9 million) as security against long-term loans, as discussed in Note 12 to the financial statements, however such subsidiary can withdraw such savings account to use in operation.

##### Short-term restricted bank deposits

As at 30 September 2019, the Company has saving account of Baht 95.8 million (31 December 2018: Baht 235.0 million) that is pledged as collateral to secure short-term and long-term loans, the Company shall receive an approval from the bank before withdrawing from such bank accounts as discussed in Note 11 and Note 12 to financial statements.

A subsidiary has pledged and assigned a right of claim on bank accounts with outstanding balances as at 30 September 2019 totaling approximately Baht 187.2 million (31 December 2018: Baht 203.9 million) with lenders to secure long-term loans of the Company, in accordance with conditions stipulated in the long-term loan agreements as discussed. Those bank accounts have restrictions on withdrawal for a purpose of loan principal and interest payment due within 6 months.

**5. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<u>Trade receivable - related parties</u>				
Not yet due	1,135	375	2,217	7,519
Past due				
Up to 3 months	-	448	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	1,070
Over 1 year	-	-	-	11,770
Total trade receivable - related parties	1,135	823	2,217	20,359
<u>Trade receivable - unrelated parties</u>				
Not yet due	311,519	181,600	-	-
Past due				
Not over 3 months	908	37	-	-
Over 3 months	71	-	-	-
Total trade receivable - unrelated parties	312,498	181,637	-	-
<u>Other receivable - related parties</u>				
Interest receivable	-	-	169,942	107,263
Accrued service income	-	-	1,338	-
Total other receivable - related parties	-	-	171,280	107,263
<u>Other receivable - unrelated parties</u>				
Other advance payment	45,790	10,434	24,798	4,693
Advance payment for construction	181,617	93,558	-	-
Advances to existing shareholders of subsidiaries	-	107,048	-	-
Refundable input VAT	98,057	8,875	3,166	2,282
Other receivable	1,888	6,425	-	-
Total other receivable - unrelated parties	327,352	226,340	27,964	6,975
Total trade receivable and other receivable	640,985	408,800	201,461	134,597



**6. Unbilled receivables**

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		30 September 2019	31 December 2018
Project value as per contract		43,642	43,642
Accumulated amount recognised as revenue on percentage of completion basis		43,642	32,012
Less: Value of total billed		43,642	-
Unbilled receivables		-	32,012

**7. Long-term restricted bank deposits**

As at 30 September 2019, the Company has savings account of Baht 16.6 million (31 December 2018: Baht 0.01 million) that is pledged as collateral to secure long-term loans as discussed in Note 12 to financial statements.

Subsidiaries in Japan have restricted saving deposits of Yen 514.2 million, or approximately Baht 145.7 million (31 December 2018: Yen 330.0 million or approximately Baht 96.7 million), under the long-term loan agreements with banks. The Subsidiaries have requested to obtain permission from the bank on withdrawal of the such restricted deposits.

**8. Investments in subsidiaries****8.1 Details of investments in subsidiaries as presented in separate financial statements as at 30 September 2019 and 31 December 2018 are as follows:**

		(Unit: Thousand Baht)							
		Separate financial Statements						Carrying amounts based on equity method	
Company Name	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method				
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	
	(Percentage)	(Percentage)							
<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	1,782,065	1,538,337	
Sernsang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	95,765	95,645	
Sernsang International Co., Ltd.	100	100	810,000	210,000	810,000	210,000	280,572	-	
Essential Power Co., Ltd.	100	100	13,250	13,250	13,250	13,250	11,961	12,046	
Sernsang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	59,919	49,749	
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,688	2,904	
Sernsang Infinite Co., Ltd.	100	100	72,400	70,000	72,400	70,000	54,143	48,282	
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,791	3,000	
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,587	9,704	
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	1,944	2,155	
Total							2,301,435	1,761,822	

(Unaudited but reviewed)

In addition, as at 30 September 2019 and 31 December 2018, investments in subsidiary companies 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)

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
September	December	September	December	September	December	September	December
2019	2018	2019	2018	2019	2018	2019	2018
(Percentage)	(Percentage)						
<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	810,000	210,000	810,000	210,000	- (209,321)
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	(38,456) (26,560)
Triple P Renewable Co., Ltd.	100	100	5,500	5,200	5,500	5,200	(24) (56)
Total loss in excess of cost over investments accounted for under equity method in investment in subsidiaries in separate financial statements						(38,480)	(235,937)

## 8.2 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)

For the three-month periods ended 30 September				
Separate financial statements				
Company Name	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income (loss) from investment in subsidiaries	
	2019	2018	2019	2018
Serm Sang Palang Ngan Co., Ltd.	143,015	141,361	-	-
Sermsang Corporation Co., Ltd.	33	(191)	-	-
Sermsang International Co., Ltd.	6,852	(15,308)	(6,485)	(67,909)
Access Energy Co., Ltd.	(5,475)	(4,039)	198	587
Essential Power Co., Ltd.	(28)	(27)	-	-
Sermsang Solar Co., Ltd.	2,632	(147)	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 September

Company Name	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income (loss) from investment in subsidiaries	
	2019	2018	2019	2018
Siam Renewable Power Co., Ltd.	(72)	(71)	-	-
Sermsang Infinite Co.,Ltd.	665	1,881	-	-
Plus Energy Co., Ltd.	(67)	(65)	-	-
Siam Clean Solutions Co., Ltd.	(39)	(36)	-	-
Prestige Group Co., Ltd.	(71)	(69)	-	-
Triple P Renewable Co., Ltd.	(87)	(101)	-	-
Total	147,358	123,188	(6,287)	(67,322)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

Company Name	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income (loss) from investment in subsidiaries	
	2019	2018	2019	2018
Serm Sang Palang Ngan Co., Ltd.	463,728	426,577	-	-
Sermsang Corporation Co., Ltd.	120	(747)	-	-
Sermsang International Co., Ltd.	(30,449)	(28,527)	(79,658)	(35,796)
Access Energy Co., Ltd.	(12,576)	(10,935)	680	179
Essential Power Co., Ltd.	(85)	(82)	-	-
Sermsang Solar Co., Ltd.	10,169	(556)	-	-
Siam Renewable Power Co., Ltd.	(216)	(211)	-	-
Sermsang Infinite Co.,Ltd.	3,463	(984)	-	-
Plus Energy Co., Ltd.	(210)	(194)	-	-
Siam Clean Solutions Co., Ltd.	(117)	(116)	-	-
Prestige Group Co., Ltd.	(211)	(206)	-	-
Triple P Renewable Co., Ltd.	(268)	(305)	-	-
Total	433,348	383,714	(78,978)	(35,617)

### 8.3 Dividend received

During the period, the Company recorded dividend income as follows:

(Unit: Thousand Baht)

Company Name	Dividend income			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Serm Sang Palang Ngan Co., Ltd.	-	-	220,000	120,000
Total	-	-	220,000	120,000

### 8.4 Called up share capital

8.4.1 During the period, Serm Sang International Company Limited called up of its registered capital amounting to Baht 600 million. The subsidiary had gradually received capital payment until the calling amount on 9 May 2019.

8.4.2 During the period, Serm Sang Infinite Company Limited called up of its registered capital amounting to Baht 2.4 million and was received from its shareholders on 19 March 2019.

8.4.3 During the period, Triple P Renewable Company Limited called up of its registered capital amounting to Baht 0.3 million and was received from its shareholders on 5 February 2019 and 19 July 2019.

## 9. Property, plant and equipment

The movement in property, plant and equipment for the nine-month period ended 30 September 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
31 December 2018	8,900,033	1,479
Additions during the period	1,561,325	10
Subsidy from the government	(136,384)	-
Disposals / written off	(232)	-
Exchange differences on translation	(211,771)	-
30 September 2019	10,112,971	1,489

(Unaudited but reviewed)

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Accumulated depreciation</b>		
31 December 2018	547,949	475
Depreciation for the period	210,255	167
Disposals / written off	(27)	-
Exchange differences on transaction	(2,668)	-
30 September 2019	755,509	642
<b>Net book value</b>		
31 December 2018	8,352,084	1,004
30 September 2019	9,357,462	847

As at 30 September 2019, a subsidiary has pledged and mortgaged all property plant and equipment with the net book value of Baht 2,522.6 million (31 December 2018: Baht 2,609.8 million) as collateral against credit facilities obtained from two financial institutions as discussed in Note 12 to the financial statements.

As at 30 September 2019, two subsidiaries in Japan have mortgaged all machineries and equipment of solar power plant with the net book value of Baht 2,006.9 million (31 December 2018: Baht 2,159.0 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 12 to the financial statements.

During the period, the subsidiaries in Japan and Vietnam capitalised their borrowing costs as construction in progress-power plant totaling to Baht 54.1 million (31 December 2018: Baht 55.1 million).

**10. Intangible assets**

The movement in intangible assets for the nine-month period ended 30 September 2019 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
31 December 2018	978,605	91
Additions during the period - cost	173,734	-
Disposals / written off	(57)	-
Exchange differences on translation	(33,807)	-
30 September 2019	1,118,475	91
<b>Accumulated amortisation</b>		
31 December 2018	14,783	42
Amortisation for the period	15,198	14
Disposals / written off	(14)	-
Exchange differences on translation	(333)	-
30 September 2019	29,634	56
<b>Provision for impairment</b>		
31 December 2018	(13,189)	-
Exchange differences on translation	434	-
30 September 2019	(12,755)	-
<b>Net book value</b>		
31 December 2018	950,633	49
30 September 2019	1,076,086	35

## 11. Short-term loan from bank

On 16 August 2019, the Company entered into loan agreement with commercial bank, total credit facility amounting to USD 12.0 million, the interest rate of LIBOR 6 months plus additional rate. As at 30 September 2019, the Company had drawn USD 11.9 million or equivalent to Baht 367.0 million.

The Company had pledged its bank saving account of Baht 93.0 million as collateral against credit facility as discussed in Note 4 to financial statement. The loan agreement contains several covenants which, among other things; require the Company to maintain debt-to-equity ratio at the rate stipulated in the agreement.

## 12. Long-term loans from bank

(Unit: Thousand Baht)								
Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated		Separate		Note
				financial statements		financial statements		
				30 September 2019	31 December 2018	30 September 2019	31 December 2018	
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	1,246,742	1,511,489	-	-	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	800,000	800,000	800,000	800,000	b)
	THBFIX 3 months plus additional rate	Baht	Repayments of principal and interest are to be made on quarterly basis starting from March 2020 and ending in December 2025	715,000	-	715,000	-	b)
3)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made in Yen currency on quarterly basis starting from September 2018 to June 2036	1,538,384	1,661,522	-	-	c)
4)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made in Yen currency on quarterly basis and starting from March 2021 to December 2037	2,290,225	1,920,962	-	-	d)

## (Unaudited but reviewed)

(Unit: Thousand Baht)

Loan	Interest rate	Currency	Repayment schedule	Consolidated		Separate		Note
	(percent per annum)			financial statements		financial statements		
				30 September 2019	31 December 2018	30 September 2019	31 December 2018	
5)	JPY TIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made in Yen currency on quarterly basis starting from March 2019 to December 2035	620,447	718,947	-	-	e)
6)	JPY TIBOR 6 months plus additional rate	Yen	Repayments of principal and interest are to be made in Yen currency on 6 month basis starting from June 2022 to December 2038	1,117,047	1,155,064	-	-	f)
7)	USD LIBOR 6 months plus additional rate	USD	Repayments of principal and interest are to be made in USD currency on 6 month basis starting from February 2020 to February 2029	-	-	-	-	g)
8)	USD LIBOR 6 months plus additional rate	USD	Repayments of principal and interest are to be made in USD currency on quarterly basis starting from June 2020 to March 2034	-	-	-	-	h)
Total long-term loans from banks				8,327,845	7,767,984	1,515,000	800,000	
Less: Deferred finance charges				(368,713)	(391,189)	(17,268)	(19,355)	
Total				7,959,132	7,376,795	1,497,732	780,645	
Less: Current portion				(627,678)	(508,587)	(256,305)	-	
Long-term loans - net of current portion				7,331,454	6,868,208	1,241,427	780,645	

## Note:

- a) As at 30 September 2019, 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 4 and Note 9 to the financial statement.
- b) On 30 March 2018, the Company entered into loans agreements with two commercial banks, total credit facilities amounting to Baht 2,000.0 million consisting of 2 tranches. First tranche of Baht 800.0 million is subject to fixed interest rate as per agreement and the second tranche of Baht 1,200.0 million is charged at THBFIX 3 months plus additional rate. As at 30 September 2019, the Company had drawn totaling to Baht 1,515.0 million (31 December 2018: Baht 800.0 million). The Company has pledged its dividend account as collateral against credit facilities as discussed in Note 4 and Note 7 to the financial statement.



- c) As at 30 September 2019, a subsidiary (SS Hidaka No Mori GK) has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 7 and Note 9 to the financial statement.
- 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 September 2019, the subsidiary had drawn Yen 8,080.0 million (31 December 2018: Yen 6,554.2 million).
- e) As at 30 September 2019, a subsidiary (Zouen Energy GK) has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 7 and Note 9 to financial statement.
- f) On 14 September 2018, a subsidiary (Ashita Power 1 GK) entered into loan agreement with financial institution, total credit facility amounting to Yen 11,935.5 million. As at 30 September 2019, the subsidiary had drawn Yen 3,941.0 million (31 December 2018: Yen 3,941.0 million)
- g) On 20 March 2019, a subsidiary (Tenuun Gerel Construction LLC) entered into loan agreement with financial institution and the Company acts as the guarantor. The total credit facility was totaling USD 18.7 million. As at 30 September 2019, the subsidiary had not withdrawn such loan.
- h) On 28 March 2019, a subsidiary (Truong Thanh Quang Ngai Power and High Technology JSC.) entered into loan agreement with the financial institution for the solar power plant project in Vietnam. The credit facility was totaling USD 32.5 million. As at 30 September 2019, the subsidiary had not withdrawn such loan.

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 condition in loan agreement and notify the bank.

As at 30 September 2019, the Company and its subsidiaries have undrawn credit facilities amounting to Baht 525.0 million, Yen 9,937.5 million and USD 51.2 million (the Company: Baht 485.0 million) (The Company and its subsidiaries: 31 December 2018: Yen 1,240.0 million and Yen 11,463.3 million and the Company: Baht 1,200.0 million).

**13. Income tax expenses (revenue)**

Income tax expenses (revenue) for the three-month and nine-month periods ended 30 September 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Interim corporate income tax charge	2,139	395	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences and others	(61)	(48)	(30)	(21)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>2,078</b>	<b>347</b>	<b>(30)</b>	<b>(21)</b>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Interim corporate income tax charge	11,679	512	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences and others	(183)	(142)	(89)	(64)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>11,496</b>	<b>370</b>	<b>(89)</b>	<b>(64)</b>

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the three-month periods		For the three-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Accounting profit before tax	154,033	116,786	143,972	118,472
Applicable tax rate	0%, 5%, 10%, 15%, 16.5%, 17%, 20%	0%, 10%, 15%, 16.5%, 17%, 20%	20%	20%
Accounting profit before corporate income tax multiplied by income tax rate	26,370	24,129	28,794	23,695
Effects of:				
Promotional privileges (Note 16)	(29,254)	(28,254)	-	-
Non-deductible expenses	301	294	2	88
Exempted revenue	-	-	(29,472)	(24,637)
Utilised of tax losses	(244)	-	-	-
Tax losses for the period, that were not recognised as deferred tax assets	4,905	4,178	646	833
Income tax expense (revenue) reported in the statement of comprehensive income	2,078	347	(30)	(21)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Accounting profit before tax	452,678	377,836	428,392	377,761
Applicable tax rate	0%, 5%, 10%, 15%, 16.5%, 17%, 20%	0%, 10%, 15%, 16.5%, 17%, 20%	20%	20%
Accounting profit before corporate income tax				
multiplied by income tax rate	83,614	76,289	85,678	75,552
Effects of:				
Promotional privileges (Note 16)	(95,028)	(85,262)	-	-
Non-deductible expenses	856	909	78	229
Exempted revenue	-	-	(86,670)	(76,742)
Utilised of tax losses	(1,127)	-	-	-
Tax losses for the period, that were not recognised as deferred tax assets	23,181	8,434	825	897
Income tax expenses (revenue) reported in the statement of comprehensive income	11,496	370	(89)	(64)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Actuarial loss	-	-	-	-
<b>Income tax expense as reported in the statement of comprehensive income</b>	-	-	-	-

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	664	482	271	182

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Deferred tax liabilities</b>				
Share gain from foreign subsidiaries	11,193	-	-	-

#### 14. Statutory 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 at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution.

#### 15. Dividend payment

On 29 April 2019, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2018 earnings of Baht 0.217 per share, totaling Baht 200 million. The dividend was paid to shareholders in May 2019.

**16. Promotional privileges**

Its subsidiaries have been granted the promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under each promotion certificate as follows:

Company's name	Certificates		1 <sup>st</sup> Income Date	Privileges
	No.	Dated		
Serm Sang Palang Ngan Co., Ltd.	2645(1)/2556	19 November 2013	2 February 2015	A), B), D)
Serm Sang Infinite Co., Ltd	60-1446-1-00-1-0	20 December 2017	12 March 2018	C), D)
	61-0246-1-00-1-0	9 March 2018	1 March 2018	C), D)
	61-0796-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0797-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0798-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0799-1-00-1-0	5 July 2018	1 July 2018	C), D)
	61-0800-1-00-1-0	5 July 2018	1 July 2018	C), D)
	62-0029-1-00-1-0	9 January 2019	1 April 2019	C), D)
Serm Sang Solar Co., Ltd	61-0508-1-00-1-0	3 May 2018	30 November 2018	C), D)

Subject to certain imposed conditions, the privileges include the following:

- A) The privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues.
- B) 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.
- C) 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.
- D) In case of an accumulated losses incurred during the corporate income tax exemption period, the subsidiaries are allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.

The subsidiaries have operating revenues for the three-month and nine-month periods ended 30 September 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

Consolidated financial statements						
For the three-month periods ended 30 September						
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales	82.0	73.9	175.5	75.7	257.5	149.6
Subsidy for adder	139.0	141.1	-	-	139.0	141.1
Revenue from construction service	-	-	-	0.7	-	0.7
Service income	-	-	0.2	-	0.2	-
Others	-	1.3	1.8	0.1	1.8	1.4
Total	221.0	216.3	177.5	76.5	398.5	292.8

(Unit: Million Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales	260.3	216.4	394.9	168.6	655.2	385.0
Subsidy for adder	441.2	426.1	-	-	441.2	426.1
Revenue from construction service	-	-	11.9	0.7	11.9	0.7
Service income	-	-	0.6	-	0.6	-
Others	1.4	1.3	5.2	3.5	6.6	4.8
Total	702.9	643.8	412.6	172.8	1,115.5	816.6

## 17. Earnings per share

Basic earnings per share 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.

## **18. Segment information**

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.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and have three reportable segments as follows:

1. Production and distribution of electricity from solar power plants
2. Electricity distribution and installation services relating to the solar roof system
3. Others (investment, consultancy and others)

No operating segments have been aggregated to from the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



## Segment Information

The following tables present revenue and profit regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018.

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the three-month periods ended 30 September									
	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Electricity selling from operations	392,169	287,240	4,341	3,497	-	-	-	-	396,510	290,737
Revenue from construction services	-	-	-	700	-	-	-	-	-	700
Other income	1,105	815	102	1,157	13,837	13,060	(13,442)	(14,202)	1,602	830
Total revenue and other income	393,274	288,055	4,443	5,354	13,837	13,060	(13,442)	(14,202)	398,112	292,267
Operating profit	231,450	182,948	460	2,341	(34,869)	(69,545)	9,288	41,936	206,329	157,680
Interest income	316	586	1	-	64,262	24,319	(64,144)	(24,353)	435	552
Finance costs	(44,501)	(39,340)	(593)	(460)	(72,237)	(29,309)	64,600	27,663	(52,731)	(41,446)
Finance costs, net	(44,185)	(38,754)	(592)	(460)	(7,975)	(4,990)	456	3,310	(52,296)	(40,894)
<b>Profit before income tax expense</b>	187,265	144,194	(132)	1,881	(42,844)	(74,535)	9,744	45,246	154,033	116,786
Income tax benefit (expense)	(2,126)	(29)	-	-	30	(331)	18	13	(2,078)	(347)
<b>Profit for the period</b>	185,139	144,165	(132)	1,881	(42,814)	(74,866)	9,762	45,259	151,955	116,439

(Unaudited but reviewed)

(Unit: Thousand Baht)

## Consolidated financial statements

For the nine-month periods ended 30 September

	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Electricity selling from operations	1,083,117	805,982	13,222	5,130	-	-	-	-	1,096,339	811,112
Revenue from construction services	-	-	12,998	700	-	-	(1,095)	-	11,903	700
Other income	3,244	1,440	742	1,158	40,902	39,103	(40,328)	(40,231)	4,560	1,470
Total revenue and other income	1,086,361	807,422	26,962	6,988	40,902	39,103	(41,423)	(40,231)	1,112,802	813,282
Operating profit	687,820	543,428	4,857	(229)	57,305	46,995	(152,425)	(111,960)	597,557	478,234
Interest income	1,359	2,303	25	15	163,680	64,897	(162,399)	(63,846)	2,665	3,369
Finance costs	(123,238)	(99,947)	(1,936)	(770)	(184,274)	(70,812)	161,904	67,762	(147,544)	(103,767)
Finance costs, net	(121,879)	(97,644)	(1,911)	(755)	(20,594)	(5,915)	(495)	3,916	(144,879)	(100,398)
<b>Profit before income tax expense</b>	565,941	445,784	2,946	(984)	36,711	41,080	(152,920)	(108,044)	452,678	377,836
Income tax benefit (expense)	(11,638)	(121)	-	-	89	(288)	53	39	(11,496)	(370)
<b>Profit for the period</b>	554,303	445,663	2,946	(984)	36,800	40,792	(152,867)	(108,005)	441,182	377,466

## 19. Commitments and contingent liabilities

### 19.1 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 a period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

As at 29 December 2017, a subsidiary (Serm Sang Infinite Co., Ltd.) entered into power purchase agreements with a company (a non-related party) for a period of 25 years. The subsidiary has commenced to generate revenue since July 2018.

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

On 3 August 2018, a subsidiary in Japan (Zouen Energy GK) entered into power purchase agreement with Kyushu Electric KK for a period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 1 November 2018, a subsidiary in Vietnam (Truong Thanh Quang Ngai Power and High Technology JSC.) entered into power purchase agreement with Vietnam Electricity for a period of 20 years. The subsidiary has commenced to generate revenue since May 2019.

On 8 July 2016, a subsidiary in Mongolia (Tenuun Gerel Construction LLC) entered into power purchase agreement with National Dispatching Center for a period of 12 years. The subsidiary has commenced to generate revenue since July 2019.

### 19.2 Capital Commitments

As at 30 September 2019 and 31 December 2018, the subsidiaries had capital commitments relating to the project development, land purchase and licenses as follows

(Unit: Million)			
Country	Currency	30 September 2019	31 December 2018
Thailand	Baht	5.2	37.4
Japan	Yen	9,453.9	11,057.9
Mongolia	MNT	-	2,709.5
Vietnam	US Dollar	4.1	23.1

**19.3 Land Lease Agreement**

As at 30 September 2019, subsidiaries in Japan have entered into long-term land lease agreements since 2017 - 2018 that has period 20 years approximately and a total rental expense per year is Yen 153.2 million (31 December 2018: Yen 153.2 million).

**19.4 Service Agreement**

As at 30 September 2019 and 31 December 2018, the Company and its subsidiaries have commitment for service agreements in Thailand which have the remaining schedule repayments as follows:

	(Unit: Million Baht)	
	30 September 2019	31 December 2018
Payable		
In up to 1 year	40	42
In over 1 year and up to 5 years	177	173
In over 5 years	11	44
Total	228	259

As at 30 September 2019, the subsidiaries in Japan have long-term service commitments related to several service agreements amounting to Yen 83.0 million per year (31 December 2018: Yen 83.0 million).

**19.5 Operation and Management Agreement**

As at 30 September 2019 and 31 December 2018, the subsidiaries in Japan entered into operation and management agreements of the power plant. The remaining commitment of these contracts are as follows.

	(Unit: Million Yen)	
	30 September 2019	31 December 2018
Payable		
In up to 1 year	52	35
In over 1 year and up to 5 years	88	87
In over 5 years	396	413
Total	536	535

**19.6 Share capital of subsidiaries**

As at 30 September 2019, the Company has commitments in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 568.3 million (31 December 2018: Baht 1,171.0 million)

A subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 1,094.6 million (31 December 2018: Yen 1,411.6 million).

**19.7 Bank Guarantees**

As at 30 September 2019, in order to guarantee contracted performance to state enterprises there were outstanding bank guarantees of Baht 32.7 million, issued by bank on behalf of the Company and its subsidiaries, and Baht 31.0 million of such were the Company's (31 December 2018: the Company and the subsidiaries of Baht 32.7 million, and the Company of Baht 31.0 million).

**19.8 Derivatives**

- a) As at 30 September 2019 and 31 December 2018, the subsidiaries have the interest rate swap contracts as follows:

Contract value		Received interest rate	Paid interest rate	Due date
30 September 2019	31 December 2018			
1. Baht 187 Million	Baht 227 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 623 Million	Baht 756 Million	Floating interest rate, THBFIX-REUTERS 3 months plus 2 percent per annum	Fixed interest rate 5.710 percent per annum	30 December 2024
3. Yen 2,998 Million	Yen 2,998 Million	Floating interest rate, JPY-TIBOR 6 months	Fixed interest rate 0.82 percent per annum	30 December 2038

## b) Forward exchange contracts

As at 30 September 2019 and 31 December 2018, subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 30 September 2019			
Currency	Maturity Date	Contractual exchange rate (Baht per 1 foreign currency unit)	Bought amount
US Dollar	14 January 2020	31.52	US Dollar 2.60 million
US Dollar	13 May 2020	31.57	US Dollar 0.50 million
US Dollar	15 May 2020	31.36	US Dollar 0.35 million

  

As at 31 December 2018			
Currency	Maturity Date	Contractual exchange rate (Baht per 1 foreign currency unit)	Bought amount
US Dollar	25 January 2019	32.80	US Dollar 0.03 Million
US Dollar	25 February 2019	32.95	US Dollar 0.05 Million
US Dollar	13 May 2019	31.98	US Dollar 0.50 Million
US Dollar	15 May 2019	31.85	US Dollar 0.50 Million

**19.9 Foreign currency risk**

The Company and its subsidiaries' exposure risk arise mainly from cash in foreign currency, purchase of assets, account receivable - revenue department, accounts payable, share acquisition payable to subsidiary's existing shareholders and loan from financial institution that are denominated in foreign currencies. As at 30 September 2019 and 31 December 2018, the balances of financial assets and liabilities denominated in foreign currencies which have not hedged any foreign currency risk are summarised below.

(Unaudited but reviewed)

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Yen	2,837,647	3,264,460	18,636,538	18,235,082	0.2834425	0.2930890
US dollar	4,654	1,175	13,459	4,095	30.591850	32.449800
Singapore dollar	35	30	5	5	22.145900	23.694250
Mongolia	84,157	28,873	133,668	22,402	0.0114600	0.0122790
Vietnam Dong	439,722,902	81,325,775	267,735,335	84,261,201	0.0013185	0.0013970
Malaysia Ringgit	300	-	-	-	7.3079000	-
Rupiah	632,898	-	2,348,937	-	0.0021680	-

## 20. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2019.