

Sernsang Power Corporation Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Sermsang Power Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sermsang Power Corporation Public Company Limited and its subsidiaries as at 30 June 2020, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Sermsang Power Corporation Public Company Limited for the same periods (Collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.2 and 1.5.3 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for second quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 14 August 2020

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	5	1,172,994	915,457	198,942	78,933
Short-term restricted bank deposits	5	248,513	283,149	93,625	95,654
Trade and other receivables	4, 6	497,747	360,393	266,053	221,037
Inventory		136	-	-	-
Short-term loans to related parties	4	-	-	434,949	426,857
Other current assets		30,880	29,810	2,189	2,202
Total current assets		1,950,270	1,588,809	995,758	824,683
Non-current assets					
Long-term restricted bank deposits	7	372,580	159,037	103,573	17,158
Revenue Department receivable		17,740	17,412	-	-
Long-term loans to related parties					
- net of current portion	4	-	-	2,790,597	2,649,597
Other non-current financial assets		26,041	26,041	-	-
Investments in subsidiaries	8	-	-	2,286,293	2,486,055
Property, plant and equipment	9	10,436,054	9,722,104	680	791
Intangible assets	10	1,120,333	1,045,830	22	31
Right-of-use assets		819,671	-	-	-
Prepaid rental		-	119,062	-	-
Deferred tax assets		6,058	969	532	437
Other non-current assets		457,669	365,863	-	-
Total non-current assets		13,256,146	11,456,318	5,181,697	5,154,069
Total assets		15,206,416	13,045,127	6,177,455	5,978,752

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from bank	11	370,531	361,770	370,531	361,770
Trade and other payables	4	463,977	208,658	35,331	41,513
Retention payable		4,294	6,294	-	-
Share acquisition payable to subsidiary's former shareholders		9,493	9,281	-	-
Share capital payable from a subsidiary's capital reduction		-	71,414	-	-
Short-term loan from non-controlling interest of the subsidiary		-	12,062	-	-
Short-term loans from related parties	4	-	-	101,857	103,145
Other current financial liabilities		1,523	-	-	-
Current portion of liabilities under lease agreements		30,492	225	-	-
Current portion of long-term loans	12	818,529	686,089	342,909	343,160
Other current liabilities		11,884	12,075	315	315
Total current liabilities		1,710,723	1,367,868	850,943	849,903
Non-current liabilities					
Liabilities under lease agreements - net of current portion		651,916	917	-	-
Long-term loans - net of current portion	12	8,265,955	7,666,373	1,186,386	1,308,230
Deferred tax liabilities		10,599	3,962	-	-
Other non-current financial liabilities		182,099	-	-	-
Other non-current liabilities		9,546	9,021	2,660	2,184
Loss in excess of cost over investments in subsidiaries accounted for under equity method	8	-	-	40,849	41,412
Total non-current liabilities		9,120,115	7,680,273	1,229,895	1,351,826
Total liabilities		10,830,838	9,048,141	2,080,838	2,201,729

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
922,000,000 ordinary shares of Baht 1 each	922,000	922,000	922,000	922,000
Issued and paid up				
922,000,000 ordinary shares of Baht 1 each	922,000	922,000	922,000	922,000
Share premium	1,511,210	1,511,210	1,511,210	1,511,210
Surplus on business combination under common control	33,098	33,098	33,098	33,098
Retained earnings				
Appropriated - statutory reserve	14 92,200	92,200	92,200	92,200
Unappropriated	1,768,378	1,402,274	1,768,378	1,402,274
Other components of shareholders' equity	(230,269)	(183,759)	(230,269)	(183,759)
Equity attributable to owners of the Company	4,096,617	3,777,023	4,096,617	3,777,023
Non-controlling interests of the subsidiaries	278,961	219,963	-	-
Total shareholders' equity	4,375,578	3,996,986	4,096,617	3,777,023
Total liabilities and shareholders' equity	15,206,416	13,045,127	6,177,455	5,978,752

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

Directors

Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from sale of electricity	4	334,965	238,019	-	-
Revenue from sales of inventory		9,998	-	-	-
Subsidy for adder		148,308	160,771	-	-
Revenue from construction service	4	-	273	-	-
Management income	4	862	-	7,250	7,250
Interest Income	4	1,048	1,941	28,964	20,641
Other income		3,500	1,991	13	53
Total revenues		498,681	402,995	36,227	27,944
Expenses					
Cost of sales		154,716	101,479	-	-
Cost of construction		-	220	-	-
Loss on exchange rate		58,782	32,786	813	-
Administrative expenses	4	40,179	43,796	11,651	12,712
Total expenses		253,677	178,281	12,464	12,712
Profit before share of profit from investment					
in subsidiaries, financial cost and income tax expenses		245,004	224,714	23,763	15,232
Share of profit from investment in subsidiaries	8.2	-	-	147,761	161,900
Profit before finance cost and income tax expenses		245,004	224,714	171,524	177,132
Finance cost	4	72,131	48,747	21,513	16,707
Profit before income tax expenses		172,873	175,967	150,011	160,425
Income tax revenue (expenses)	13	(4,737)	(9,437)	47	29
Profit for the period		168,136	166,530	150,058	160,454
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(103,865)	(49,694)	(91,032)	(39,415)
Gain on cash flow hedge - net of income tax		21,846	-	21,846	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	-	-	-
Other comprehensive income for the period		(82,019)	(49,694)	(69,186)	(39,415)
Total comprehensive income for the period		86,117	116,836	80,872	121,039
Profit attributable to:					
Equity holders of the Company		150,058	160,454	150,058	160,454
Non-controlling interests of the subsidiaries		18,078	6,076		
		168,136	166,530		

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

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Comprehensive income attributable to:					
Equity holders of the Company		80,872	121,039	80,872	121,039
Non-controlling interests of the subsidiaries		5,245	(4,203)		
		86,117	116,836		
Earnings per share					
Basic earnings per share	17				
Profit attributable to equity holders of the Company (Baht per share)		0.163	0.174	0.163	0.174
Weighted average number of ordinary shares (shares)		922,000,000	922,000,000	922,000,000	922,000,000

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

Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from sale of electricity	4	587,267	397,667	-	-
Revenue from sales of inventory		9,998	-	-	-
Subsidy for adder		291,252	302,162	-	-
Revenue from construction service	4	-	11,903	-	-
Management income	4	7,020	-	14,500	14,500
Interest Income	4	1,852	2,230	57,883	37,435
Other income		7,916	2,958	13	294
Total revenues		905,305	716,920	72,396	52,229
Expenses					
Cost of sales		293,156	195,693	-	-
Cost of construction		-	10,100	-	-
Loss on exchange rate		7,738	38,499	813	-
Administrative expenses	4	79,994	79,170	28,977	25,940
Total expenses		380,888	323,462	29,790	25,940
Profit before share of profit from investment					
in subsidiaries, financial cost and income tax expenses		524,417	393,458	42,606	26,289
Share of profit from investment in subsidiaries	8.2	-	-	370,401	285,990
Profit before finance cost and income tax expenses		524,417	393,458	413,007	312,279
Finance cost	4	133,854	94,813	46,095	27,859
Profit before income tax expenses		390,563	298,645	366,912	284,420
Income tax revenue (expense)	13	(7,948)	(9,418)	95	59
Profit for the period		382,615	289,227	367,007	284,479
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>					
Exchange differences on translation of financial statements in foreign currency		153,839	(88,764)	130,661	(72,691)
Loss on cash flow hedge - net income		(14,394)	-	(14,394)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>					
Actuarial loss - net of income tax		-	-	-	-
Other comprehensive income for the period		139,445	(88,764)	116,267	(72,691)
Total comprehensive income for the period		522,060	200,463	483,274	211,788
Profit attributable to:					
Equity holders of the Company		367,007	284,479	367,007	284,479
Non-controlling interests of the subsidiaries		15,608	4,748		
		382,615	289,227		

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

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Comprehensive income attributable to:					
Equity holders of the Company		483,274	211,788	483,274	211,788
Non-controlling interests of the subsidiaries		38,786	(11,325)		
		522,060	200,463		
Earnings per share					
Basic earnings per share	17				
Profit attributable to equity holders of the Company (Baht per share)		0.398	0.309	0.398	0.309
Weighted average number of ordinary shares (shares)		922,000,000	922,000,000	922,000,000	922,000,000

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

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of shareholders' equity												
Other comprehensive income												
Issued and		Surplus on		Retained earnings		Exchange differences		Total		Total equity	Non-controlling	Total
paid-up	Share	combination under	Appropriated	Unappropriated	on translation of		Loss on hedging	other components	attributable			
share capital	Premium	common control	Statutory reserve	Retained earnings	in foreign currency	Acturial loss	on derivatives	of shareholder's	of the company	to owners	interest of	shareholder's
								equity			subsidiaries	equity
Balance as at 1 January 2019	922,000	1,511,210	33,098	64,815	1,084,056	(81,311)	(327)	-	(81,638)	3,533,541	324,605	3,858,146
Profit for the period	-	-	-	-	284,479	-	-	-	-	284,479	4,748	289,227
Other comprehensive income for the period	-	-	-	-	-	(72,691)	-	-	(72,691)	(72,691)	(16,073)	(88,764)
Total comprehensive income for the period	-	-	-	-	284,479	(72,691)	-	-	(72,691)	211,788	(11,325)	200,463
Dividend payment (Note 15)	-	-	-	-	(200,074)	-	-	-	-	(200,074)	-	(200,074)
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	13,346	13,346
Balance as at 30 June 2019	922,000	1,511,210	33,098	64,815	1,168,461	(154,002)	(327)	-	(154,329)	3,545,255	326,626	3,871,881
Balance as at 1 January 2020	922,000	1,511,210	33,098	92,200	1,402,274	(183,296)	(463)	-	(183,759)	3,777,023	219,963	3,996,986
Cumulative effect of change in accounting policy (Note 3)	-	-	-	-	(903)	-	-	(162,777)	(162,777)	(163,680)	-	(163,680)
Balance as at 1 January 2020 - as restated	922,000	1,511,210	33,098	92,200	1,401,371	(183,296)	(463)	(162,777)	(346,536)	3,613,343	219,963	3,833,306
Profit for the period	-	-	-	-	367,007	-	-	-	-	367,007	15,608	382,615
Other comprehensive income for the period	-	-	-	-	-	130,661	-	(14,394)	116,267	116,267	23,178	139,445
Total comprehensive income for the period	-	-	-	-	367,007	130,661	-	(14,394)	116,267	483,274	38,786	522,060
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	20,212	20,212
Balance as at 30 June 2020	922,000	1,511,210	33,098	92,200	1,768,378	(52,635)	(463)	(177,171)	(230,269)	4,096,617	278,961	4,375,578

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

(Unaudited but reviewed)

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements									
						Other components of shareholders' equity				
						Other comprehensive income				
						Exchange difference		Loss on hedging	Total other	Total
	Issued and paid up	Share	Surplus on	Retained earnings		on translation of		instruments	components of	shareholders'
	share capital	Premium	business combination	Appropriated	Unappropriated	financial statement	Actuarial loss	on derivatives	shareholders' equity	equity
			under common control			in foreign currency				
Balance as at 1 January 2019	922,000	1,511,210	33,098	64,815	1,084,056	(81,311)	(327)	-	(81,638)	3,533,541
Profit for the period	-	-	-	-	284,479	-	-	-	-	284,479
Other comprehensive income for the period	-	-	-	-	-	(72,691)	-	-	(72,691)	(72,691)
Total comprehensive income for the period	-	-	-	-	284,479	(72,691)	-	-	(72,691)	211,788
Dividend payment (Note 15)	-	-	-	-	(200,074)	-	-	-	-	(200,074)
Balance as at 30 June 2019	<u>922,000</u>	<u>1,511,210</u>	<u>33,098</u>	<u>64,815</u>	<u>1,168,461</u>	<u>(154,002)</u>	<u>(327)</u>	<u>-</u>	<u>(154,329)</u>	<u>3,545,255</u>
Balance as at 1 January 2020	922,000	1,511,210	33,098	92,200	1,402,274	(183,296)	(463)	-	(183,759)	3,777,023
Cumulative effect of change in accounting policy (Note 3)	-	-	-	-	(903)	-	-	(162,777)	(162,777)	(163,680)
Balance as at 1 January 2020 - as restated	<u>922,000</u>	<u>1,511,210</u>	<u>33,098</u>	<u>92,200</u>	<u>1,401,371</u>	<u>(183,296)</u>	<u>(463)</u>	<u>(162,777)</u>	<u>(346,536)</u>	<u>3,613,343</u>
Profit for the period	-	-	-	-	367,007	-	-	-	-	367,007
Other comprehensive income for the period	-	-	-	-	-	130,661	-	(14,394)	116,267	116,267
Total comprehensive income for the period	-	-	-	-	367,007	130,661	-	(14,394)	116,267	483,274
Balance as at 30 June 2020	<u>922,000</u>	<u>1,511,210</u>	<u>33,098</u>	<u>92,200</u>	<u>1,768,378</u>	<u>(52,635)</u>	<u>(463)</u>	<u>(177,171)</u>	<u>(230,269)</u>	<u>4,096,617</u>

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

Cash flow statement

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	390,563	298,645	366,912	284,420
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	217,471	131,081	120	120
Loss on disposal of property plant and equipment	5,347	-	-	-
Provision for long-term employee benefits	805	610	477	297
Share of profit from investments in subsidiaries	-	-	(370,401)	(285,990)
Unrealised loss on exchange rate	15,129	5,262	666	-
Interest income	(1,852)	(2,230)	(57,883)	(37,435)
Finance cost	133,854	94,813	46,095	27,859
Profit (loss) from operating activities before changes in operating assets and liabilities	761,317	528,181	(14,014)	(10,729)
Operating assets (increase) decrease				
Trade and other receivables	(140,397)	4,509	12,780	(1,425)
Unbilled receivables	-	32,012	-	-
Inventory	(136)	-	-	-
Other current assets	(1,070)	(10,195)	13	-
Revenue Department receivable	(536)	59,302	-	768
Other non-current assets	(80,366)	(39,497)	-	-
Operating liabilities increase (decrease)				
Trade payables and other payables	(10,611)	(305,065)	(7,131)	(4,933)
Retention payable	(2,000)	2,563	-	-
Other current liabilities	(191)	15,678	-	(842)
Other non-current liabilities	(280)	(12,613)	-	-
Cash flows from (used in) operating activities	525,730	274,875	(8,352)	(17,161)
Cash paid for income tax	(2,992)	(3,825)	(349)	(804)
Net cash flows from (used in) operating activities	522,738	271,050	(8,701)	(17,965)

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

Cash flow statement (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Short-term restricted bank deposits	34,636	228,169	2,029	231,010
Long-term restricted bank deposits	(213,543)	(19,796)	(86,415)	(15,400)
Short-term loans to related parties	-	-	-	(5,000)
Long-term loans to related parties	-	-	(141,000)	(446,000)
Investment in subsidiaries	-	-	(27,812)	(602,500)
Long-term investment	-	(9,582)	-	-
Paid for capital reduction of subsidiary	(73,402)	-	-	-
Dividend income from investment in a subsidiary	-	-	550,000	80,000
Share acquisition payable to subsidiary's existing shareholders	-	(108,102)	-	-
Construction payables	272,482	331,497	-	-
Advance payment for construction	(29,956)	(91,489)	-	-
Right-of-use assets under lease agreements	(16,062)	-	-	-
Acquisition of property, plant and equipment	(560,337)	(1,484,840)	-	(10)
Acquisition of intangible assets	(58,261)	(141,847)	-	-
Subsidy from the government	2,517	122,811	-	-
Interest income	1,852	2,230	437	873
Net cash flows from (used in) investing activities	(640,074)	(1,170,949)	297,239	(757,027)
Cash flows from financing activities				
Short-term loans from related parties	-	-	(1,288)	(1,550)
Cash paid for short-term loans from non-controlling interest	(12,108)	-	-	-
Liabilities under finance lease agreements	(10,085)	(48)	-	-
Cash received from long-term loans from bank	907,170	1,150,649	51,300	715,000
Payment of long-term loans from bank	(405,197)	(291,387)	(174,000)	-
Proceeds from increase in share capital of non-controlling interest	20,212	13,346	-	-
Dividend payment	-	(200,074)	-	(200,074)
Payment of interest expenses and bank fee	(152,780)	(126,908)	(44,541)	(25,629)
Net cash flows from (used in) financing activities	347,212	545,578	(168,529)	487,747
Difference in translation adjustments	27,661	(28,562)	-	-
Net increase (decrease) in cash and cash equivalents	257,537	(382,883)	120,009	(287,245)
Cash and cash equivalents at beginning of period	915,457	1,125,130	78,933	356,811
Cash and cash equivalents at end of period	1,172,994	742,247	198,942	69,566

Supplemental cash flow information:

Non - cash item

Increase in fixed assets by replacement	61	87	-	-
Transfer interest expenses to cost of property and equipment	39,100	37,519	-	-
Dividend receivable	-	-	-	140,000
Liabilities under finance lease agreements	-	1,258	-	-

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of interim financial statements

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

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

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

1.4 Basis for the preparation of the interim consolidated financial statements

The interim consolidated financial statements include the financial statements of Serm Sang Power Corporation Public Company Limited (“the Company”) and its subsidiaries (collectively “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statement for the year ended 31 December 2019. During the period, there was no change in the composition of group.

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June	31 December
			2020	2019
			(Percentage)	(Percentage)
<u>Subsidiary companies which directly held by the Company</u>				
Serm Sang Palang Ngan Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Corporation Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang International Company Limited	Investment and consultancy	Thailand	100	100
Access Energy Company Limited	Investment and consultancy	Thailand	100	100
Essential Power Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Solar Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Renewable Power Company Limited	Production and distribution of electricity	Thailand	100	100
Plus Energy Company Limited	Production and distribution of electricity	Thailand	100	100
Sernsang Infinite Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Clean Solutions Company Limited	Production and distribution of electricity	Thailand	100	100
Prestige Group Company Limited	Production and distribution of electricity	Thailand	100	100
Triple P Renewable Company Limited	Production and distribution of electricity	Thailand	100	100
Truong Thanh Tra Vinh Wind Power JSC.	Production and distribution of electricity	Vietnam	80	80
<u>Subsidiary companies which indirectly held by the Company</u>				
S. Global Power Limited	Investment and consultancy	Hong Kong	100	100
Surge Energy Corporation Limited	Investment and consultancy	Hong Kong	100	100
Access C Management Limited	Investment and consultancy	Hong Kong	100	100
Sernsang Sustainable Singapore Private Limited	Investment and consultancy	Singapore	100	100
Seijo Corporation	Investment and consultancy	Japan	100	100
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87	87
GK GSSE	Production and distribution of electricity	Japan	90	90
Zouen Energy GK	Production and distribution of electricity	Japan	100	100
Ashita Power 1 GK	Production and distribution of electricity	Japan	100	100
Ashita Power 2 GK	Production and distribution of electricity	Japan	100	100
Tenuun Gerel Construction LLC	Production and distribution of electricity	Mongolia	75	75
Truong Thanh Quang Ngai Power and High Technology JSC.	Production and distribution of electricity	Vietnam	80	80
Sea Sun Energy Partners Pte.,Ltd	Investment and consultancy	Singapore	75	84
PT Sea Sun Energi	Production and distribution of electricity	Indonesia	75	84

1.4.1 Called up and increase in share capital of subsidiary

During the period, the subsidiaries additionally invested in the following companies:

(Unit: Million)

The Company	Investment Amount	
	Currency	For the six-month period ended 30 June 2020
Ashita Power 1 GK	Yen	137.0
Ashita Power 2 GK	Yen	2.9
GK GSSE	Yen	234.3
Sea Sun Energy Partners Pte., Ltd.	USD	1.0

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods 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. However, the new standard involves changes to key principles, which are summarised below:

1.5.1 Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through other comprehensive income.
- Recognition of derivatives - The Group initially recognises 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 applies hedge accounting for certain derivatives.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings or other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.

1.5.2 TFRS 16 - Lease

TFRS 16 supersedes the TAS 17 Leases together with related interpretations. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effects is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.

1.5.3 Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2. Significant accounting policies

This interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

2.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group makes an election to measure investment in unquoted equity instruments at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

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

Hedge Accounting

The Group is a party to interest rate swap contracts to protect the Group from movements in interest rates. The Group applies hedge accounting as cash flow hedges for the interest rate swap contracts. A change in fair value of the effective portion of interest rate swap contracts is recognised in other comprehensive income, while a change in fair value of the ineffective portion is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group applies a simplified approach to determine the lifetime expected credit losses.

2.2 Leases

Right-of-use assets

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Non-current assets				
Long-term investment	26,041	(26,041)	-	-
Other non-current financial assets	-	26,041	-	26,041
Property, plant and equipment	9,722,104	-	(1,418)	9,720,686
Intangible assets	1,045,830	-	(5,160)	1,040,670
Right-of-use assets	-	-	796,613	796,613
Prepaid expenses	119,062	-	(119,062)	-
Deferred tax assets	969	4,850	-	5,819
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	226	-	28,736	28,962
Other current financial liabilities	-	903	-	903
Non-current liabilities				
Lease liabilities, net of current portion	917	-	642,237	643,154
Other non-current financial liabilities	-	167,627	-	167,627
Shareholders' equity				
Retained earnings - unappropriated	1,402,274	(903)	-	1,401,371
Other components of shareholders' equity- loss on cash flow hedges	-	(162,777)	-	(162,777)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separated financial statements		
	The impacts of financial reporting standards related to		
	31 December 2019	financial instruments	1 January 2020
Statement of financial position			
Non-current assets			
Investment in subsidiaries	2,486,055	(163,680)	2,322,375
Shareholders' equity			
Retained earnings - unappropriated	1,402,274	(903)	1,401,371
Other components of shareholders' equity - loss on cash flow hedges	-	(162,777)	(162,777)

3.1 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	857,778	840
Less: Short-term leases and leases of low-value assets	(840)	(840)
Less: Deferred interest expenses	(185,965)	-
Increase in lease liabilities due to TFRS 16 first - time adoption	670,973	-
Liabilities under finance lease agreements as at 31 December 2019	1,143	-
Lease liabilities as at 1 January 2020	672,116	-
Comprise of:		
Current lease liabilities	28,962	-
Non-current lease liabilities	643,154	-
	672,116	-

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Right-of-use assets - land	796,613	-
Total right-of-use assets	796,613	-

4. Related party transactions

During the period, the Group had significant business transactions with 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, key managements and those related parties.

	(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended 30 June		For the three-month periods ended 30 June		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Management income	-	-	7,250	7,250	Per agreement
Dividend income	-	-	140,000	220,000	
Interest income	-	-	28,528	19,768	3.05% - 4.88% per annum
Interest expense	-	-	508	521	2.0% per annum
Service expense	-	-	2,550	2,550	Per agreement
<u>Transactions with related parties</u>					
Sales of electricity	2,031	1,849	-	-	Per agreement
Revenue from construction service	-	273	-	-	Per agreement
Rental and service expenses	199	90	99	90	Per agreement
Purchase computer software	-	332	-	-	Per agreement

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the six-month periods		For the six-month periods		
	ended 30 June		ended 30 June		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Management income	-	-	14,500	14,500	Per agreement
Dividend income	-	-	550,000	220,000	
Interest income	-	-	57,447	36,562	3.05% - 5.69% per annum
Interest expense	-	-	1,012	1,040	2.0% per annum
Service expense	-	-	5,100	5,100	Per agreement
<u>Transactions with related parties</u>					
Sales of electricity	3,905	3,124	-	-	Per agreement
Revenue from construction service	-	273	-	-	Per agreement
Rental and service expenses	392	180	198	180	Per agreement
Purchase computer software	-	504	-	-	Per agreement

As at 30 June 2020 and 31 December 2019, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Accounts receivables				
- related parties (Note 6)				
Subsidiaries	-	-	4,893	4,893
Related company	1,436	1,134	-	-
Total accounts receivables - related parties	1,436	1,134	4,893	4,893
Interest receivables - related parties (Note 6)				
Subsidiaries	-	-	255,520	198,274
Total interest receivable-related parties	-	-	255,520	198,274
Advance payment for purchase assets				
Related parties	19,550	-	-	-
Total advance payment for purchase assets	19,550	-	-	-
Trade payable - related parties				
Subsidiaries	-	-	5,457	5,457
Related parties	15	15	-	-
Total Trade payable - related parties	15	15	5,457	5,457

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Interest payables - related parties				
Subsidiaries	-	-	23,838	22,889
Total interest payable - related parties	-	-	23,838	22,889
Accrued rental expense - director				
Director	30	30	30	30
Total accrued rental expense - director	30	30	30	30

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

As at 30 June 2020, a subsidiary entered into various power purchase agreements with a related company for a period of 25 years.

Loans to related parties and loan from related parties

As at 30 June 2020, the balance of loans between the Company and the related parties and their movements are as follows:

(Unit: Thousand Baht)

	Separate financial statement			
	For the six-month periods ended 30 June 2020			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 June 2020
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Access Energy Company Limited	19,731	-	-	19,731
Sernsang International Company Limited	78,632	-	-	78,632
Truong Thanh Quang Ngai Power and High Technology JSC.	328,494	-	-	336,586
Total short-term loans to related parties	426,857	-	-	434,949

(Unit: Thousand Baht)

	Separate financial statement			
	For the six-month periods ended 30 June 2020			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 June 2020
<u>Long-term loans to related parties</u>				
<u>Subsidiaries</u>				
Sermsang Solar Company Limited	83,623	-	-	83,623
Sermsang International Company Limited	2,473,474	141,000	-	2,614,474
Access Energy Company Limited	25,500	-	-	25,500
Sermsang Infinite Company Limited	67,000	-	-	67,000
Total long-term loans to related parties	2,649,597	141,000	-	2,790,597

The Company entered into loan agreements with Sermsang Solar Company Limited. The loans are repayable within 2021, which have interest rate at 3.42% - 3.51% per annum.

The Company entered into loan agreements with Sermsang International Company Limited. The loans are repayable within 2027 - 2030, which have interest rate at 3.42% - 3.51% per annum.

The Company entered into loan agreements with Sermsang Infinite Company Limited. The loans are repayable within 2021 - 2031, which have interest rate at 3.42% - 3.51% per annum.

The Company entered into the loan agreement with Access Energy Company Limited. The loans are repayable within 2021 - 2029, which have interest rate at 3.42% - 3.51% 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 margin per annum.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statement				
For the six-month periods ended 30 June 2020				
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 June 2020
<u>Short-term loans from related parties</u>				
Sernsang Corporation Company Limited	75,890	-	500	75,390
Essential Power Company Limited	11,229	-	170	11,059
Siam Renewable Power Company Limited	2,509	-	170	2,339
Plus Energy Company Limited	2,583	-	170	2,413
Prestige Group Company Limited	1,785	-	170	1,615
Siam Clean Solution Company Limited	9,149	-	108	9,041
Total short-term loans from related parties	103,145	-	1,288	101,857

Directors and management's benefits

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

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2020	2019	2020	2019
Short-term employee benefits	5,432	5,639	5,432	5,639
Post-employment benefits	234	143	234	143
Total	5,666	5,782	5,666	5,782

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2020	2019	2020	2019
Short-term employee benefits	10,759	11,363	10,759	11,363
Post-employment benefits	468	286	468	286
Total	11,227	11,649	11,227	11,649

Guarantee for related parties

The Company acts as guarantor for a subsidiary's loans from bank, as described in Note 12 to the financial statements.

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Cash	270	283	6	9
Deposit in transit	1,380	1,184	-	-
Bank deposits - Current accounts	256,799	247,790	402	116
Bank deposits - Saving accounts	914,545	666,200	198,534	78,808
Total	1,172,994	915,457	198,942	78,933

As at 30 June 2020, a subsidiary has pledged its bank deposit in savings account amounting to Baht 28.4 million (31 December 2019 Subsidiary: Baht 280.1 million) as security against long-term loans, as discussed in Note 12 to the financial statements, however such subsidiary can withdraw such savings account to use in operation.

Short-term restricted bank deposits

As at 30 June 2020, the Company has saving account of Baht 93.6 million (31 December 2019: Baht 95.7 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 11 and Note 12 to the financial statements.

A subsidiary has pledged and assigned a right of claim on bank accounts with outstanding balances as at 30 June 2020 totaling approximately Baht 136.7 million (31 December 2019: Baht 187.5 million) with lenders to secure long-term loans of the subsidiary, in accordance with conditions stipulated in the long-term loan agreements as discussed. Those bank accounts have restrictions on withdrawal for a purpose of loan principal and interest payment due within 6 months.

A subsidiary in Mongolia has restricted saving deposits of USD 0.6 million or approximately Baht 18.2 million, under the long-term loan agreements with bank.

6. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade receivable - related parties</u>				
Not yet due	1,436	1,134	4,893	4,893
Total trade receivable - related parties	1,436	1,134	4,893	4,893
<u>Trade receivable - unrelated parties</u>				
Not yet due	362,930	229,906	-	-
Past due				
Up to 3 months	60	29	-	-
6 - 12 months	-	71	-	-
Over 1 year	71	-	-	-
Total trade receivable - unrelated parties	363,061	230,006	-	-
<u>Other receivable - related parties</u>				
Interest receivable	-	-	255,520	198,274
Total other receivable - related parties	-	-	255,520	198,274
<u>Other receivable - unrelated parties</u>				
Other advance payment	20,302	12,309	2,036	14,295
Refundable input VAT	107,938	113,649	3,559	3,559
Other receivable	5,010	3,295	45	16
Total other receivable - unrelated parties	133,250	129,253	5,640	17,870
Total trade receivable and other receivable	497,747	360,393	266,053	221,037

7. Long-term restricted bank deposits

As at 30 June 2020, the Company has savings account of Baht 103.6 million (31 December 2019: Baht 17.2 million) that is pledged as collateral to secure long-term loans as discussed in Note 12 to the financial statements.

Subsidiaries in Japan have restricted saving deposits of Yen 564.2 million, or approximately Baht 161.8 million (31 December 2019: Yen 514.2 million or approximately Baht 141.9 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.

A subsidiary in Mongolia has restricted saving deposits of USD 3.5 million or approximately Baht 107.2 million, under the long-term loan agreements with bank. A subsidiary has requested to obtain permission from the bank on withdrawal of the such restricted deposits.

8. Investments in subsidiaries

8.1 Details of investments in subsidiaries as presented in separate financial statements as at 30 June 2020 and 31 December 2019 are as follows:

(Unit: Thousand Baht)

Company Name	Separate financial Statements							
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		Carrying amounts based on equity method	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2020	2019	2020	2019	2020	2019	2020	2019
	(Percentage)	(Percentage)						
Subsidiary companies which directly held by the Company								
Serm Sang Palang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506	1,663,218	1,944,731
Serm Sang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	96,877	95,974
Serm Sang International Co., Ltd.	100	100	810,000	810,000	810,000	810,000	254,203	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	11,871	11,932
Serm Sang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	69,620	62,470
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,468	2,615
Serm Sang Infinite Co., Ltd.	100	100	103,600	98,000	103,600	98,000	91,042	80,072
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,588	2,723
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,467	9,548
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	1,729	1,873
Triple P Renewable Co., Ltd.	100	100	5,700	5,500	5,700	5,500	-	-
Truong Thanh Tra Vinh Wind Power JSC.	80	80	84,812	62,800	84,812	62,800	83,210	61,163
Total							2,286,293	2,486,055

In addition, as at 30 June 2020 and 31 December 2019, investments in subsidiary companies with a deficit in shareholders' equity were presented under the caption "Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries" in the financial statements are as follows:

(Unit: Thousand Baht)

	Separate financial Statements							
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		Carrying amounts based on equity method	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2020	2019	2020	2019	2020	2019	2020	2019
	(Percentage)	(Percentage)						
<u>Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries</u>								
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	(40,765)	(41,301)
Triple P Renewable Co., Ltd.	100	100	5,700	5,500	5,700	5,500	(84)	(111)
Total loss in excess of cost over investments accounted for under equity method in investment in subsidiaries in separate financial statements							(40,849)	(41,412)

8.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company Name	For the three-month periods ended 30 June			
	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2020	2019	2020	2019
Serm Sang Palang Ngan Co., Ltd.	160,035	175,456	1,006	-
Sermsang Corporation Co., Ltd.	248	(12)	-	-
Sermsang International Co., Ltd.	(15,038)	(14,124)	(67,243)	(39,550)
Access Energy Co., Ltd.	(3,280)	(3,928)	(579)	135
Essential Power Co., Ltd.	(31)	(28)	-	-
Sermsang Solar Co., Ltd.	3,263	3,599	-	-
Siam Renewable Power Co., Ltd.	(73)	(72)	-	-
Sermsang Infinite Co., Ltd.	3,552	1,275	-	-
Plus Energy Co., Ltd.	(68)	(66)	-	-
Siam Clean Solutions Co., Ltd.	(40)	(39)	-	-
Prestige Group Co., Ltd.	(72)	(70)	-	-
Triple P Renewable Co., Ltd.	(88)	(91)	-	-
Truong Thanh Tra Vinh Wind Power JSC.	(647)	-	(2,370)	-
Total	147,761	161,900	(69,186)	(39,415)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

Company Name	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2020	2019	2020	2019
Serm Sang Palang Ngan Co., Ltd.	312,840	320,713	(700)	-
Sermsang Corporation Co., Ltd.	903	87	-	-
Sermsang International Co., Ltd.	44,935	(37,301)	115,442	(73,173)
Access Energy Co., Ltd.	302	(7,101)	233	482
Essential Power Co., Ltd.	(61)	(57)	-	-
Sermsang Solar Co., Ltd.	7,149	7,537	-	-
Siam Renewable Power Co., Ltd.	(147)	(144)	-	-
Sermsang Infinite Co., Ltd.	6,273	2,798	-	-
Plus Energy Co., Ltd.	(136)	(143)	-	-
Siam Clean Solutions Co., Ltd.	(81)	(78)	-	-
Prestige Group Co., Ltd.	(144)	(140)	-	-
Triple P Renewable Co., Ltd.	(174)	(181)	-	-
Truong Thanh Tra Vinh Wind Power JSC.	(1,258)	-	1,292	-
Total	370,401	285,990	116,267	(72,691)

8.3 Dividend received

During the period, the Company received dividend as follows:

(Unit: Thousand Baht)

Company Name	Dividend income			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2020	2019	2020	2019
Serm Sang Palang Ngan Co., Ltd.	140,000	220,000	550,000	220,000
Total	140,000	220,000	550,000	220,000

8.4 Called up and increase in share capital of subsidiaries

- 8.4.1 During the period, Sermsang Infinite Company Limited called up of its registered capital amounting to Baht 5.6 million. The subsidiary had gradually received capital payment until the calling amount on 19 January 2020 and 4 February 2020.
- 8.4.2 During the period, Triple P Renewable Company Limited called up of its registered capital amounting to Baht 0.2 million and was received from its shareholders on 4 February 2020.
- 8.4.3 During the period, Truong Thanh Tra Vinh Wind Power JSC called up of its registered capital amounting to VND 14,624 million, or approximately Baht 22.0 million and was received from its shareholders on 27 May 2020.

9. Property, plant and equipment

The movement in property, plant and equipment for the six-month period ended 30 June 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
1 January 2020	10,560,818	1,489
Adjustments of right-of-use assets due to TFRS 16 adoption	(1,616)	-
Transfer from right of use assets	3,253	-
Additions during the period	597,519	-
Subsidy from the government	(2,517)	-
Disposals and written off during the period	(8,756)	-
Exchange differences on translation	323,098	-
30 June 2020	11,471,799	1,489
Accumulated depreciation		
1 January 2020	838,714	698
Adjustments of right-of-use assets due to TFRS 16 adoption	(198)	-
Depreciation for disposals and written off during the period	(3,408)	-
Depreciation for the period	189,107	111
Exchange differences on transaction	11,530	-
30 June 2020	1,035,745	809
Net book value		
31 December 2019	9,722,104	791
30 June 2020	10,436,054	680

As at 30 June 2020, a subsidiary has pledged and mortgaged all property plant and equipment which net book value Baht 2,435.2 million (31 December 2019: Baht 2,493.2 million) as collateral against credit facilities obtained from two financial institutions as discussed in Note 12 to the financial statements.

As at 30 June 2020, two subsidiaries in Japan has mortgaged all machineries and equipment of solar power plant which net book value of Baht 1,948.5 million (31 December 2019: Baht 1,927.3 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 12 to the financial statements.

During the six-month period ended 30 June 2020, the subsidiaries in Japan capitalised their borrowing costs as construction in progress-power plant totaling to Baht 39.1 million (For the year 2019: Baht 74.3 million).

10. Intangible assets

The movement in intangible assets for the six-month period ended 30 June 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
1 January 2020	1,094,390	91
Adjustment of right-of-use assets due to TFRS 16 adoption	(5,160)	-
Additions during the period - cost	58,261	-
Exchange differences on translation	39,223	-
30 June 2020	1,186,714	91
Accumulated amortisation		
1 January 2020	36,143	60
Adjustment of right-of-use assets due to TFRS 16 adoption	-	-
Amortisation for the period	16,207	9
Exchange differences on translation	1,124	-
30 June 2020	53,474	69
Provision for impairment		
31 December 2019	(12,417)	-
Exchange differences on translation	(490)	-
30 June 2020	(12,907)	-
Net book value		
31 December 2019	1,045,830	31
30 June 2020	1,120,333	22

11. Short-term loan from bank

As at 30 June 2020 and 31 December 2019, the Company had outstanding balance of USD 11.9 million or approximately Baht 370.5 million and Baht 361.8 million, respectively. This short-term loan is due in December 2020 and interest rate carried at LIBOR 6 month plus margin.

As at 30 June 2020 and 31 December 2019, the Company has undrawn credit facility of USD 0.1 million.

The Company had pledged its bank saving account of Baht 93.6 million (31 December 2019: Baht 93.0 million) as collateral against credit facility as discussed in Note 5 to the financial statement. The loan agreement contains several covenants which, among other things; require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate stipulated in the agreement.

12. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Balance at the beginning of the period	8,352,462	7,376,795	1,651,390	780,645
Add: Additional borrowings	907,170	1,771,470	51,300	868,000
Less: Repayment	(405,197)	(515,443)	(174,000)	-
Less: Finance charges	(12,239)	(11,011)	-	-
Add: Amortisation of financial charges	15,789	28,776	605	2,745
Translation adjustment	226,499	(298,125)	-	-
Balance at the ending of the period	<u>9,084,484</u>	<u>8,352,462</u>	<u>1,529,295</u>	<u>1,651,390</u>

The Group had pledged the bank saving account and mortgaged all property, plant and equipment with such commercial banks as discussed in Note 5, 7 and 9 to the financial statements.

As at 30 June 2020, the loans of USD 17.2 million or equivalent to Baht 532.2 million are guaranteed by the Company.

The loan agreements contains several covenants which, among other things; require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate stipulated in the agreement, and the dividend payment is required to meet the condition in loan agreement and notify the bank.

As at 30 June 2020, the Group have undrawn credit facility amounting to Baht 320.7 million, Yen 7,219.1 million and USD 32.5 million (The Company: Baht 280.7 million) (31 December 2019: The Group: Yen 372.0 million, Yen 8,189.1 million and USD 51.2 million and the Company: Baht 332.0 million).

13. Income tax expenses (revenue)

Income tax expenses (revenue) for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit : Thousand Baht)				
For the three-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	4,817	9,498	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	(80)	(61)	(47)	(29)
Income tax expense (revenue) reported in the statement of comprehensive income	4,737	9,437	(47)	(29)

(Unit : Thousand Baht)				
For the six-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	8,109	9,540	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	(161)	(122)	(95)	(59)
Income tax expense (revenue) reported in the statement of comprehensive income	7,948	9,418	(95)	(59)

14. Statutory reserve

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

At present, the statutory reserve has fully been set aside.

15. Dividend payment

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

16. Promotional privileges

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

Company's name	Certificates		1 st Income Date	Privileges
	No.	Dated		
Serm Sang Palang Ngan Co., Ltd	2645(1)/2556	19 November 2013	2 February 2015	A), B), D)
Sermsang 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	2 March 2020	C), D)
	63-0040-1-00-1-0	13 January 2020	1 April 2020	C), D)
	63-0041-1-00-1-0	13 January 2020	1 April 2020	C), D)
	63-0042-1-00-1-0	13 January 2020	1 April 2020	C), D)
Sermsang 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.

Its subsidiaries have operating revenues for the three-month and six-month periods ended 30 June 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales of electricity	87.8	94.3	247.1	143.8	334.9	238.1
Sales of products	-	-	10.0	-	10.0	-
Subsidy for adder	148.4	160.8	-	-	148.4	160.8
Revenue from construction service	-	-	-	0.3	-	0.3
Total	236.2	255.1	257.1	144.1	493.3	399.2

(Unit: Million Baht)

	Consolidated financial statements					
	For the six-month periods ended 30 June					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales of electricity	174.6	178.3	412.6	219.4	587.2	397.7
Sales of products	-	-	10.0	-	10.0	-
Subsidy for adder	291.3	302.2	-	-	291.3	302.2
Revenue from construction service	-	-	-	11.9	-	11.9
Total	465.9	480.5	422.6	231.3	888.5	711.8

17. Earnings per share

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

18. Segment Information

The following tables present revenue and profit regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unit: Thousand Baht)

	Consolidated financial statements											
	For the three-month periods ended 30 June											
	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		Production and distribution of electricity from wind power plants		Others		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Electricity selling from operations	476,688	393,942	6,585	4,848	-	-	-	-	-	-	483,273	398,790
Revenue from sales of Inventory	-	-	9,998	-	-	-	-	-	-	-	9,998	-
Revenue from construction services	-	-	-	1,368	-	-	-	-	-	(1,095)	-	273
Other income	1,253	1,727	1,818	261	-	-	14,893	13,450	(13,602)	(13,447)	4,362	1,991
Total revenue and other income	477,941	395,669	18,401	6,477	-	-	14,893	13,450	(13,602)	(14,542)	497,633	401,054
Operating profit (loss)	332,399	270,021	11,840	1,876	(714)	-	(93,986)	(14,635)	(5,583)	(34,489)	243,956	222,773
Interest income	573	880	-	24	-	-	63,418	57,246	(62,943)	(56,209)	1,048	1,941
Finance costs	(61,231)	(39,928)	(578)	(626)	(247)	-	(71,183)	(61,637)	61,108	53,444	(72,131)	(48,747)
Finance costs, net	(60,658)	(39,048)	(578)	(602)	(247)	-	(7,765)	(4,391)	(1,835)	(2,765)	(71,083)	(46,806)
Profit (loss) before income tax expense	271,741	230,973	11,262	1,274	(961)	-	(101,751)	(19,026)	(7,418)	(37,254)	172,873	175,967
Income tax benefit (expense)	(7,630)	(9,483)	-	-	-	-	47	29	2,846	17	(4,737)	(9,437)
Profit (loss) for the period	264,111	221,490	11,262	1,274	(961)	-	(101,704)	(18,997)	(4,572)	(37,237)	168,136	166,530

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements												
For the six-month periods ended 30 June												
	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		Production and distribution of electricity from wind power plants		Others		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Electricity selling from operations	866,788	690,948	11,731	8,881	-	-	-	-	-	-	878,519	699,829
Revenue from sales of inventory	-	-	9,998	-	-	-	-	-	-	-	9,998	-
Revenue from construction services	-	-	-	12,998	-	-	-	-	-	(1,095)	-	11,903
Other income	4,872	2,139	2,117	640	-	-	35,298	27,065	(27,351)	(26,886)	14,936	2,958
Total revenue and other income	871,660	693,087	23,846	22,519	-	-	35,298	27,065	(27,351)	(27,981)	903,453	714,690
Operating profit (loss)	546,169	456,370	7,602	4,397	(1,328)	-	(31,571)	(70,047)	1,693	508	522,565	391,228
Interest income	852	1,043	188	24	2	-	129,105	99,418	(128,295)	(98,255)	1,852	2,230
Finance costs	(119,024)	(78,737)	(1,158)	(1,343)	(247)	-	(145,249)	(112,037)	131,824	97,304	(133,854)	(94,813)
Finance costs, net	(118,172)	(77,694)	(970)	(1,319)	(245)	-	(16,144)	(12,619)	3,529	(951)	(132,002)	(92,583)
Profit (loss) before income tax expense	427,997	378,676	6,632	3,078	(1,573)	-	(47,715)	(82,666)	5,222	(443)	390,563	298,645
Income tax benefit (expense)	(8,090)	(9,512)	-	-	-	-	95	59	47	35	(7,948)	(9,418)
Profit (loss) for the period	419,907	369,164	6,632	3,078	(1,573)	-	(47,620)	(82,607)	5,269	(408)	382,615	289,227

Geographical segments

The Group operates 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		Consolidated financial statements	
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2020	2019	2020	2019
Revenue from the external customers				
Thailand	246	255	476	480
Japan	147	118	229	194
Mongolia	31	-	65	-
Vietnam	69	25	117	25
Indonesia	-	-	1	-
Total	493	398	888	699

19. Commitments and contingent liabilities

19.1 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 March 2017, a subsidiary in Japan entered into power purchase agreement with Hokkaido Electric Power Company Limited for 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

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

On 3 August 2018 and on 1 June 2020, two subsidiaries in Japan entered into power purchase agreement with Kyushu Electric KK for 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.

As at 30 June 2020, a subsidiary entered into several power purchase agreements with a company (a non-related party) for a period of 25 years.

19.2 Capital Commitments

As at 30 June 2020 and 31 December 2019, the subsidiaries had capital commitments relating to the project development, land purchase and licenses as follows

		(Unit: Million)	
Country	Currency	30 June 2020	31 December 2019
Thailand	Baht	-	0.1
Japan	Yen	5,825.4	7,844.5
Vietnam	Vietnam Dong	2,232,000.0	2,232,000.0

19.3 Land Lease Agreement

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

As at 30 June 2020, the Group had no obligations under long-term land lease agreements as a result of the adoption of the TFRS 16 as at 1 January 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 2 and Note 3 to the financial statements.

19.4 Service Agreement

As at 30 June 2020 and 31 December 2019, 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	
		30	31	30	31	30	31	30	31
		June	December	June	December	June	December	June	December
		2020	2019	2020	2019	2020	2019	2020	2019
Thailand	Baht	87	86	158	178	-	-	245	264
Japan	Yen	154	38	90	87	377	391	621	516
Vietnam	VND	5,878	7,046	-	1,830	-	83,265	5,878	92,141

As at 30 June 2020, subsidiaries in Japan have long-term service commitments related to several service agreements. The service fee expenses are Yen 90.5 million per year (31 December 2019: Yen 83.0 million).

19.5 Share capital of subsidiaries

As at 30 June 2020, the Company has commitments in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 536.9 million (31 December 2019: Baht 542.7 million) and a subsidiary in Vietnam amounting to VND 257,603.9 million (31 December 2019: VND 272,228.0 million)

A subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 1,108.2 million (31 December 2019: Yen 811.7 million).

19.6 Guarantee

- As at 30 June 2020, in order to guarantee contracted performance to state enterprises there were outstanding bank guarantees of Baht 32.7 million, issued by bank on behalf of the Group, and Baht 31.0 million of such were the Company's (31 December 2019: the Group of Baht 32.7 million, and the Company of Baht 31.0 million).
- As at 30 June 2020, there were outstanding standby letter of credit of Yen 864.8 million, issued by 2 Thai commercial banks on behalf of the Company in respect of contractual performance of investment.
- The Company acts as guarantor of loan agreement to subsidiary of USD 17.2 million (31 December 2019: USD 18.7 million).

20. Foreign currency risk

The Group's exposure to foreign currency risk arises 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 30 June 2020 and 31 December 2019, the balances of financial assets and liabilities denominated in foreign currencies which have not hedged any foreign currency risk are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	2,200,463	2,838,068	25,946,253	20,331,905	0.2868	0.2759
US dollar	19,401	4,627	29,515	13,844	30.8905	30.1540
Singapore dollar	33	35	1	1	22.1669	22.3245
Mongolia	149,493	125,920	204,237	6,799,373	0.0109	0.0109
Vietnam Dong	196,031,699	224,100,000	129,178,360	65,189,430	0.0013	0.0013
Malaysia Ringgit	300	300	-	-	7.2136	7.3222
Rupiah	1,323,291	1,234,469	285,122	4,662,791	0.0022	0.0022

21. 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 derivatives.

As at 30 June 2020, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 49 million and Yen 463 million, totaling of Baht 182 million which were recorded in other non-current financial liabilities. As at 31 December 2019, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 48 million and Yen 432 million.

As at 30 June 2020, the fair value of forward exchange contracts of a subsidiary was negative amounting Baht 1.5 million and recorded in other current financial liabilities. As at 31 December 2019, fair value of forward exchange contracts of a subsidiary was negative amounting Baht 0.9 million.

Fair value of interest rate swap contracts and forward exchange contracts were referenced by the counterparty banks. Such fair value were categorized within Level 2 of the fair value hierarchy.

The Group has not changed the valuation techniques for measuring the fair value during the period and there was no transfer between the levels of fair value hierarchy during the period.

22. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 August 2020.