

Sermsang Power Corporation Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2019

Independent Auditor's Report

To the Shareholders of Sermuang Power Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sermuang Power Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sermuang Power Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sermuang Power Corporation Public Company Limited and its subsidiaries and of Sermuang Power Corporation Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Project costs of power plant under construction

As described in the Note 12 to the consolidated financial statements, the subsidiaries carried out construction of the power plant in overseas. Project costs during the construction phase comprised construction costs, other direct cost and related borrowing costs. As at 31 December 2019, the Group had power plant under construction of Baht 3,360 million. These power plant under construction were significant to the statement of financial position. The management needs to exercise substantial judgement with respect to the identification and recording of these project costs and the capitalization of borrowing costs. I therefore draw attention to the audit of this matter.

I directed and supervised the work of the component auditor related to power plant under construction to obtain sufficient and appropriate audit evidence on the following:

- The recording of purchase and payment transactions related to the power plant under construction
- Examination the representative samples of power plant under construction transactions against supporting documents for the additions occurring during the year
- Testing the calculation and the recording of the borrowing costs capitalised to power plant under construction during the construction phase
- Examination whether the capitalisation of power plant under construction was in line with the criteria under Thai Financial Reporting Standards.

In addition, I reviewed the disclosure of information related to power plant under construction in the notes to financial statements.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 27 February 2020

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Assets					
Current assets					
Cash and cash equivalents	7	915,457,307	1,125,129,942	78,932,699	356,811,446
Short-term restricted bank deposits	7	283,149,094	438,921,606	95,654,411	235,070,746
Trade and other receivables	6, 8	361,394,441	408,800,346	221,036,485	134,597,000
Unbilled Receivables	9	-	32,011,994	-	-
Short-term loans to related parties	6	-	-	426,856,783	108,362,682
Other current assets		29,809,819	10,081,387	2,202,123	-
Total current assets		1,589,810,661	2,014,945,275	824,682,501	834,841,874
Non-current assets					
Long-term restricted bank deposits	10	159,037,379	96,733,344	17,158,042	10,027
Revenue Department receivable		17,411,891	68,634,350	-	767,922
Long-term loans to related parties					
- net of current portion	6	-	-	2,649,597,067	2,095,078,346
Investments in subsidiaries	11	-	-	2,486,055,120	1,761,821,861
Long-term investment - net		26,040,947	17,078,655	-	-
Property, plant and equipment	12	9,722,103,991	8,352,084,134	791,280	1,003,982
Intangible assets	13	1,045,829,832	950,633,439	31,102	49,352
Prepaid rental		119,062,238	135,996,431	-	-
Deferred tax assets	21	968,806	481,552	436,781	181,929
Other non-current assets		364,860,966	256,141,250	-	-
Total non-current assets		11,455,316,050	9,877,783,155	5,154,069,392	3,858,913,419
Total assets		13,045,126,711	11,892,728,430	5,978,751,893	4,693,755,293

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 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from bank	15	361,770,026	-	361,770,026	-
Trade and other payables	6, 14	208,658,232	503,820,045	41,512,922	35,472,200
Retention payable		6,293,579	5,318,625	-	-
Share acquisition payable to subsidiary's former shareholders		9,280,570	117,503,651	-	-
Share capital payable from a subsidiary's capital reduction		71,414,265	-	-	-
Short-term loan from non-controlling interest of the subsidiary		12,061,600	-	-	-
Short-term loans from related parties	6	-	-	103,145,175	106,095,175
Current portion of liabilities under finance lease agreements	17	225,531	-	-	-
Current portion of long-term loans	16	686,088,914	508,586,738	343,159,923	-
Other current liabilities		12,074,925	11,671,614	315,000	1,155,000
Total current liabilities		1,367,867,642	1,146,900,673	849,903,046	142,722,375
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion	17	917,226	-	-	-
Long-term loans - net of current portion	16	7,666,372,460	6,868,208,595	1,308,229,764	780,644,759
Deferred tax liabilities	21	3,961,859	-	-	-
Other non-current liabilities		9,021,411	19,473,034	2,183,906	909,645
Loss in excess of cost over investments in subsidiaries accounted for under equity method	11	-	-	41,411,734	235,937,247
Total non-current liabilities		7,680,272,956	6,887,681,629	1,351,825,404	1,017,491,651
Total liabilities		9,048,140,598	8,034,582,302	2,201,728,450	1,160,214,026

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 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Shareholders' equity					
Share capital					
Registered					
922,000,000 ordinary shares of Baht 1 each		922,000,000	922,000,000	922,000,000	922,000,000
Issued and paid up					
922,000,000 ordinary shares of Baht 1 each		922,000,000	922,000,000	922,000,000	922,000,000
Share premium		1,511,209,678	1,511,209,678	1,511,209,678	1,511,209,678
Surplus on business combination					
under common control		33,098,414	33,098,414	33,098,414	33,098,414
Retained earnings					
Appropriated - statutory reserve	18	92,200,000	64,814,985	92,200,000	64,814,985
Unappropriated		1,402,274,314	1,084,056,548	1,402,274,314	1,084,056,548
Other components of shareholders' equity		(183,758,963)	(81,638,358)	(183,758,963)	(81,638,358)
Equity attributable to owners of the Company		3,777,023,443	3,533,541,267	3,777,023,443	3,533,541,267
Non-controlling interests of the subsidiaries		219,962,670	324,604,861	-	-
Total shareholders' equity		3,996,986,113	3,858,146,128	3,777,023,443	3,533,541,267
Total liabilities and shareholders' equity		13,045,126,711	11,892,728,430	5,978,751,893	4,693,755,293
		-	-	-	-

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

Directors

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Revenue from sale of electricity		870,543,374	527,649,956	-	-
Subsidy for adder		591,159,335	568,662,965	-	-
Revenue from construction services		11,903,005	32,711,994	-	-
Management income	6	-	-	29,000,000	29,000,000
Other income	6	11,950,166	8,358,828	92,792,277	48,403,201
Total revenues		1,485,555,880	1,137,383,743	121,792,277	77,403,201
Expenses					
Cost of sales	20	465,688,852	316,180,844	-	-
Cost of construction	20	10,100,199	25,688,454	-	-
Administrative expenses	20	239,173,068	166,832,431	54,392,988	58,589,280
Total expenses		714,962,119	508,701,729	54,392,988	58,589,280
Profit before share of profit from investment					
in subsidiaries, finance cost and income tax expense		770,593,761	628,682,014	67,399,289	18,813,921
Share of profit from investment in subsidiaries	11.2	-	-	549,630,526	483,118,981
Profit before finance cost and income tax expenses		770,593,761	628,682,014	617,029,815	501,932,902
Finance cost	6	(201,641,427)	(148,157,122)	(71,570,831)	(19,992,367)
Profit before income tax expenses		568,952,334	480,524,892	545,458,984	481,940,535
Income tax (expenses)	21	(12,333,711)	(1,732,434)	217,558	86,075
Profit for the year		556,618,623	478,792,458	545,676,542	482,026,610
Other comprehensive income:					
<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		(163,752,842)	(43,848,547)	(101,983,914)	(67,455,967)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		(136,691)	-	(136,691)	-
Other comprehensive income for the year		(163,889,533)	(43,848,547)	(102,120,605)	(67,455,967)
Total comprehensive income for the year		392,729,090	434,943,911	443,555,937	414,570,643
Profit attributable to:					
Equity holders of the Company		545,676,542	482,026,610	545,676,542	482,026,610
Non-controlling interests of the subsidiaries		10,942,081	(3,234,152)	-	-
		556,618,623	478,792,458	545,676,542	482,026,610

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Comprehensive income attributable to:					
Equity holder of the Company		443,555,937	414,570,643	443,555,937	414,570,643
Non-controlling interest of the subsidiaries		(50,826,847)	20,373,268	-	-
		<u>392,729,090</u>	<u>434,943,911</u>	<u>443,555,937</u>	<u>414,570,643</u>
Earnings per share					
Basic earnings per share	23				
Profit attributable to equity holders of the Company					
(Baht per share)		<u>0.59</u>	<u>0.52</u>	<u>0.59</u>	<u>0.52</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.

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note					Other components of shareholders' equity				Total equity attributable to owners of the company	Non-controlling interests of subsidiaries	Total shareholder's equity
		Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Retained earnings		Exchange differences on translation of financial statements		Total other components of shareholder's equity			
					Appropriated Statutory reserve	Unappropriated Retained earnings	in foreign currency	Acturial loss				
Balance as at 31 December 2017		922,000,000	1,511,209,678	33,098,414	40,713,654	814,990,512	(13,855,624)	(326,767)	(14,182,391)	3,307,829,867	113,838,816	3,421,668,683
Profit for the year		-	-	-	-	482,026,610	-	-	-	482,026,610	(3,234,152)	478,792,458
Other comprehensive income for the year		-	-	-	-	-	(67,455,967)	-	(67,455,967)	(67,455,967)	23,607,420	(43,848,547)
Total comprehensive income for the year		-	-	-	-	482,026,610	(67,455,967)	-	(67,455,967)	414,570,643	20,373,268	434,943,911
Statutory reserve	18	-	-	-	24,101,331	(24,101,331)	-	-	-	-	-	-
Dividend payment		-	-	-	-	(188,859,243)	-	-	-	(188,859,243)	-	(188,859,243)
Increase in non-controlling interests from the increase in share capital of subsidiaries		-	-	-	-	-	-	-	-	-	190,392,777	190,392,777
Balance as at 31 December 2018		922,000,000	1,511,209,678	33,098,414	64,814,985	1,084,056,548	(81,311,591)	(326,767)	(81,638,358)	3,533,541,267	324,604,861	3,858,146,128
Balance as at 31 December 2018		922,000,000	1,511,209,678	33,098,414	64,814,985	1,084,056,548	(81,311,591)	(326,767)	(81,638,358)	3,533,541,267	324,604,861	3,858,146,128
Profit for the year		-	-	-	-	545,676,542	-	-	-	545,676,542	10,942,081	556,618,623
Other comprehensive income for the year		-	-	-	-	-	(101,983,914)	(136,691)	(102,120,605)	(102,120,605)	(61,768,928)	(163,889,533)
Total comprehensive income for the year		-	-	-	-	545,676,542	(101,983,914)	(136,691)	(102,120,605)	443,555,937	(50,826,847)	392,729,090
Statutory reserve	18	-	-	-	27,385,015	(27,385,015)	-	-	-	-	-	-
Dividend payment	19	-	-	-	-	(200,073,761)	-	-	-	(200,073,761)	-	(200,073,761)
Increase in non-controlling interests from the increase in share capital of subsidiaries		-	-	-	-	-	-	-	-	-	19,381,081	19,381,081
Capital reduction of a subsidiary		-	-	-	-	-	-	-	-	-	(73,196,425)	(73,196,425)
Balance as at 31 December 2019		922,000,000	1,511,209,678	33,098,414	92,200,000	1,402,274,314	(183,295,505)	(463,458)	(183,758,963)	3,777,023,443	219,962,670	3,996,986,113

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

Sermasang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

Separate financial statements									
						Other components of shareholders' equity			
						Other comprehensive income			
						Exchange difference			
						on translation of		Total other	
						financial statement		components of	
						in foreign currency		shareholders' equity	
								Total	
						Actuarial		shareholders'	
						gain (loss)		equity	
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 - as previously reported	922,000,000	1,511,209,678	-	40,713,654	768,857,310	-	15,847	15,847	3,242,796,489
Cumulative effect of change in accounting policy	-	-	33,098,414	-	46,133,202	(13,855,624)	(342,614)	(14,198,238)	65,033,378
Balance as at 31 December 2017 - as restated	922,000,000	1,511,209,678	33,098,414	40,713,654	814,990,512	(13,855,624)	(326,767)	(14,182,391)	3,307,829,867
Profit for the year	-	-	-	-	482,026,610	-	-	-	482,026,610
Other comprehensive income for the year	-	-	-	-	-	(67,455,967)	-	(67,455,967)	(67,455,967)
Total comprehensive income for the year	-	-	-	-	482,026,610	(67,455,967)	-	(67,455,967)	414,570,643
Statutory reserve	18	-	-	24,101,331	(24,101,331)	-	-	-	-
Dividend payment	-	-	-	-	(188,859,243)	-	-	-	(188,859,243)
Balance as at 31 December 2018	922,000,000	1,511,209,678	33,098,414	64,814,985	1,084,056,548	(81,311,591)	(326,767)	(81,638,358)	3,533,541,267
Balance as at 31 December 2018	922,000,000	1,511,209,678	33,098,414	64,814,985	1,084,056,548	(81,311,591)	(326,767)	(81,638,358)	3,533,541,267
Profit for the year	-	-	-	-	545,676,542	-	-	-	545,676,542
Other comprehensive income for the year	-	-	-	-	-	(101,983,914)	(136,691)	(102,120,605)	(102,120,605)
Total comprehensive income for the year	-	-	-	-	545,676,542	(101,983,914)	(136,691)	(102,120,605)	443,555,937
Statutory reserve	18	-	-	27,385,015	(27,385,015)	-	-	-	-
Dividend payment	19	-	-	-	(200,073,761)	-	-	-	(200,073,761)
Balance as at 31 December 2019	922,000,000	1,511,209,678	33,098,414	92,200,000	1,402,274,314	(183,295,505)	(463,458)	(183,758,963)	3,777,023,443

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	568,952,334	480,524,892	545,458,984	481,940,535
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	317,458,095	213,510,147	241,409	207,764
Allowance for impairment of long-term investment	619,708	-	-	-
Gain on disposal of property plant and equipment	94,941	-	-	-
Provision for long-term employee benefits	2,265,410	943,445	1,087,788	430,450
Share of profit from investment in subsidiaries	-	-	(549,630,526)	(483,118,971)
Unrealised loss on exchange rate	3,700,189	15,803,783	-	-
Interest income	(4,567,176)	(5,882,279)	(92,357,688)	(47,903,519)
Finance cost	201,641,427	148,157,122	71,570,831	19,992,368
Profit (loss) from operating activities before changes in operating assets and liabilities	1,090,164,928	853,057,110	(23,629,202)	(28,451,373)
Operating assets (increase) decrease				
Trade and other receivables	50,459,399	(256,095,563)	5,815,003	3,391,606
Unbilled Receivables	32,011,994	(32,011,994)	-	-
Other current assets	(19,728,432)	35,648,139	(2,202,123)	-
Revenue Department receivable	63,608,521	176,640,775	767,922	1,437,565
Other non-current assets	(91,785,523)	(250,871,317)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(293,252,347)	245,856,230	3,958,279	6,716,862
Share acquisition payable to subsidiary's existing shareholders	(108,223,081)	117,503,651	-	-
Retention payable	974,954	1,282,387	-	-
Other current liabilities	403,311	261,153	(840,000)	(665,000)
Other non-current liabilities	1,595,067	(118,940)	-	-
Cash flows from (used in) operating activities	726,228,791	891,151,631	(16,130,121)	(17,570,340)
Cash paid for income tax	(13,104,982)	(1,838,702)	(1,243,467)	(1,181,056)
Net cash flows from (used in) operating activities	713,123,809	889,312,929	(17,373,588)	(18,751,396)

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Short-term restricted bank deposits	155,772,512	(246,772,680)	139,416,335	(235,070,746)
Long-term restricted bank deposits	(62,304,035)	(96,733,343)	(17,148,015)	(10,027)
Short-term loans to related parties	-	-	(318,494,101)	194,634,766
Long-term loans to related parties	-	-	(554,518,721)	(933,074,146)
Investment in subsidiaries	-	-	(691,099,621)	(226,599,946)
Long-term investment	(9,582,000)	(17,078,655)	-	-
Dividend income from investment in subsidiaries	-	-	219,999,951	339,999,924
Acquisition of property, plant and equipment	(2,081,603,746)	(3,067,917,504)	(10,457)	(71,357)
Acquisition of intangible assets	(173,290,083)	(300,649,430)	-	-
Subsidy from the government	115,260,366	14,676,029	-	-
Interest income	4,567,176	5,882,279	1,346,665	4,359,115
Net cash flows used in investing activities	(2,051,179,810)	(3,708,593,304)	(1,220,507,964)	(855,832,417)
Cash flows from financing activities				
Cash received from short-term loan from bank	361,770,026	-	361,770,026	-
Short-term loans from related parties	-	-	(2,950,000)	(41,484,765)
Short-term loans from non-controlling interest	12,061,600	-	-	-
Liabilities under finance lease agreements	(116,044)	(70,241)	-	-
Cash receipt from long-term loans from bank	1,771,470,073	3,479,166,702	868,000,000	800,000,000
Repayment of long-term loans from bank	(515,443,166)	(542,148,927)	-	-
Acquisition of non-controlling interest	19,381,081	190,392,777	-	-
Dividend payment	(200,073,761)	(188,859,243)	(200,073,761)	(188,859,243)
Cash payment of interest and fee expenses	(258,169,333)	(366,497,270)	(66,743,460)	(37,754,462)
Net cash flows from financing activities	1,190,880,476	2,571,983,798	960,002,805	531,901,530
Translation adjustments	(62,497,110)	(38,816,801)	-	-
Net decrease in cash and cash equivalents	(209,672,635)	(286,113,378)	(277,878,747)	(342,682,283)
Cash and cash equivalents at beginning of year	1,125,129,942	1,411,243,320	356,811,446	699,493,729
Cash and cash equivalents at end of year	915,457,307	1,125,129,942	78,932,699	356,811,446
	-	-	-	-

Supplemental cash flow information:

Non - cash transaction

Fixed assets increase by replacement	764,691	651,552	-	-
Transfer interest expenses to cost of plant and equipment	74,292,186	55,135,634	-	-
Payable for acquisition of fixed assets	-	22,217,559	-	-
Advance paid to subsidiary's existing shareholders	-	107,048,142	-	-
Share acquisition payable to a subsidiary's former shareholders	-	117,503,651	-	-
Share capital payable from a subsidiary's capital reduction	71,414,265	-	-	-
Liabilities under finance lease agreements	1,258,801	-	-	-

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 year ended 31 December 2019

1. General information

Sernsang Power Corporation Public Company Limited (“the Company”) is a public company limited incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The major shareholder of the Group 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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Serm Sang Power Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the Subsidiaries”):

			Percentage of shareholding	
		Country of	31	31
Subsidiary companies	Nature of business	incorporation	December	December
			2019	2018
			(Percentage)	(Percentage)
Subsidiary companies directly held by the Company				
Serm Sang Palang Ngan Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Sernsang Corporation Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Sernsang International Company Limited	Investment and consultancy	Thailand	100.0	100.0
Access Energy Company Limited	Investment and consultancy	Thailand	100.0	100.0
Essential Power Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Sernsang Solar Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Siam Renewable Power Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Plus Energy Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Sernsang Infinite Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Siam Clean Solutions Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Prestige Group Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Triple P Renewable Company Limited	Production and distribution of electricity	Thailand	100.0	100.0
Truong Thanh Tra Vinh Wind Power JSC.	Production and distribution of electricity	Vietnam	80.0	-
Subsidiary companies indirectly held by the Company				
S. Global Power Limited	Investment and consultancy	Hong Kong	100.0	100.0
Surge Energy Corporation Limited	Investment and consultancy	Hong Kong	100.0	100.0
Access C Management Limited	Investment and consultancy	Hong Kong	100.0	100.0
Sernsang Sustainable Singapore Private Limited	Investment and consultancy	Singapore	100.0	100.0
Seijo Corporation	Investment and consultancy	Japan	100.0	100.0
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87.0	87.0
GK GSSE	Production and distribution of electricity	Japan	90.0	90.0
Zouen Energy GK	Production and distribution of electricity	Japan	100.0	100.0
Ashita Power 1 GK	Production and distribution of electricity	Japan	100.0	100.0
Ashita Power 2 GK	Production and distribution of electricity	Japan	100.0	100.0
Tenuun Gerel Construction LLC	Production and distribution of electricity	Mongolia	75.0	75.0
Truong Thanh Quang Ngai Power and High Technology JSC.	Production and distribution of electricity	Vietnam	80.0	80.0
Sea Sun Energy Partners Pte., Ltd.	Investment and consultancy	Singapore	84.0	-
PT Sea Sun Energi	Production and distribution of electricity	Indonesia	84.0	-

- a) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same period and significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.2.1 Increase in investment in subsidiaries that indirectly held by the Company during the year.

During the year, the subsidiaries additionally invested in the following companies;

(Unit: Million)

The Company	Investment Amount		
	Currency	2019	2018
SS Hidaka No Mori GK	Yen	-	197.4
GK GSSE	Yen	478.9	684.0
Zouen Energy GK	Yen	-	208.5
Ashita Power 1 GK	Yen	135.0	295.0
Ashita Power 2 GK	Yen	2.0	51.7
Access C Management Limited	USD	-	0.2
Tenuun Gerel Construction LLC	MNT	-	21,318.5
Sea Sun Energy Partners Pte., Ltd.	USD	0.5	-
PT Sea Sun Energi	USD	0.2	-

2.2.2 Share capital reduction

- In December 2019, a subsidiary has reduction of its investment in a subsidiary in Japan of JPY 16.0 million.
- In December 2019, a subsidiary in Mongolia approved to reduce 700,000 common shares from 2,800,000 common shares and to reduce the par value of common shares from MNT 10,000 to MNT 6,800. The proportion of share holding after reduction was remained at 75 percent which is no change in the percentage of shareholding. As at 31 December 2019, a subsidiary has not paid such reduction of common share and par value.

2.3 The separate financial statements present investments in subsidiaries under the equity method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years 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 Group's financial statements. However, the new standard involves changes to key principles, as 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 Group's financial statements.

(b) Financial reporting standards that will become 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 standard which involve change to key principles, which are summarised below.

Financial Reporting Standards related to financial instrument

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

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 Group's management expects the adoption of these accounting standards to result in the following adjustments.

- The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable. The Group is currently considering the classification of such investments.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at the fair value at the end of each reporting period. The Group is currently considering application of hedge accounting for certain derivatives. Then, the Group has to record loss on changes in the fair value of interest rate swap contract amounting to Baht 169 million in the other comprehensive income. In addition, the Group has to record loss on changes in the fair value of forward contract of Baht 2.72 million which the Group is considering whether to apply the hedge accounting on this item or not.

TFRS 16 - Lease

TFRS 16 superseded the TAS 17 Lease together with related interpretations. This standard sets out the principles for the recognition, measurement, presentation and disclosure of lease 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 Group plans to adopt this standard using the modified retrospective method of adoption of which the cumulative effects is recognised as an adjustment to the retained earnings as at 1 January 2020 and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be increase the Group's assets by approximately Baht 661.01 million (Company only: approximately Baht - million) and the Group's liabilities by approximately Baht 661.01 million (Company only: approximately Baht - million).

4. Significant accounting policies

4.1 Revenue and expenses recognition

Revenue from sale of electricity

Revenue from sale of electricity is recognised based on the delivery unit at the rate specified in the agreement, excluding value added tax.

Subsidy for adder are recognised when there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions.

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. The subsidy relating to income are recognised as income in profit and loss. The subsidy relating to specific expenses are deferred and recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidy are intended to compensate.

Grants related to property, plant and equipment are presented as non-current liabilities because there are conditions under agreements to fulfill. When conditions are fulfilled, grants are deducted from the value of related assets and are recognised in profit or loss over the useful lives of the assets as a reduced depreciation expense.

Rendering of services

Management income is recognised over time when services have been rendered taking into account the stage of completion.

Revenues from construction services

The Group recognised revenue from construction service on a percentage of completion basis. The percentage of completion is measured by completion of physical proportion of the contract work.

The recognised revenue which not yet due per the contract has been presented under the caption of “Unbilled receivables” in the statement of financial position.

The excess of the amount billed to a customer over the value of the construction contract in progress is presented as “Construction revenue received in advance” under current liabilities.

Interest income and interest expenses

Interest income and interest expense are recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividend is established.

Cost of construction

Cost of construction includes cost of material and equipment and expenses which are calculated from the percentage of completion. Contracts of which incurred construction cost exceeds calculated cost of construction under percentage of completion, and cost of project of which revenue has not yet been recognised are shown as “Construction contracts in progress” under current assets in the statement of financial position, while contracts of which calculated cost of construction exceeds incurred cost of construction are shown as “Accrued construction costs” under current liabilities in the statement of financial position.

Expenses

Expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Investments

Long-term investments are stated at cost net of allowance for impairment loss (if any).

Investments in subsidiaries are accounted for in the separate financial statements using the equity method.

4.5 Power plants under construction

All expenditures and other related expenses incurred during the construction of the solar power plants to make the plants operational are capitalised as solar power plants. Such project costs incurred during the construction phase include materials and equipments, project construction costs, management fees, consulting fees, direct costs and borrowing costs.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs less residual values (if any) on the straight-line basis over the following estimated useful lives:

Land improvements	20, 25 years
Office building and building improvement	20 years
Power plants	12, 20, 25 years
Solar roof systems	25, 30 years
Machinery, equipment and spare parts	12, 20, 25 years
Equipment, tools, furniture and fixtures	3, 5, 10, 20 years
Vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land, work under construction and machinery under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

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

4.8 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Electric distribution linkage right	12, 25 years
Communication and external electric distribution system	20, 25 years
Computer software	3, 5 years

4.9 Related party transactions

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

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period, if the Company expects to not purchase such assets at the end of the contract.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

When the settlement of a monetary item borrowing from or lending to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until loan settlement.

4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.13 Prepaid rental

Prepaid rental are amortised on the straight-line basis over the lease period.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined Contribution plans

The Group and its employees have jointly established a providend fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust and the Group's contributions are recognized as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax expense represents the sum of income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

Forward exchange contracts

The Group records transactions related to foreign currency forward contracts in the income statement when such contract has been utilised and disclose the amount of the contract and the fair value of the contract in the notes to the financial statements.

4.18 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

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

Fair value of financial instruments

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

6. Related party transactions

During the years, the Group had significant business transactions with key management, personnel and related parties. Such transactions, which are summarised 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: Baht)

For the year ended 31 December					
Consolidated financial statements		Separate financial statements		Pricing policy	
2019	2018	2019	2018		
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Management income	-	-	29,000,000	29,000,000	Per agreement
Interest income	-	-	91,025,277	45,297,919	2.0% - 5.9% per annum
Dividend income	-	-	219,999,951	339,999,924	
Interest expense	-	-	2,082,443	2,754,235	2.0% per annum
Service expenses	-	-	10,200,000	10,200,000	Per agreement
<u>Transactions with related companies</u>					
Sales	6,417,230	4,045,318	-	-	Per agreement
Revenue from construction					
service	272,844	-	-	-	Per agreement
Rental and service expenses	718,571	507,023	384,164	360,000	Per agreement
Purchase computer software	503,500	766,500	-	-	Per agreement

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounts receivables - related parties				
(Note 8)				
Subsidiaries	-	-	4,892,443	20,358,546
Related parties	1,133,527	823,032	-	-
Total accounts receivables - related parties	1,133,527	823,032	4,892,443	20,358,546
Interest receivables - related parties (Note 8)				
Subsidiaries	-	-	198,274,423	107,263,400
Total interest receivable - related parties	-	-	198,274,423	107,263,400

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payable - related parties (Note 14)				
Subsidiaries	-	-	5,457,000	5,457,000
Related parties	15,089	15,089	-	-
Total Trade payable - related parties	15,089	15,089	5,457,000	5,457,000
Interest payables - related parties (Note 14)				
Subsidiaries	-	-	22,888,677	20,806,234
Total interest payable - related parties	-	-	22,888,677	20,806,234
Accrued rental expense - Director (Note 14)				
Directors	30,000	30,000	30,000	30,000
Total accrued rental expense - directors	30,000	30,000	30,000	30,000

Management service agreements

The Company entered into management service agreements with two subsidiaries whereby the subsidiaries have to pay management fee as stated in the agreement.

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

Power purchase agreement

On 15 August 2017, a subsidiary entered into Power purchase agreement with a related company for 25 years. The subsidiary has commenced to generate revenue since March 2018.

On 17 August 2018, a subsidiary entered into Power purchase agreement with a related company for 25 years. The subsidiary has commenced to generate revenue since April 2019.

On 27 May 2019, a subsidiary entered into Power purchase agreement with a related company for 25 years. The subsidiary has no revenue from this agreement.

Loans to related parties and loan from related parties

As at 31 December 2019 and 2018, the balance of loans between the Company and the related parties and their movements are as follows:

	Separate financial statement			(Unit: Baht)
	For the year ended 31 December 2019			
	Balance as at 1 January 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2019
<u>Short-term loans to related companies</u>				
<u>Subsidiaries</u>				
Access Energy Company Limited	19,730,855	-	-	19,730,855
Sermsang International Company Limited	88,631,827	-	(10,000,000)	78,631,827
Truong Thanh Quang Ngai Power and High Technology JSC.	-	328,494,101	-	328,494,101
Total short-term loans to related companies - subsidiary	<u>108,362,682</u>	<u>328,494,101</u>	<u>(10,000,000)</u>	<u>426,856,783</u>
<u>Long-term loans to related company</u>				
<u>Subsidiaries</u>				
Sermsang Solar Company Limited	11,122,867	72,500,000	-	83,622,867
Sermsang International Company Limited	1,970,474,200	503,000,000	-	2,473,474,200
Access Energy Company Limited	5,500,000	20,000,000	-	25,500,000
Sermsang Infinite Company Limited	107,981,279	2,018,721	(43,000,000)	67,000,000
Total long-term loans to related companies-subsiary	<u>2,095,078,346</u>	<u>597,518,721</u>	<u>(43,000,000)</u>	<u>2,649,597,067</u>

The Company entered into loan agreements with Sermsang Solar Company Limited. The loans are repayable within 2021, which has interest rate at 3.05% - 3.70% per annum.

The Company entered into loan agreements with Sermsang International Company Limited. The loans are repayable within 2020 - 2030, which has interest rate at 3.05% - 3.70% per annum.

The Company entered into loan agreements with Sermsang Infinite Company Limited. The loans are repayable within 2021, which has interest rate at 3.05% - 3.70% per annum.

The Company entered into loan agreements with Access Energy Company Limited. The loans are repayable within 2021 - 2029, which has interest rate at 3.05% - 3.70% per annum.

The Company entered into loan agreements with Truong Thanh Quang Ngai Power and High Technology JSC. The loans are repayable within 2020, which have interest rate at LIBOR 6M plus addition rate per annum.

(Unit: Baht)

	Separate financial statement		
	For the year ended 31 December 2018		
	Balance as at 1 January 2018	Increase during the year	Decrease during the year
			Balance as at 31 December 2018
<u>Short-term loans to related companies</u>			
<u>Subsidiaries</u>			
Triple P Renewable Company Limited	2,129,389	-	(2,129,389)
Access Energy Company Limited	13,680,855	6,050,000	-
Sernsang International Company Limited	287,187,204	-	(198,555,377)
Total short-term loans to related companies - subsidiary	<u>302,997,448</u>	<u>6,050,000</u>	<u>(200,684,766)</u>
<u>Long-term loans to related company</u>			
<u>Subsidiaries</u>			
Sernsang Solar Company Limited	-	11,122,867	-
Sernsang International Company Limited	1,162,004,200	808,470,000	-
Access Energy Company Limited	-	5,500,000	-
Sernsang Infinite Company Limited	-	107,981,279	-
Total long-term loans to related companies- subsidiary	<u>1,162,004,200</u>	<u>933,074,146</u>	<u>-</u>

(Unit: Baht)

Separate financial statement				
For the year ended 31 December 2019				
	Balance as at	Increase	Decrease	Balance as at
	1 January 2019	during	during the year	31 December
		the year		2019
<u>Short-term loans from related parties</u>				
Sernsang Corporation Company Limited	76,990,108	-	(1,100,000)	75,890,108
Essential Power Company Limited	11,598,772	-	(370,000)	11,228,772
Siam Renewable Power Company Limited	2,879,737	-	(370,000)	2,509,737
Plus Energy Company Limited	2,952,927	-	(370,000)	2,582,927
Prestige Group Company Limited	2,154,784	-	(370,000)	1,784,784
Siam Clean Solution Company Limited	9,518,847	-	(370,000)	9,148,847
Total short-term loans from related parties	106,095,175	-	(2,950,000)	103,145,175

(Unit: Baht)

Separate financial statement				
For the year ended 31 December 2018				
	Balance as at	Increase	Decrease	Balance as at
	1 January 2018	during	during the year	31 December
		the year		2018
<u>Short-term loans from related parties</u>				
Sernsang Corporation Company Limited	78,060,108	-	(1,070,000)	76,990,108
Essential Power Company Limited	11,598,772	-	-	11,598,772
Sernsang Solar Company Limited	40,717,104	1,000,000	(41,717,104)	-
Siam Renewable Power Company Limited	3,049,737	-	(170,000)	2,879,737
Plus Energy Company Limited	3,122,927	-	(170,000)	2,952,927
Sernsang Infinite Company Limited	17,661	-	(17,661)	-
Prestige Group Company Limited	2,324,784	-	(170,000)	2,154,784
Siam Clean Solution Company Limited	8,688,847	1,000,000	(170,000)	9,518,847
Total short-term loans from related parties	147,579,940	2,000,000	(43,484,765)	106,095,175

Directors and management's benefits

During the year, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	20,360,482	23,708,936	20,360,482	23,708,936
Post-employment benefits	1,067,316	415,096	1,067,316	415,096
Total	21,427,798	24,124,032	21,427,798	24,124,032

Guarantee for related parties

The Company acts as guarantor of loans for its related parties, as described in Note 16 (g) to the financial statements.

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

Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash	282,813	3,505,783	8,723	4,481
Deposit in transit	1,184,709	-	-	-
Bank deposits - Current accounts	247,789,827	760,298	116,121	31,849
Bank deposits - Saving accounts	666,199,958	1,120,863,861	78,807,855	356,775,116
Total	915,457,307	1,125,129,942	78,932,699	356,811,446

As at 31 December 2019, a subsidiary has pledged its bank deposit in savings account amounting to Baht 280.1 million (31 December 2018 Subsidiary: Baht 90.9 million) as security against long-term loans, as discussed in Note 16 to the financial statements, however such subsidiary can withdraw such savings account to use for operation.

Short-term restricted bank deposits

As at 31 December 2019, the Company has saving account of Baht 95.7 Million (31 December 2018: Bath 235.0 million) that is pledged as collateral to secure short-term and long-term loans, the Company shall receive an approval from bank before withdrawing from such bank accounts as discussed in Note 15 and Note 16 to financial statements.

A subsidiary has pledged and assigned a right of claim on bank accounts with outstanding balances as at 31 December 2019 totaling approximately Baht 187.5 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 principal and interest payment due within 6 months.

8. Trade and other receivables

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,133,527	375,145	4,892,443	7,518,546
Past due				
Up to 3 months	-	447,887	-	-
6 - 12 months	-	-	-	1,070,000
Over 1 year	-	-	-	11,770,000
Total trade receivable - related parties	1,133,527	823,032	4,892,443	20,358,546
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	229,905,858	181,600,341	-	-
Past due				
Up to 3 months	29,297	36,692	-	-
6 - 12 months	71,223	-	-	-
Total trade receivable - unrelated parties	230,006,378	181,637,033	-	-
<u>Other receivables - related parties</u>				
Interest receivable	-	-	198,274,423	107,263,400
Total other receivable - related parties	-	-	198,274,423	107,263,400
<u>Other receivable - unrelated parties</u>				
Other advance payment	12,308,919	10,434,399	14,295,309	4,693,315
Advance payment for construction	1,002,402	93,557,744	-	-
Advances to existing shareholders of subsidiaries	-	107,048,142	-	-
Refundable input VAT	113,648,577	8,874,649	3,558,510	2,281,739
Other receivable	3,294,638	6,425,347	15,800	-
Total other receivable - unrelated parties	130,254,536	226,340,281	17,869,619	6,975,054
Total trade receivable and other receivable	361,394,441	408,800,346	221,036,485	134,597,000

9. Unbilled receivables

(Unit : Baht)

	31 December 2019	31 December 2018
Project value as per contract	43,642,155	43,642,155
Accumulated amount recognised as revenue on percentage of completion basis	43,642,155	32,011,994
Less: Value of total billed	43,642,155	-
Unbilled receivables	-	32,011,994

10. Long-term restricted bank deposits

As at 31 December 2019, the Company has savings account of Baht 17.2 million (31 December 2018: Baht 0.01 million) that is pledged as collateral to secure long-term loans as discussed in Note 16 to financial statements.

Subsidiaries in Japan have restricted saving deposits of Yen 514.2 million, or approximately Baht 141.9 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.

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

Company Name	Separate financial Statements						Carrying amounts based on equity method	
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method			
	2019 (Percentage)	2018 (Percentage)	2019	2018	2019	2018	2019	2018
Subsidiary companies which directly held by the Company								
Serm Sang Palang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506	1,944,731	1,538,337
Serm Sang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	95,974	95,645
Serm Sang International Co., Ltd.	100	100	810,000	210,000	810,000	210,000	212,954	-
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	11,932	12,046
Serm Sang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	62,470	49,749
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,615	2,904
Serm Sang Infinite Co., Ltd.	100	100	98,000	70,000	98,000	70,000	80,072	48,281
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,723	3,000
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,548	9,704
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	1,873	2,155
Triple P Renewable Co., Ltd.	100	100	5,500	5,200	5,500	5,200	-	-
Truong Thanh Tra Vinh Wind Power JSC.	80	-	62,800	-	62,800	-	61,163	-
Total							2,486,055	1,761,821

In addition, as at 31 December 2019 and 2018, investments in subsidiaries with a deficit in shareholders' equity were presented under the caption "Loss in excess of cost over investments in subsidiaries accounted for under equity method" 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	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percentage)	(Percentage)						
<u>Loss in excess of cost over investments in subsidiaries accounted for under equity method</u>								
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	(41,301)	(26,560)
Triple P Renewable Co., Ltd.	100	100	5,500	5,200	5,500	5,200	(111)	(56)
Total loss in excess of cost over investments in subsidiaries accounted for under equity method in separate financial statements							(41,412)	(235,937)

11.2 Share of comprehensive income

During the year, 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 year ended 31 December			
	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.	626,394	570,078	-	-
Sermsang Corporation Co., Ltd.	329	(986)	-	-
Sermsang International Co., Ltd.	(74,660)	(73,593)	(103,216)	(67,261)
Access Energy Co., Ltd.	(16,138)	(15,575)	1,397	(195)
Essential Power Co., Ltd.	(114)	(109)	-	-
Sermsang Solar Co., Ltd.	12,721	368	-	-
Siam Renewable Power Co., Ltd.	(289)	(281)	-	-
Sermsang Infinite Co., Ltd.	3,791	4,311	-	-
Plus Energy Co., Ltd.	(277)	(259)	-	-
Siam Clean Solutions Co., Ltd.	(156)	(154)	-	-
Prestige Group Co., Ltd.	(282)	(275)	-	-
Triple P Renewable Co., Ltd.	(355)	(406)	-	-
Troung Thanh Tra Vinh Wind Power JSC.	(1,334)	-	(302)	-
Total	549,630	483,119	(102,121)	(67,456)

11.3 Dividend income

During the year, the Company received dividend income as follows:

Company Name	(Unit: Thousand Baht)	
	Dividend income	
	For the year ended 31 December	
	2019	2018
Serm Sang Palang Ngan Co., Ltd.	220,000	340,000
Total	220,000	340,000

11.4 Called up and increase in share capital of subsidiaries

11.4.1 During the year, 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.

11.4.2 During the year, Serm Sang Infinite Company Limited called up of its registered capital amounting to Baht 28 million and was gradually received from its shareholders on 12 December 2019.

11.4.3 During the year, 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.

11.4.4 During the year, Truong Thanh Tra Vinh Wind Power JSC. in, which is established in Vitenam and engaged in production and distribution of electricity from wind power by 80% of shareholding.

As at 31 December 2019, TTTV had registered share capital 40,000 million shares at par value of VND 10,000 totalling VND 400,000 million. The Company had paid for its capital amounting to VND 47,772 million or equivalent to Baht 62.8 million.

11.5 Non-controlling Interests

11.5.1 Detail of subsidiaries (indirectly held by the Company) that have material non-controlling interests.

Subsidiaries	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		(Unit: Thousand Baht) Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percentage)	(Percentage)						
SS Hidaka No Mori GK	13.0	13.0	55,296	54,851	3,736	2,417	-	-
GK GSSE	10.0	10.0	53,735	41,950	(453)	(249)	-	-
Tenuun Gerel Construction LLC.	25.0	25.0	40,907	159,840	3,199	(1,927)	-	-
Truong Thanh Quang Ngai Power and High Technology JSC.	20.0	20.0	66,573	67,954	4,975	(3,475)	-	-

11.5.2 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position

(Unit: Thousand Baht)								
	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC	
	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	98,200	100,900	114,357	118,798	77,452	26,655	265,412	199,436
Non- current assets	1,749,427	1,912,940	2,790,382	2,133,335	561,117	760,235	1,259,337	141,131
Current liabilities	165,089	132,383	7,896	8,495	474,679	132,829	1,183,785	795
Non - current liabilities	1,324,350	1,491,161	2,359,524	1,824,213	261	14,699	-	-

Summarised information about comprehensive income

(Unit: Thousand Baht)								
	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	254,347	194,061	6	6	53,425	1,358	121,468	38
Profit (Loss)	28,737	18,593	(4,533)	(2,486)	12,794	(7,709)	24,876	(9,524)
Other comprehensive income (loss)	(25,314)	3,754	(29,597)	4,916	(61,225)	(56,739)	(23,902)	(4,897)
Total comprehensive income (loss)	3,423	22,347	(34,130)	2,430	(48,461)	(64,448)	974	(14,421)

Summarised information about cash flow

(Unit: Thousand Baht)								
	SS Hidaka No Mori GK		GK GSSE		Tenuun Gerel Construction LLC		Truong Thanh Quang Ngai Power and High Technology JSC	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash flow from operating activities	52,776	171,768	(77,740)	(81,010)	(43,332)	5,739	157,364	(209,068)
Cash flow from investment activities	157,414	(176,751)	(614,037)	(1,073,141)	90,785	(561,658)	(1,153,563)	(141,100)
Cash flow from financing activities	(222,002)	144,286	687,337	1,190,125	-	339,328	1,123,190	354,200
Net increase (decrease) in cash and cash equivalents	(11,812)	139,303	(4,440)	35,974	47,453	(216,591)	126,991	4,032

12. Property plant and equipment

(Unit: Baht)

	Consolidated financial statements									
	Land	Land improvement	Office building and building improvement	Power Plants	Solar roof system	Machinery, equipment and spare part	Equipment, tools, furniture and fixtures	Vehicles	Power plants under construction	Total
Cost										
1 January 2018	229,284,390	138,634,466	5,590,239	491,839,907	-	2,271,589,375	3,252,652	7,264,953	2,625,546,269	5,773,002,251
Additions	-	-	-	-	-	651,552	1,235,454	-	3,121,817,684	3,123,704,690
Disposals	-	-	-	-	-	(651,552)	-	-	-	(651,552)
Transferred in/(out)	-	104,927,014	2,789,306	274,014,814	105,809,627	1,970,440,921	11,980,450	-	(2,469,962,132)	-
Translation adjustment	820,750	-	-	-	-	-	-	-	3,157,279	3,978,029
31 December 2018	230,105,140	243,561,480	8,379,545	765,854,721	105,809,627	4,242,030,296	16,468,556	7,264,953	3,280,559,100	8,900,033,418
Additions	-	-	-	-	8,857,950	764,691	844,417	1,615,888	2,145,836,480	2,157,919,426
Disposals	-	-	-	-	(94,941)	(764,691)	-	-	-	(859,632)
Transferred in/(out)	-	72,021,775	26,741,887	75,735,416	7,751,068	1,520,833,559	2,410,753	-	(1,705,494,458)	-
Subsidy from the government	-	-	-	-	-	-	-	-	(129,936,395)	(129,936,395)
Translation adjustment	(4,287,375)	(5,467,945)	-	(14,667,506)	-	(110,233,199)	(780,472)	-	(230,902,590)	(366,339,087)
31 December 2019	225,817,765	310,115,310	35,121,432	826,922,631	122,323,704	5,652,630,656	18,943,254	8,880,841	3,360,062,137	10,560,817,730
Accumulated depreciation										
1 January 2018	-	16,149,966	813,105	57,295,980	-	264,598,833	1,153,980	5,777,242	-	345,789,106
Depreciation for the year	-	7,824,267	291,739	29,544,828	2,356,239	159,556,536	1,291,588	1,382,385	-	202,247,582
Depreciation on disposals	-	-	-	-	-	(87,404)	-	-	-	(87,404)
31 December 2018	-	23,974,233	1,104,844	86,840,808	2,356,239	424,067,965	2,445,568	7,159,627	-	547,949,284
Depreciation for the year	-	13,002,734	1,537,810	35,641,986	4,581,327	238,593,007	1,992,701	303,654	-	295,653,219
Depreciation on disposals	-	-	-	-	(4,489)	(142,286)	-	-	-	(146,775)
Translation adjustment	-	(130,989)	-	(572,805)	-	(3,995,163)	(43,032)	-	-	(4,741,989)
31 December 2019	-	36,845,978	2,642,654	121,909,989	6,933,077	658,523,523	4,395,237	7,463,281	-	838,713,739
Net book value										
31 December 2018	230,105,140	219,587,247	7,274,701	679,013,913	103,453,388	3,817,962,331	14,022,988	105,326	3,280,559,100	8,352,084,134
31 December 2019	225,817,765	273,269,332	32,478,778	705,012,642	115,390,627	4,994,107,133	14,548,017	1,417,560	3,360,062,137	9,722,103,991
Depreciation for the year ended 31 December										
2018 (Baht 200,154,274 included in cost of sales, and the remaining balance included in administrative expenses)										202,247,582
2019 (Baht 294,577,775 included in cost of sales, and the remaining balance included in administrative expenses)										295,653,219

(Unit: Baht)

	Separate financial statements		
	Construction in process	Office equipment and fixtures	Total
Cost			
1 January 2018	408,256	999,422	1,407,678
Addition	-	71,357	71,357
31 December 2018	408,256	1,070,779	1,479,035
Addition	-	10,457	10,457
31 December 2019	408,256	1,081,236	1,489,492
Accumulated depreciation			
1 January 2018	-	283,717	283,717
Depreciation for the year	-	191,336	191,336
31 December 2018	-	475,053	475,053
Depreciation for the year	-	223,159	223,159
31 December 2019	-	698,212	698,212
Net book value			
31 December 2018	408,256	595,726	1,003,982
31 December 2019	408,256	383,024	791,280
Depreciation for the year ended 31 December			
2018 (All included in administrative expenses)			191,336
2019 (All included in administrative expenses)			223,159

As at 31 December 2019, a subsidiary has mortgaged all land, property plant and equipment which net book value of Baht 2,493.2 million (2018: Baht 2,609.8 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 16 to the financial statements.

As at 31 December 2019, two subsidiaries in Japan has mortgaged all machineries and equipment of solar power plant with net book value of Baht 1,927.3 million (31 December 2018: Baht 2,159.0 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 16 to the financial statements.

As at 31 December 2019, a subsidiary had vehicle with net book value of Baht 1.4 million which were acquired under finance lease agreements (31 December 2018: Bhat 0.1 million).

During the year 2019, the subsidiaries in Japan and Vietnam capitalised their borrowing costs as power plants under construction totaling to Baht 74.3 million (2018: Baht 55.1 million).

13. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Baht)

Consolidated financial statements							
	Land distribution linkage right	Electric distribution linkage right	Communication and external electric distribution system	Computer software	Communication and external electric distribution system and right under construction	Software during development	Total
Cost							
1 January 2018	-	6,900,000	116,095,201	532,551	534,112,458	-	657,640,210
Additions	-	-	439,390	74,133	312,558,413	766,500	313,838,436
Transferred in/(out)	-	-	268,921,773	-	(268,921,773)	-	-
Translation adjustment	-	-	-	-	7,126,714	-	7,126,714
31 December 2018	-	6,900,000	385,456,364	606,684	584,875,812	766,500	978,605,360
Additions	12,019,396	-	20,986	53,500	160,750,301	503,500	173,347,683
Disposals	-	-	-	(57,600)	-	-	(57,600)
Transferred in/(out)	124,380,925	115,069,899	-	1,270,000	(239,450,824)	(1,270,000)	-
Translation adjustment	-	-	(15,621,818)	(1,145)	(41,882,603)	-	(57,505,566)
31 December 2019	136,400,321	121,969,899	369,855,532	1,871,439	464,292,686	-	1,094,389,877
Accumulated depreciation							
1 January 2018	-	803,803	2,457,863	171,281	-	-	3,432,947
Amortisation for the year	-	276,000	10,968,527	105,442	-	-	11,349,969
31 December 2018	-	1,079,803	13,426,390	276,723	-	-	14,782,916
Amortisation for the year	3,978,343	4,200,719	13,507,477	279,199	-	-	21,965,738
Amortisation for disposals	-	-	-	(14,085)	-	-	(14,085)
Translation adjustment	-	-	(591,469)	(333)	-	-	(591,802)
31 December 2019	3,978,343	5,280,522	26,342,398	541,504	-	-	36,142,767
Provision for impairment							
31 December 2018	-	-	-	-	(13,189,005)	-	(13,189,005)
Translation adjustment	-	-	-	-	771,727	-	771,727
31 December 2019	-	-	-	-	(12,417,278)	-	(12,417,278)
Net book value							
31 December 2018	-	5,820,197	372,029,974	329,961	571,686,807	766,500	950,633,439
31 December 2019	132,421,978	116,689,377	343,513,134	1,329,935	451,875,408	-	1,045,829,832
Amortisation for the year ended 31 December							
2018 (Baht 10,124,577 included in cost of sales, and the remaining balance included in administrative expenses)							11,349,969
2019 (Baht 20,569,647 included in cost of sales, and the remaining balance included in administrative expenses)							21,965,738

Communication and external electric distribution system and electric distribution linkage right and license under construction had not yet been amortised because the Power Plants are under construction. The amortisation will start when the commercial operation commences.

(Unit: Baht)

	Separate financial statements	
	Computer software	Total
Cost		
1 January 2018	91,265	91,265
Additions	-	-
31 December 2018	91,265	91,265
Additions	-	-
31 December 2019	91,265	91,265
Accumulated amortisation		
1 January 2018	25,485	25,485
Amortisation for the year	16,428	16,428
31 December 2018	41,913	41,913
Amortisation for the year	18,250	18,250
31 December 2019	60,163	60,163
Net book value		
31 December 2018	49,352	49,352
31 December 2019	31,102	31,102
Amortisation for the year ended 31 December		
2018 (All included in administrative expenses)		16,428
2019 (All included in administrative expenses)		18,250

14. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties	15,089	15,089	5,457,000	5,457,000
Trade payables - unrelated parties	12,031,987	14,354,474	-	-
Other payables - unrelated parties	12,611,194	19,818,446	769,966	4,106,889
Construction and project development payables	128,225,525	376,142,311	-	-
Accrued interest expenses - subsidiaries	-	-	22,888,677	20,806,234
Accrued expenses - related parties	30,000	30,000	30,000	30,000
Accrued expenses - unrelated parties	55,744,437	93,459,725	12,367,279	5,072,077
Total	208,658,232	503,820,045	41,512,922	35,472,200

15. 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, with the interest rate of LIBOR 6 months plus additional rate. As at 31 December 2019, the Company had drawn USD 11.9 million or equivalent to Baht 361.8 million. This short-term loan is due in March 2020.

The Company had pledged its bank saving account of Baht 93.0 million as collateral against credit facility as discussed in Note 7 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.

16. Long-term loans

(Unit: Baht)

Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated financial statements		Separate financial statements		Note
				2019	2018	2019	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 to December 2024	1,167,048,000	1,511,489,250	-	-	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	800,000,000	800,000,000	800,000,000	800,000,000	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	868,000,000	-	868,000,000	-	b)
3)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from September 2018 to June 2036	1,475,448,507	1,661,521,541	-	-	c)
4)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from March 2021 to December 2037	2,447,957,263	1,920,962,458	-	-	d)
5)	JPY TIBOR 3 months plus additional rate	Yen	Repayments of principal and interest are to be made on quarterly basis starting from March 2019 to December 2035	594,730,197	718,947,317	-	-	e)

(Unit: Baht)

Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated financial		Separate financial statements		Note
				statements	statements	2019	2018	
				2019	2018	2019	2018	
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	1,351,551,671	1,155,063,749	-	-	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 loan				8,704,735,638	7,767,984,315	1,668,000,000	800,000,000	
Less: Deferred finance charges				(352,274,264)	(391,188,982)	(16,610,313)	(19,355,241)	
Total				8,352,461,374	7,376,795,333	1,651,389,687	780,644,759	
Less: Current portion				(686,088,914)	(508,586,738)	(343,159,923)	-	
Long-term loans - net of current portion				7,666,372,460	6,868,208,595	1,308,229,764	780,644,759	

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Balance at the beginning of the year	7,376,795,333	4,571,989,595	780,644,759	-
Add: Additional borrowings	1,771,470,073	3,479,166,702	868,000,000	800,000,000
Less: Repayment	(515,443,166)	(542,148,927)	-	-
Less: Finance charges	(11,011,548)	(182,281,969)	-	(20,089,549)
Add: Amortisation of financial charges	28,775,827	19,077,456	2,744,928	734,308
Translation adjustment	(298,125,145)	30,992,476	-	-
Balance at the ending of the year	8,352,461,374	7,376,795,333	1,651,389,687	780,644,759

Note:

- a) As at 31 December 2019, a subsidiary had pledged the bank saving account and mortgaged property, plant and equipment with two commercial banks as discussed in Note 7 and Note 12 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. As at 31 December 2019, the Company had drawn totaling to Baht 1,668.0 million (31 December 2018: Baht 800.0 million). The Company has pledged its dividend account as collateral against credit facilities as discussed in Note 7 and Note 10 to the financial statement.
- c) As at 31 December 2019, a subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 10 and Note 12 to the financial statement.
- d) On 28 June 2017, a subsidiary entered into loan agreement with financial institution, total credit facility amounting to Yen 10,023.0 million. As at 31 December 2019, the subsidiary had drawn Yen 8,871.4 million (31 December 2018: Yen 6,554.2 million).
- e) As at 31 December 2019, a subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 10 and Note 12 to financial statement.
- f) On 14 September 2018, a subsidiary entered into loan agreement with financial institution, total credit facility amounting to Yen 11,935.5 million. As at 31 December 2019, the subsidiary had drawn Yen 4,898.0 million (31 December 2018: Yen 3,941.0 million).
- g) On 20 March 2019, a subsidiary 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 31 December 2019, the subsidiary had not withdrawn such loan.
- h) On 28 March 2019, a subsidiary 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 31 December 2019, the subsidiary had not withdrawn such loan.

The loan agreements contain several covenants which, among other things; require the Group 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 31 December 2019, the Group have undrawn credit facilities amounting to Baht 372.0 million, Yen 8,189.1 million and USD 51.2 million (the Company: Baht 332.0 million) (2018: the Group: Baht 1,240.0 million and Yen 11,463.3 million and the Company: Baht 1,200.0 million).

17. Liabilities under finance lease agreements

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	1,246,908	-	-	-
Less: Deferred interest expenses	(104,151)	-	-	-
Total	1,142,757	-	-	-
Less: Current portion	(225,531)	-	-	-
Liabilities under finance lease agreements				
- net of current portion	917,226	-	-	-

A subsidiary has entered into the finance lease agreement for rental of vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreement is generally 5 years.

As at 31 December 2019, future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Baht)			
	Consolidated financial statements			
	As at 31 December 2019			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	263,769	983,139	-	1,246,908
Deferred interest expenses	(38,238)	(65,913)	-	(104,151)
Present value of future minimum lease payments	225,531	917,226	-	1,142,757

18. 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.

The Company set aside net income of Baht 27 million from its operating result of the year 2019 to the statutory reserve. (2018: Baht 24 Million)

19. 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.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	77,300,120	68,076,146	23,798,987	26,577,122
Depreciation and amortisation expenses	326,083,708	213,354,567	241,409	207,764
Operation and maintenance of power plant	65,894,395	61,401,452	-	-
Professional fees	24,617,875	24,987,634	5,432,825	10,137,764
Bank charges	3,176,339	5,998,777	6,015,445	4,352,148
Land lease	28,138,236	17,588,633	-	-
Construction Cost	10,100,199	25,688,454	-	-
Loss (gain) on exchange rate	68,523,123	553,168	4,303,594	(40,154)
Provision for impairment of intangible assets	-	13,165,710	-	-

21. Income tax expenses (revenue)

Income tax expenses (revenue) of the Group for the year ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Income tax charge for the year	12,786,793	1,921,123	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	(453,082)	(188,689)	(217,558)	(86,075)
Income tax expense (revenue) reported in the statement of comprehensive income	12,333,711	1,732,434	(217,558)	(86,075)

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2019 and 2018 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Actuarial loss	(34,172)	-	(37,295)	-
Income tax expense (revenue) reported in the statement of other comprehensive income	(34,172)	-	(37,295)	-

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	568,952,334	480,524,892	545,458,984	481,940,535
	0%,10%,15%, 16.5%, 17%,	0%,10%,15%, 16.5%, 17%,		
Applicable tax rate	20%	20%	20%	20%
Accounting profit before corporate income				
tax multiplied by income tax rate	106,540,399	99,010,591	109,091,797	96,388,107
Effects of:				
Promotional privileges (Note 22)	(127,903,525)	(113,943,594)	-	-
Non-deductible expenses	1,260,081	2,122,605	93,019	397,005
Exempted revenue	-	-	(110,123,888)	(96,623,796)
Utilised tax losses	(1,352,655)	(1,920,099)	-	-
Tax losses for the year, that were not				
recognised as deferred tax assets	33,789,411	16,462,931	721,514	(247,391)
Tax income expense (revenue) reported				
in the statement of comprehensive				
income	12,333,711	1,732,434	(217,558)	(86,075)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Deferred tax assets				
Provision for long-term employee				
benefits	968,806	481,552	436,781	181,929
				(Unit: Baht)
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Deferred tax liabilities				
Share of profits from foreign				
subsidiaries	3,961,859	-	-	-

As at 31 December 2019, the Group has unused tax losses totaling Baht 458 million (the Company: Baht 56 million) (2018: the Group: Baht 271 million and the Company: Baht 53 million), on which deferred tax assets have not been recognised as the Group believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2019, unused tax losses totaling Baht 458 million, such tax losses will be expired within 2020 - 2024.

22. 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 st 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)
	62-0922-1-00-1-0	28 August 2019	Not operating	C), D)
Serm sang Solar Co., Ltd	61-0508-1-00-10	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 subsidiary is 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 Group has operating revenues for the year ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales	349.5	292.5	521.1	235.1	870.6	527.6
Subsidy for adder	591.2	568.7	-	-	591.2	568.7
Revenue from construction service	-	-	11.9	32.7	11.9	32.7
Total	940.7	861.2	533.0	267.8	1,473.7	1,129.0

23. Earnings per share

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

24. 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 Group is organised into business units based on their products and have four 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. Production and distribution of electricity from wind power plant.
4. 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.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the year ended 31 December 2019 and 2018.

(Unit: Baht)

	Production and distribution of electricity from solar power plants		Electricity distribution and installation services relating to the solar roof system		Production and distribution of electricity from wind power plant		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Electricity sales	1,443,851	1,087,582	17,851	8,889	-	-	-	-	-	-	1,461,702	1,096,471
Revenue from construction services	-	-	12,998	32,712	-	-	-	-	(1,095)	-	11,903	32,712
Other income	2,922	1,805	918	-	-	-	63,988	53,678	(60,472)	(53,166)	7,356	2,317
Total revenue and other income	1,446,773	1,089,387	31,767	41,601	-	-	63,988	53,678	(61,567)	(53,166)	1,480,961	1,131,500
Operating profit	887,023	689,543	5,948	5,964	(1,671)	-	34,370	(64,003)	(159,671)	(8,705)	765,999	622,799
Interest income	2,670	3,427	34	41	3	-	229,749	115,403	(227,861)	(112,988)	4,595	5,883
Finance costs	(172,831)	(138,523)	(2,514)	(1,694)	-	-	(257,605)	(128,010)	231,309	120,070	(201,641)	(148,157)
Finance costs, net	(170,161)	(135,096)	(2,480)	(1,653)	3	-	(27,856)	(12,607)	3,448	7,082	(197,046)	(142,274)
Profit before income tax expense	716,862	554,447	3,468	4,311	(1,668)	-	6,514	(76,610)	(156,223)	(1,623)	568,953	480,525
Income tax income (expense)	(4,534)	(1,870)	-	-	-	-	(7,976)	86	176	52	(12,334)	(1,732)
Profit (loss) for the year	712,328	552,577	3,468	4,311	(1,668)	-	(1,462)	(76,524)	(156,047)	(1,571)	556,619	478,793

(Unit: Baht)

	Production and distribution of electricity from solar power plants		Electricity distribution and installation services relating to the solar roof system		Production and distribution of electricity from wind power plant		Others		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
As at 31 December												
Segment assets												
Property, plant and equipment	9,437,557	8,158,708	154,752	109,779	41,798	-	71,611	74,861	16,366	8,736	9,722,104	8,352,084
Intangible assets	975,357	873,188	1,583	1,202	-	-	153	246	68,737	75,997	1,045,830	950,633
Long-term investment	-	-	-	-	-	-	26,041	17,079	-	-	26,041	17,079
Unallocated assets	-	-	-	-	-	-	-	-	-	-	2,251,152	2,572,932
Total assets											<u>13,045,127</u>	<u>11,892,728</u>
Segment liabilities												
Loans	7,906,617	6,607,273	9,662	107,981	-	-	4,887,551	6,014,667	(4,077,537)	(5,353,126)	8,726,293	7,376,795
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	321,847	657,787
Total liabilities											<u>9,048,140</u>	<u>8,034,582</u>

Geographical segments

The Group operate in Thailand, Hong Kong, Singapore, Japan, Mongolia, Vietnam and Indonesia. The operations in Hong Kong and Singapore do not generate revenues from the external customers.

Geographic information segment

(Unit: Million Baht)		
Consolidated financial statements		
Revenue from the external customers	31 December 2019	31 December 2018
Thailand	954	894
Japan	348	235
Mongolia	52	-
Vietnam	120	-
Total	1,474	1,129

(Unit: Million Baht)		
Consolidated financial statements		
Non current assets*	31 December 2019	31 December 2018
Thailand	2,808	2,871
Japan	6,464	5,817
Hongkong	34	29
Mongolia	550	760
Vietnam	1,367	217
Indonesia	8	-
Total	11,231	9,694

*Other than financial instrument and deferred tax asset

Major customers

For the year 2019 and 2018, the Group has revenue from 6 major customers in amount of Baht 1,443.9 million (2018: Baht 1,085.2 million).

25. Provident fund

The Group and its employee have jointly established a provident fund in accordance with the provident fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 - 10 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

During the year of 2019, the Group recorded the contributions amounting to approximately Baht 1.7 million, and for the Company of Baht 0.7 million. (2018: the Group: Baht 1.7 million, the Company: Baht 0.8 million).

26. Commitments and contingent liabilities

26.1 Power purchase agreement

On 7 June 2013, a subsidiary 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 December 2017, a subsidiary in Japan entered into power purchase agreement with Hokkaido Electric Power Company Limited for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

As at 29 December 2017, a subsidiary 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 entered into power purchase agreement with Provincial Electricity Authority (“PEA”) for the 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 entered into power purchase agreement with Kyushu Electric KK for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 1 November 2018, a subsidiary in Vietnam 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 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.

26.2 Capital commitments

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

		(Unit: Million)	
Country	Currency	31 December 2019	31 December 2018
Thailand	Baht	0.1	37.4
Japan	Yen	7,844.5	11,057.9
Mongolia	MNT	-	2,709.5
Vietnam	US Dollar	-	23.1
	Vietnam Dong	2,232,000	-

26.3 Land lease commitments

As at 31 December 2019, subsidiaries in Japan have land lease commitments for the 20 years starting from 2017 or 2018. The annual rent are totaling Yen 153.2 million (2018: Yen 153.2 million).

26.4 Service agreement

As at 31 December 2019 and 2018, the Group has commitment for service agreements which have the remaining schedule repayments as follows:

Country	Currency	Within 1 year		1 - 5 years		Over 5 years		Total	
		2019	2018	2019	2018	2019	2018	2019	2018
	(Million)								
Thailand	Baht	86	42	178	173	-	44	264	259
Japan	Yen	38	35	87	87	391	413	516	535
Vietnam	VND	7,046	-	1,830	-	83,265	-	92,141	-

As at 31 December 2019, subsidiaries in Japan have long-term service commitments related to several service agreements. The service fee expenses are Yen 83.0 million per year (2018: Yen 83.0 million).

26.5 Share capital of subsidiaries

As at 31 December 2019, the Company has a commitment in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 542.7 million (2018: Baht 1,171.0 million) and subsidiaries in Vietnam amounting to VND 272.2 million.

A subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 811.7 million (2018: Yen 1,411.6 million).

26.6 Guarantees

- a) As at 31 December 2019, there were outstanding bank guarantees of Baht 32.7 million issued by bank on behalf of the Group in order to guarantee contracted performance to state enterprises and Baht 31.0 million of such bank guarantees were the Company's. (2018: The Group of Baht 32.7 million and the Company of Baht 31.0 million).
- b) The Company acts as guarantor of loan agreement to subsidiary, a facility of USD 18.7 million.

26.7 Derivatives

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

Contract value		Received interest rate	Paid interest rate	Due date
31 December 2019	31 December 2018			
1. Baht 175 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 584 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 3,702 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 31 December 2019 and 2018, subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 31 December 2019			
Currency	Maturity Date	Contractual exchange rate (Baht per 1 foreign currency unit)	Bought amount
US Dollar	14 January 2020	31.52	US Dollar 1.32 Million
US Dollar	13 May 2020	31.57	US Dollar 0.50 Million
US Dollar	15 May 2020	31.36	US Dollar 0.15 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

27. Financial instruments

27.1 Financial risk management

The Group financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, unbilled receivables, loans, share acquisition payable to subsidiary’s former shareholders, trade and other payables, retention payable, borrowing and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described follow.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables which mainly sell to a few customers. However, the Company does not expect to incur material financial losses from uncollectible debts since the debtor has ability of repayment. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and lending and borrowings. Most of their financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Baht)

Consolidated financial statements					
As at 31 December 2019					
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets					
Cash and cash equivalents	-	666,199,958	249,257,349	915,457,307	0.001% - 7.10%
Short-term restricted bank deposits	-	283,149,094	-	283,149,094	0.22% - 0.70%
Long-term restricted bank deposits	-	159,037,379	-	159,037,379	0.001% - 0.25%
Trade receivables and accrued interest income	-	-	231,139,905	231,139,905	
Long-term investment	-	-	26,040,947	26,040,947	
	-	1,108,386,431	506,438,201	1,614,824,632	

(Unit: Baht)

Consolidates financial statements						
As at 31 December 2019						
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
Financial liabilities						
Trade and other payables	-	-	-	-	208,658,232	208,658,232
Share acquisition payable to subsidiary's former shareholder	-	-	-	-	9,280,570	9,280,570
Share capital payable from subsidiary's capital reduction	-	-	-	-	71,414,265	71,414,265
Retention payable	-	-	-	-	6,293,579	6,293,579
Finance lease payable	225,531	917,226	-	-	-	1,142,757
Short-term loan from non-controlling interest of the subsidiary	12,061,600	-	-	-	-	12,061,600
Short-term loan from bank	-	-	-	361,770,026	-	361,770,026
Long-term loans	137,512,763	576,406,947	80,515,051	7,558,026,613	-	8,352,461,374
	149,799,894	577,324,173	80,515,051	7,919,796,639	295,646,646	9,023,082,403
Derivatives						
Interest rate swap contracts - Baht currency						
- Fixed interest rate	151,013,850	607,567,350	-	-	-	758,581,200
- Floating interest rate	-	-	-	758,581,200	-	758,581,200

(Unit: Yen)

Consolidates financial statements							
As at 31 December 2019							
Fixed interest rate			Floating interest rate	Non-interest bearing	Total	Effective interest rate	
Within 1 year	1 - 5 years	Over 5 years					
Derivatives							
Interest rate swap contracts - Yen currency							
- Fixed interest rate	-	612,001,145	3,090,365,125	-	-	3,702,366,270	0.82%
- Floating interest rate	-	-	-	3,702,366,270	-	3,702,366,270	JPY TIBOR 6M+0.75%

(Unit: Baht)

Consolidated financial statements					
As at 31 December 2018					
Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
					(% per annum)
Financial Assets					
Cash and cash equivalents	-	1,121,040,672	4,089,270	1,125,129,942	0.01% - 6.17%
Short-term restricted bank deposits	-	438,921,606	-	438,921,606	0.37%
Long-term restricted bank deposits	-	96,733,344	-	96,733,344	0.01% - 0.37%
Trade receivables, accrued interest income and advance payment	-	-	289,508,207	289,508,207	
Unbilled receivables	-	-	32,011,994	32,011,994	
Long-term investment	-	-	17,078,655	17,078,655	
	-	1,656,695,622	342,688,126	1,999,383,748	

(Unit: Baht)

Consolidates financial statements										
As at 31 December 2018										
Fixed interest rate			Floating interest rate	Non-interest bearing	Total	Effective interest rate				
Within 1 year	1 - 5 years	Over 5 years								
Financial liabilities										
(% per annum)										
Trade and other payables	-	-	-	-	503,820,045	503,820,045				
Share acquisition payable to subsidiary's existing shareholders	-	-	-	-	117,503,651	117,503,651				
Retention payable	-	-	-	-	5,318,625	5,318,625				
Long-term loans	-	535,941,690	244,703,069	6,596,150,574	-	7,376,795,333	0.87% - 4.33%			
	-	535,941,690	244,703,069	6,596,150,574	626,642,321	8,003,437,654				
Derivatives										
Interest rate swap contracts - Baht currency										
- Fixed interest rate	223,886,813	605,811,375	152,769,825	-	-	982,468,013	5.71%, 5.795%			
- Floating interest rate	-	-	-	982,468,013	-	982,468,013	THBFIX 3M+2%			

(Unit: Yen)

Consolidates financial statements										
As at 31 December 2018										
Fixed interest rate			Floating interest rate	Non-interest bearing	Total	Effective interest rate				
Within 1 year	1 - 5 years	Over 5 years								
Derivative										
Interest rate swap contracts - Yen currency										
- Fixed interest rate	-	-	2,998,395,218	-	-	2,998,395,218	0.82%			
- Floating interest rate	-	-	-	2,998,395,218	-	2,998,395,218	JPY TIBOR 6M+0.75%			

(Unit: Baht)

	Separate financial statement						
	As at 31 December 2019						
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	78,807,855	124,844	78,932,699	0.20% - 0.25%
Short-term restricted bank deposits	-	-	-	95,654,411	-	95,654,411	0.22% - 0.70%
Long-term restricted bank deposits	-	-	-	17,158,042	-	17,158,042	0.25%
Trade receivables and accrued interest income	-	-	-	-	203,166,866	203,166,866	
Short-term loans to related parties	-	-	-	426,856,783	-	426,856,783	3.05% - 5.875%
Long-term loans to related parties	-	-	-	2,649,597,667	-	2,649,597,667	3.05% - 3.70%
	-	-	-	3,268,074,758	203,291,710	3,471,366,468	
Financial liabilities							
Short-term loans from related parties	-	-	-	361,770,026	-	361,770,026	LIBOR 6M +3.75%
Trade and other payables	-	-	-	-	41,512,922	41,512,922	
Short-term loans	103,145,175	-	-	-	-	103,145,175	2%
Long-term loans	137,512,763	576,406,947	80,515,051	856,954,926	-	1,651,389,687	4.33%, THBFIX 3 M+2.94%
	240,657,938	576,406,947	80,515,051	1,218,724,952	41,512,922	2,157,817,810	

(Unit: Baht)

	Separate financial statement						
	As at 31 December 2018						
	Fixed interest rate						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets							
Cash and cash equivalents	-	-	-	356,775,116	36,330	356,811,446	0.37% - 0.40%
Short-term restricted bank deposits	-	-	-	235,070,746	-	235,070,746	0.37%
Long-term restricted bank deposits	-	-	-	10,027	-	10,027	0.37%
Trade receivables and accrued interest income	-	-	-	-	127,621,946	127,621,946	
Short-term loans to related parties	-	-	-	108,362,682	-	108,362,682	
Long-term loans to related parties	-	-	-	2,095,078,346	-	2,095,078,346	
	-	-	-	2,795,296,917	127,658,276	2,922,955,193	
Financial liabilities							
Trade and other payables	-	-	-	-	35,472,200	35,472,200	
Short-term loans from related parties	106,095,175	-	-	-	-	106,095,175	2.00%
Long-term loans	-	535,941,690	244,703,069	-	-	780,644,759	4.33%
	106,095,175	535,941,690	244,703,069	-	35,472,200	922,212,134	

Foreign currency risk

The Group's exposure to foreign currency risk arise mainly from cash in foreign currency, receivable, advanced payment, trade payable, share acquisition payable and loans from financial institutions that are denominated in foreign currencies. As at 31 December 2019 and 2018, 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	
	2019	2018	2019	2018	2019	2018
					(Baht per 1 foreign currency unit)	
Japanese yen	2,838,067,640	3,264,460,354	20,331,524,960	18,235,081,807	0.2759395	0.2930890
US dollar	4,627,022	1,175,327	13,844,253	4,095,185	30.154000	32.449800
Singapore dollar	35,468	30,390	803	5,000	22.324450	23.694250
MNT	125,919,643	28,873,362	6,799,372,630	22,401,793	0.0109182	0.0122790
VND	224,099,999,749	81,325,775,075	65,189,430,051	84,261,201,125	0.0013015	0.0013970
Malaysia Ringgit	300,000	-	-	-	7.3222000	-
Rupiah	1,234,468,655	-	4,662,791,079	-	0.0021732	-

27.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position except for the fair value of interest rate-swap and forward contracts.

As at 31 December 2019, the fair value of interest rate swap contract of subsidiaries were negative amounting to Baht 48 million and Yen 432 million, (31 December 2018: Baht 50 million and Yen 262 million) which was referenced by the counterparty bank. Such fair values were categorised within Level 2 of the fair value hierarchy.

As at 31 December 2019, the fair value of forward exchange contracts of a subsidiary was negative amounting Baht 2.72 million (31 December 2018: Baht 0.13 million) which was referenced by the counter party bank. Such fair value was categorized with in Level 2 of the fair value hieraechy.

28. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 2.3 (2018: 2.1). The Company has debt-to-equity ratio was 0.6 (2018: 0.3).

29. Events after the reporting period

On 27 February 2020, the Board of Directors' meeting passed the following resolutions.

- Payment of dividend in respect of the operating results for the year 2019, at Baht 0.11 per share, totaling Baht 101,420,000.
- Increase in registered share capital of the Company to Baht 230,500,000 by issuing 230,500,000 common shares of 1 Baht each to reserve for the exercise of the warrants.
- Issuance of warrants (SSP-W1) of not exceeding 230,500,000 units. The warrants can be exercised within 3 years from the issue date at the exercise ratio of 1:1. The exercise price is Baht 10 per 1 ordinary share.

In this regard, the Board of Directors' meeting passed the resolutions to propose to the Annual General Meeting of Shareholders for approval.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.