

Sermsang Power Corporation Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month period ended
30 September 2020

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Sermuang Power Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sermuang Power Corporation Public Company Limited and its subsidiaries as at 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Sermuang 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 1.5.1 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 nine-month periods ended 30 September 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.

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 12 November 2020

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	5	1,027,635	915,457	138,860	78,933
Short-term restricted bank deposits	5	387,021	283,149	233,625	95,654
Trade and other receivables	4, 6	479,416	360,393	275,359	221,037
Inventory		252	-	-	-
Short-term loans to related parties	4	-	-	270,339	426,857
Current portion of long-term loan to related parties	4	-	-	5,500	-
Other current financial assets		5,300	-	-	-
Other current assets		21,826	29,810	19	2,202
Total current assets		1,921,450	1,588,809	923,702	824,683
Non-current assets					
Long-term restricted bank deposits	7	638,968	159,037	385,176	17,158
Revenue Department receivable		16,317	17,412	-	-
Long-term loans to related parties					
- net of current portion	4	-	-	2,589,355	2,649,597
Other non-current financial assets		26,041	26,041	-	-
Investments in subsidiaries	8	-	-	2,894,959	2,486,055
Property, plant and equipment	9	10,940,512	9,722,104	636	791
Intangible assets	10	1,152,758	1,045,830	17	31
Right-of-use assets		843,173	-	-	-
Prepaid rental		-	119,062	-	-
Deferred tax assets		5,734	969	580	437
Other non-current assets		988,128	365,863	-	-
Total non-current assets		14,611,631	11,456,318	5,870,723	5,154,069
Total assets		16,533,081	13,045,127	6,794,425	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 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
		As at	As at	As at	As at
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from bank	11	761,797	361,770	761,797	361,770
Trade and other payables	4	471,395	208,658	31,631	41,513
Retention payable		4,910	6,294	-	-
Share acquisition payable to subsidiary's former shareholders		9,727	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	-	-	101,057	103,145
Current portion of liabilities under lease agreements		32,043	225	-	-
Current portion of long-term loans	12	870,853	686,089	343,005	343,160
Other current financial liabilities		473	-	-	-
Other current liabilities		11,288	12,075	228	315
Total current liabilities		2,162,486	1,367,868	1,237,718	849,903
Non-current liabilities					
Liabilities under lease agreements - net of current portion		673,189	917	-	-
Long-term loans - net of current portion	12	8,716,472	7,666,373	1,137,349	1,308,230
Deferred tax liabilities		20,070	3,962	-	-
Other non-current financial liabilities		212,719	-	-	-
Other non-current liabilities		10,926	9,021	2,899	2,184
Loss in excess of cost over investments in subsidiaries accounted for under equity method	8	-	-	41,780	41,412
Total non-current liabilities		9,633,376	7,680,273	1,182,028	1,351,826
Total liabilities		11,795,862	9,048,141	2,419,746	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 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Note	30 September 2020	31 December 2019	30 September 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)
				31 December 2019
				(Audited)
Shareholders' equity				
Share capital				
Registered				
922,000,000 ordinary shares of Baht 1 each		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
Share premium		1,511,210	1,511,210	1,511,210
Surplus on business combination under common control		33,098	33,098	33,098
Retained earnings				
Appropriated - statutory reserve	14	92,200	92,200	92,200
Unappropriated		1,995,912	1,402,274	1,995,912
Other components of shareholders' equity		(179,741)	(183,759)	(179,741)
Equity attributable to owners of the Company		4,374,679	3,777,023	4,374,679
Non-controlling interests of the subsidiaries		362,540	219,963	-
Total shareholders' equity		4,737,219	3,996,986	4,374,679
Total liabilities and shareholders' equity		16,533,081	13,045,127	6,794,425

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

Directors

Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from sale of electricity	4	386,213	257,483	-	-
Revenue from sales of goods		11,491	-	-	-
Subsidy for adder		143,793	139,027	-	-
Management income	4	1,900	-	7,250	7,250
Interest Income	4	22	435	26,186	26,117
Gain on exchange rate		26,005	-	-	-
Other income		3,215	1,602	-	126
Total revenues		572,639	398,547	33,436	33,493
Expenses					
Cost of sales		197,900	132,602	-	-
Loss on exchange rate		-	11,620	3,243	-
Administrative expenses	4	55,071	47,561	17,632	16,592
Total expenses		252,971	191,783	20,875	16,592
Profit before share of profit from investment					
in subsidiaries, financial cost and income tax expenses		319,668	206,764	12,561	16,901
Share of profit from investment in subsidiaries	8.2	-	-	237,066	147,358
Profit before finance cost and income tax expenses		319,668	206,764	249,627	164,259
Finance cost	4	74,539	52,731	22,141	20,287
Profit before income tax expenses		245,129	154,033	227,486	143,972
Income tax revenue (expenses)	13	(8,794)	(2,078)	48	30
Profit for the period		236,335	151,955	227,534	144,002
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		93,458	(8,433)	81,552	(6,287)
Loss on cash flow hedge - net of income tax		(31,024)	-	(31,024)	-
<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		62,434	(8,433)	50,528	(6,287)
Total comprehensive income for the period		298,769	143,522	278,062	137,715
Profit attributable to:					
Equity holders of the Company		227,534	144,002	227,534	144,002
Non-controlling interests of the subsidiaries		8,801	7,953		
		236,335	151,955		

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

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Comprehensive income attributable to:					
Equity holders of the Company		278,062	137,715	278,062	137,715
Non-controlling interests of the subsidiaries		20,707	5,807		
		298,769	143,522		
Earnings per share					
Basic earnings per share	17				
Profit attributable to equity holders					
of the Company (Baht per share)		0.247	0.156	0.247	0.156
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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from sale of electricity	4	973,480	655,150	-	-
Revenue from sales of goods		21,489	-	-	-
Subsidy for adder		435,045	441,189	-	-
Revenue from construction service	4	-	11,903	-	-
Management income	4	8,920	-	21,750	21,750
Interest Income	4	1,874	2,665	84,069	63,552
Gain on exchange rate		18,267	-	-	-
Other income		11,131	4,560	13	420
Total revenues		1,470,206	1,115,467	105,832	85,722
Expenses					
Cost of sales		491,056	328,295	-	-
Cost of construction		-	10,100	-	-
Loss on exchange rate		-	50,119	4,056	-
Administrative expenses	4	135,065	126,731	46,609	42,532
Total expenses		626,121	515,245	50,665	42,532
Profit before share of profit from investment					
in subsidiaries, financial cost and income tax expenses		844,085	600,222	55,167	43,190
Share of profit from investment in subsidiaries	8.2	-	-	607,467	433,348
Profit before finance cost and income tax expenses		844,085	600,222	662,634	476,538
Finance cost	4	208,393	147,544	68,236	48,146
Profit before income tax expenses		635,692	452,678	594,398	428,392
Income tax revenue (expense)	13	(16,742)	(11,496)	143	89
Profit for the period		618,950	441,182	594,541	428,481
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		247,297	(97,197)	212,213	(78,978)
Loss on cash flow hedge - net income		(45,418)	-	(45,418)	-
<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		201,879	(97,197)	166,795	(78,978)
Total comprehensive income for the period		820,829	343,985	761,336	349,503
Profit attributable to:					
Equity holders of the Company		594,541	428,481	594,541	428,481
Non-controlling interests of the subsidiaries		24,409	12,701		
		618,950	441,182		

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

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Comprehensive income attributable to:					
Equity holders of the Company		761,336	349,503	761,336	349,503
Non-controlling interests of the subsidiaries		59,493	(5,518)		
		820,829	343,985		
Earnings per share					
Basic earnings per share	17				
Profit attributable to equity holders of the Company (Baht per share)		0.645	0.465	0.645	0.465
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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
						Other components of shareholders' equity								
						Other comprehensive income						Total equity attributable to owners of the company	Non-controlling interest of subsidiaries	Total shareholder's equity
						Exchange differences on translation of financial statements in foreign currency			Total other components of shareholder's equity					
	Issued and paid-up share capital	Share Premium	Surplus on business combination under common control	Retained earnings Appropriated Statutory reserve	Unappropriated			Loss on cash flow hedge						
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	-	-	-	-	428,481	-	-	-	-	428,481	12,701	441,182		
Other comprehensive income for the period	-	-	-	-	-	(78,978)	-	-	(78,978)	(78,978)	(18,219)	(97,197)		
Total comprehensive income for the period	-	-	-	-	428,481	(78,978)	-	-	(78,978)	349,503	(5,518)	343,985		
Dividend payment (Note 15)	-	-	-	-	(200,074)	-	-	-	-	(200,074)	-	(200,074)		
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	13,346	13,346		
Balance as at 30 September 2019	922,000	1,511,210	33,098	64,815	1,312,463	(160,289)	(327)	-	(160,616)	3,682,970	332,433	4,015,403		
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	-	-	-	-	594,541	-	-	-	-	594,541	24,409	618,950		
Other comprehensive income for the period	-	-	-	-	-	212,213	-	(45,418)	166,795	166,795	35,084	201,879		
Total comprehensive income for the period	-	-	-	-	594,541	212,213	-	(45,418)	166,795	761,336	59,493	820,829		
Non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	83,084	83,084		
Balance as at 30 September 2020	922,000	1,511,210	33,098	92,200	1,995,912	28,917	(463)	(208,195)	(179,741)	4,374,679	362,540	4,737,219		

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

(Unaudited but reviewed)

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements									
						Other components of shareholders' equity				
						Other comprehensive income				
						Exchange difference				
						on translation of				
	Issued and paid up	Share	Surplus on	Retained earnings		on translation of	Loss on		Total other	Total
	share capital	Premium	business combination	Appropriated	Unappropriated	financial statement	Actuarial loss	cash flow hedge	components of	shareholders'
			under common control	Statutory reserve		in foreign currency			shareholders' equity	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
Profit for the period	-	-	-	-	428,481	-	-	-	-	428,481
Other comprehensive income for the period	-	-	-	-	-	(78,978)	-	-	(78,978)	(78,978)
Total comprehensive income for the period	-	-	-	-	428,481	(78,978)	-	-	(78,978)	349,503
Dividend payment (Note 15)	-	-	-	-	(200,074)	-	-	-	-	(200,074)
Balance as at 30 September 2019	<u>922,000</u>	<u>1,511,210</u>	<u>33,098</u>	<u>64,815</u>	<u>1,312,463</u>	<u>(160,289)</u>	<u>(327)</u>	<u>-</u>	<u>(160,616)</u>	<u>3,682,970</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	-	-	-	-	594,541	-	-	-	-	594,541
Other comprehensive income for the period	-	-	-	-	-	212,213	-	(45,418)	166,795	166,795
Total comprehensive income for the period	-	-	-	-	594,541	212,213	-	(45,418)	166,795	761,336
Balance as at 30 September 2020	<u>922,000</u>	<u>1,511,210</u>	<u>33,098</u>	<u>92,200</u>	<u>1,995,912</u>	<u>28,917</u>	<u>(463)</u>	<u>(208,195)</u>	<u>(179,741)</u>	<u>4,374,679</u>

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

Cash flow statement

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	635,692	452,678	594,398	428,392
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	372,609	225,412	182	181
Loss on disposal of property plant and equipment	5,304	84	-	-
Provision for long-term employee benefits	1,207	915	715	445
Share of profit from investments in subsidiaries	-	-	(607,467)	(433,348)
Unrealised (gain) loss on exchange rate	(27,546)	7,245	6,652	-
Interest income	(1,874)	(2,665)	(84,069)	(63,552)
Finance cost	208,393	147,544	68,236	48,146
Profit (loss) from operating activities before changes in operating assets and liabilities	1,193,785	831,213	(21,353)	(19,736)
Operating assets (increase) decrease				
Trade and other receivables	(95,693)	(141,263)	30,020	(3,126)
Unbilled receivables	-	32,012	-	-
Inventory	(252)	-	-	-
Other current financial assets and other current assets	2,684	(12,435)	2,183	(2,162)
Revenue Department receivable	636	61,045	-	768
Other non-current assets	(154,031)	(34,349)	-	-
Operating liabilities increase (decrease)				
Trade payables and other payables	(24,894)	67,617	(11,342)	(4,560)
Retention payable	(1,384)	(162)	-	-
Other current liabilities	(787)	(979)	(88)	(926)
Other non-current liabilities	698	1,926	-	-
Cash flows from (used in) operating activities	920,762	804,625	(580)	(29,742)
Cash paid for income tax	(4,067)	(4,312)	(477)	(1,059)
Net cash flows from (used in) operating activities	916,695	800,313	(1,057)	(30,801)

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

Cash flow statement (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Short-term restricted bank deposits	(103,872)	155,920	(137,970)	139,230
Long-term restricted bank deposits	(479,930)	(65,634)	(363,969)	(16,620)
Short-term loans to related parties	-	-	171,889	(323,327)
Long-term loans to related parties	-	-	54,742	(504,501)
Investment in subsidiaries	-	-	(498,454)	(602,700)
Long-term investment	-	(9,582)	-	-
Paid for capital reduction of subsidiary	(75,225)	-	-	-
Dividend income from investment in subsidiaries	-	-	700,500	220,000
Share acquisition payable to subsidiary's existing shareholders	-	(108,102)	-	-
Construction payables	288,950	(72,299)	-	-
Advance payment for construction	(525,936)	(88,060)	-	-
Right-of-use assets under lease agreements	(16,712)	-	-	-
Acquisition of property, plant and equipment	(892,044)	(1,511,156)	(13)	(10)
Acquisition of intangible assets	(60,762)	(174,342)	-	-
Subsidy from the government	2,582	121,708	-	-
Interest income	1,874	2,665	437	873
Net cash flows used in investing activities	(1,861,075)	(1,748,882)	(72,838)	(1,087,055)
Cash flows from financing activities				
Cash received from short-term loans from bank	373,721	366,956	373,721	366,956
Short-term loans from related parties	-	-	(2,088)	(2,750)
Cash paid for short-term loans from non-controlling interest	(12,108)	(36)	-	-
Liabilities under finance lease agreement	(18,087)	-	-	-
Cash received from long-term loans from bank	1,357,072	1,147,488	88,300	715,000
Payment of long-term loans from bank	(620,790)	(408,036)	(261,000)	-
Proceeds from increase in share capital of non-controlling interest	83,084	13,346	-	-
Dividend payment	-	(200,074)	-	(200,074)
Payment of interest expenses and bank fee	(221,139)	(191,063)	(65,111)	(44,497)
Net cash flows from financing activities	941,753	728,581	133,822	834,635
Difference in translation adjustments	114,805	(31,444)	-	-
Net increase (decrease) in cash and cash equivalents	112,178	(251,432)	59,927	(283,221)
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	1,027,635	873,698	138,860	73,590

Supplemental cash flow information:

Non - cash item

Increase in fixed assets by replacement	175	148	-	-
Transfer interest expenses to cost of property and equipment	46,401	54,098	-	-
Liabilities under finance lease agreements	-	1,258	-	-

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 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, the composition of group are as follows.

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September	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	90	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	83	84
PT Sea Sun Energi	Production and distribution of electricity	Indonesia	83	84

1.4.1 Called up and increase in share capital of subsidiary

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

The Company	Investment Amount	
	Currency	For the nine-month period ended
		30 September 2020
Ashita Power 1 GK	Yen	274.0
Ashita Power 2 GK	Yen	2.9
GK GSSE	Yen	234.3
Sea Sun Energy Partners Pte., Ltd.	USD	2.0

1.5 New financial reporting standard**1.5.1 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:

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

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. Changes in fair value of derivatives are recognised in profit or loss. However, 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.

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 effect 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.

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 Treatment 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.

1.5.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

2. Significant accounting policies

This interim financial statements are prepared by 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 Group'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 1.5.1 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 rental	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)

	Separate 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 September		For the three-month periods ended 30 September		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	-	-	150,500	-	
Interest income	-	-	26,186	26,117	3.30% - 5.81% per annum
Interest expense	-	-	510	522	2.0% per annum
Service expense	-	-	2,550	2,550	Per agreement
<u>Transactions with related parties</u>					
Sales of electricity	1,901	1,643	-	-	Per agreement
Rental and service expenses	297	90	99	90	Per agreement

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Management income	-	-	21,750	21,750	Per agreement
Dividend income	-	-	700,500	220,000	
Interest income	-	-	83,633	62,679	3.05% - 5.81% per annum
Interest expense	-	-	1,522	1,562	2.0% per annum
Service expense	-	-	7,650	7,650	Per agreement
<u>Transactions with related parties</u>					
Sales of electricity	5,806	4,767	-	-	Per agreement
Revenue from construction service	-	273	-	-	Per agreement
Rental and service expenses	689	270	297	270	Per agreement
Purchase computer software	-	504	-	-	Per agreement

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

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Accounts receivables				
- related parties (Note 6)				
Subsidiaries	-	-	2,217	4,893
Related company	1,307	1,134	-	-
Total accounts receivables - related parties	1,307	1,134	2,217	4,893
Interest receivables - related parties (Note 6)				
Subsidiaries	-	-	239,329	198,274
Total interest receivable-related parties	-	-	239,329	198,274
Advance payment for purchase assets				
Related parties	25,714	-	-	-
Total advance payment for purchase assets	25,714	-	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Accrued management incomes - related parties				
(Note 6)				
Subsidiaries	-	-	1,338	-
Total accrued management income - related parties	-	-	1,338	-
Trade payable - related parties				
Subsidiaries	-	-	-	5,457
Related parties	57	15	-	-
Total trade payable - related parties	57	15	-	5,457
Accrued management expense - related parties				
Subsidiaries	-	-	2,729	-
Total accrued management expense - related parties	-	-	2,729	-
Interest payables - related parties				
Subsidiaries	-	-	24,349	22,889
Total interest payable - related parties	-	-	24,349	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 September 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 September 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 nine-month periods ended 30 September 2020			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 September 2020
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Access Energy Company Limited	19,731	-	-	19,731
Sermsang International Company Limited	78,632	-	(78,632)	-
Truong Thanh Quang Ngai Power and High Technology JSC.	328,494	-	(93,257)	250,608
Total short-term loans to related parties	426,857	-	(171,889)	270,339
<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	193,000	(164,119)	2,502,355
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	193,000	(247,742)	2,594,855

The Company entered into loan agreements with Sermsang Solar Company Limited. The loans have interest rate at 3.30% - 3.51% per annum, which the Company received the full amount of loan repayment on August 2020.

The Company entered into loan agreements with Sermsang International Company Limited. The loans are repayable within 2027 - 2030, which have interest rate at 3.30% - 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 3.30% - 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 3.30% - 3.51% per annum.

(Unaudited but reviewed)

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.

(Unit: Thousand Baht)

	Separate financial statement			
	For the nine-month periods ended 30 September 2020			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 30 September 2020
<u>Short-term loans from related parties</u>				
Sermsang Corporation Company Limited	75,890	-	500	75,390
Essential Power Company Limited	11,229	-	330	10,899
Siam Renewable Power Company Limited	2,509	-	330	2,179
Plus Energy Company Limited	2,583	-	330	2,253
Prestige Group Company Limited	1,785	-	330	1,455
Siam Clean Solution Company Limited	9,149	-	268	8,881
Total short-term loans from related parties	103,145	-	2,088	101,057

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 September		For the three-month periods ended 30 September	
	2020	2019	2020	2019
Short-term employee benefits	5,559	4,946	5,559	4,946
Post-employment benefits	233	144	233	144
Total	5,792	5,090	5,792	5,090

(Unaudited but reviewed)

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
Short-term employee benefits	16,318	16,309	16,318	16,309
Post-employment benefits	701	430	701	430
Total	17,019	16,739	17,019	16,739

Guarantee for related parties

The Company acts as guarantor for 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 financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Cash	275	283	5	9
Deposit in transit	1,078	1,184	-	-
Bank deposits - Current accounts	290,204	247,790	200	116
Bank deposits - Saving accounts	736,078	666,200	138,655	78,808
Total	1,027,635	915,457	138,860	78,933

As at 30 September 2020, a subsidiary has pledged its bank deposit in savings account amounting to Baht 30.6 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 September 2020, the Company has saving account of Baht 233.6 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 September 2020 totaling approximately Baht 124.2 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 0.9 million or approximately Baht 29.2 million, under the long-term loan agreements with bank.

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
<u>Trade receivable - related parties</u>				
Not yet due	1,307	1,134	2,217	4,893
Total trade receivable - related parties	1,307	1,134	2,217	4,893
<u>Trade receivable - unrelated parties</u>				
Not yet due	317,838	229,906	-	-
Past due				
Up to 3 months	1,887	29	-	-
6 - 12 months	-	71	-	-
Over 1 year	71	-	-	-
Total trade receivable - unrelated parties	319,796	230,006	-	-
<u>Other receivable - related parties</u>				
Interest receivable	-	-	239,329	198,274
Accrued management incomes	-	-	1,338	-
Total other receivable - related parties	-	-	240,667	198,274
<u>Other receivable - unrelated parties</u>				
Other advance payment	44,970	12,309	29,156	14,295
Refundable input VAT	104,715	113,649	3,296	3,559
Other receivable	8,628	3,295	23	16
Total other receivable - unrelated parties	158,313	129,253	32,475	17,870
Total trade receivable and other receivable	479,416	360,393	275,359	221,037

7. Long-term restricted bank deposits

As at 30 September 2020, the Company has savings account of Baht 385.2 million (31 December 2019: Baht 17.2 million) that is pledged as collateral to secure long-term loans and to issue letter of guarantee as discussed in Note 12 and Note 19.6 to the financial statements.

A subsidiary in Thailand has pledged and assigned a right of claim on bank accounts with outstanding balance as at 30 September 2020 totaling approximately Baht 3.2 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 169.2 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 2.6 million or approximately Baht 81.4 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 September 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
	September	December	September	December	September	December	September	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	1,683,581	1,944,731
Serm Sang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	97,107	95,974
Serm Sang International Co., Ltd.	100	100	810,000	810,000	810,000	810,000	368,304	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	11,841	11,932
Serm Sang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	61,860	62,470
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,394	2,615
Serm Sang Infinite Co., Ltd.	100	100	108,400	98,000	108,400	98,000	102,015	80,072
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	2,519	2,723
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,427	9,548
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	1,656	1,873
Triple P Renewable Co., Ltd.	100	100	5,900	5,500	5,900	5,500	30	-
Truong Thanh Tra Vinh Wind Power JSC.	90	80	604,051	62,800	550,453	62,800	554,225	61,163
Total							2,894,959	2,486,055

In addition, as at 30 September 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
	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019
	(Percentage)	(Percentage)						
Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries								
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	(41,780)	(41,301)
Triple P Renewable Co., Ltd.	100	100	5,900	5,500	5,900	5,500	-	(111)
Total loss in excess of cost over investments accounted for under equity method in investment in subsidiaries in separate financial statements							(41,780)	(41,412)

As at 30 September 2020, the Company pledged investments in a subsidiary totaling Baht 61.9 million, as collateral against credit facilities granted by financial institution, as discussed in Note 12 to the financial statements.

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 September			
	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.	156,728	143,015	3,636	-
Sermsang Corporation Co., Ltd.	230	33	-	-
Sermsang International Co., Ltd.	74,663	6,852	39,435	(6,485)
Access Energy Co., Ltd.	(1,380)	(5,475)	367	198
Essential Power Co., Ltd.	(30)	(28)	-	-
Sermsang Solar Co., Ltd.	2,740	2,632	-	-
Siam Renewable Power Co., Ltd.	(74)	(72)	-	-
Sermsang Infinite Co., Ltd.	6,172	665	-	-
Plus Energy Co., Ltd.	(68)	(67)	-	-
Siam Clean Solutions Co., Ltd.	(41)	(39)	-	-
Prestige Group Co., Ltd.	(73)	(71)	-	-
Triple P Renewable Co., Ltd.	(85)	(87)	-	-
Truong Thanh Tra Vinh Wind Power JSC.	(1,716)	-	7,090	-
Total	237,066	147,358	50,528	(6,287)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September				
Separate financial statements				
Company Name	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.	469,568	463,728	2,936	-
Sermsang Corporation Co., Ltd.	1,133	120	-	-
Sermsang International Co., Ltd.	119,598	(30,449)	154,877	(79,658)
Access Energy Co., Ltd.	(1,078)	(12,576)	600	680
Essential Power Co., Ltd.	(91)	(85)	-	-
Sermsang Solar Co., Ltd.	9,889	10,169	-	-
Siam Renewable Power Co., Ltd.	(221)	(216)	-	-
Sermsang Infinite Co.,Ltd.	12,445	3,463	-	-
Plus Energy Co., Ltd.	(204)	(210)	-	-
Siam Clean Solutions Co., Ltd.	(122)	(117)	-	-
Prestige Group Co., Ltd.	(217)	(211)	-	-
Triple P Renewable Co., Ltd.	(259)	(268)	-	-
Truong Thanh Tra Vinh Wind Power JSC.	(2,974)	-	8,382	-
Total	607,467	433,348	166,795	(78,978)

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 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Serm Sang Palang Ngan Co., Ltd.	140,000	-	690,000	220,000
Sermsang Solar Co., Ltd.	10,500	-	10,500	-
Total	150,500	-	700,500	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 10.4 million and was gradually received proceed from its shareholders on 20 July 2020.
- 8.4.2 During the period, Triple P Renewable Company Limited called up of its registered capital amounting to Baht 0.4 million and was gradually received proceed from its shareholders on 20 July 2020.
- 8.4.3 During the period, Truong Thanh Tra Vinh Wind Power JSC called up of its registered capital amounting to VND 353,300 million, or approximately Baht 487.7 million and was gradually received proceed from its shareholders on 3 September 2020.

9. Property, plant and equipment

The movement in property, plant and equipment for the nine-month period ended 30 September 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	5,375	-
Additions during the period	939,286	13
Subsidy from the government	(2,582)	-
Disposals and written off during the period	(9,035)	-
Exchange differences on translation	625,974	-
30 September 2020	12,118,220	1,502
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	(3,731)	-
Depreciation for the period	321,097	168
Exchange differences on translation	21,826	-
30 September 2020	1,177,708	866
Net book value		
31 December 2019	9,722,104	791
30 September 2020	10,940,512	636

As at 30 September 2020, two subsidiaries have pledged and mortgaged all property plant and equipment which net book value Baht 2,540.7 million (31 December 2019: Baht 2,493.2 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 12 to the financial statements.

As at 30 September 2020, two subsidiaries in Japan have mortgaged all machineries and equipment of solar power plant which net book value of Baht 2,008.5 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 nine-month period ended 30 September 2020, the subsidiaries in Japan capitalised their borrowing costs as construction in progress-power plant totaling to Baht 46.4 million (For the year 2019: Baht 74.3 million).

10. Intangible assets

The movement in intangible assets for the nine-month period ended 30 September 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	60,762	-
Exchange differences on translation	83,836	-
30 September 2020	1,233,828	91
Accumulated amortisation		
1 January 2020	36,143	60
Adjustment of right-of-use assets due to TFRS 16 adoption	-	-
Amortisation for the period	29,060	14
Exchange differences on translation	2,373	-
30 September 2020	67,576	74
Provision for impairment		
31 December 2019	(12,417)	-
Exchange differences on translation	(1,077)	-
30 September 2020	(13,494)	-
Net book value		
31 December 2019	1,045,830	31
30 September 2020	1,152,758	17

11. Short-term loan from bank

As at 30 September 2020, the Company had outstanding balance of USD 23.9 million or approximately Baht 761.8 million (31 December 2019: USD 11.9 million or approximately Baht 361.8 million). This short-term loan is due in December 2020 and March 2021 and interest rate carried at LIBOR 6 month plus margin.

As at 30 September 2020, the Company has undrawn credit facility of USD 3.0 million (31 December 2019: USD 0.1 million).

The Company had pledged its bank saving account as collateral against credit facility as discussed in Note 5 to the financial statements. 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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	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	1,357,072	1,771,470	88,300	868,000
Less: Repayment	(620,790)	(515,443)	(261,000)	-
Less: Finance charges	(12,841)	(11,011)	-	-
Add: Amortisation of financial charges	25,607	28,776	1,664	2,745
Translation adjustment	485,815	(298,125)	-	-
Balance at the ending of the period	9,587,325	8,352,462	1,480,354	1,651,390

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 September 2020, the Company guarantees the loan facilities to subsidiaries of USD 16.3 million or approximately Baht 527.7 million and Baht 92.8 million.

The Company pledged investment in a subsidiary as collateral to secure the loan from commercial bank as discussed in Note 8.1 to financial statements.

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 September 2020, the Group have undrawn credit facility amounting to Baht 283.7 million, Yen 6,249.1 million and USD 32.5 million (The Company: Baht 243.7 million) (31 December 2019: The Group: Baht 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 nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit : Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	8,874	2,139	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	(80)	(61)	(48)	(30)
Income tax expense (revenue) reported in the statement of comprehensive income	8,794	2,078	(48)	(30)

(Unit : Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	16,983	11,679	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	(241)	(183)	(143)	(89)
Income tax expense (revenue) reported in the statement of comprehensive income	16,742	11,496	(143)	(89)

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 nine-month periods ended 30 September 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 September					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales of electricity	84.3	82.0	302.0	175.5	386.3	257.5
Sales of goods	-	-	11.5	-	11.5	-
Subsidy for adder	143.7	139.0	-	-	143.7	139.0
Total	228.0	221.0	313.5	175.5	541.5	396.5

(Unit: Million Baht)

	Consolidated financial statements					
	For the nine-month periods ended 30 September					
	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales of electricity	258.9	260.3	714.6	394.9	973.5	655.2
Sales of goods	-	-	21.5	-	21.5	-
Subsidy for adder	435.0	441.2	-	-	435.0	441.2
Revenue from construction service	-	-	-	11.9	-	11.9
Total	693.9	701.5	736.1	406.8	1,430.0	1,108.3

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 nine-month periods ended 30 September 2020 and 2019.

(Unit: Thousand Baht)

	Consolidated financial statements											
	For the three-month periods ended 30 September											
	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		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	523,067	392,169	6,939	4,341	-	-	-	-	-	-	530,006	396,510
Revenue from sales of goods	-	-	11,491	-	-	-	-	-	-	-	11,491	-
Other income	1,497	1,105	1,891	102	-	-	15,526	13,837	(13,799)	(13,442)	5,115	1,602
Total revenue and other income	524,564	393,274	20,321	4,443	-	-	15,526	13,837	(13,799)	(13,442)	546,612	398,112
Operating profit (loss)	306,313	231,450	4,420	460	(4,918)	-	7,271	(25,031)	6,560	(550)	319,646	206,329
Interest income	-	316	-	1	22	-	58,723	64,262	(58,723)	(64,144)	22	435
Finance cost	(65,745)	(44,501)	(557)	(593)	(25)	-	(70,351)	(72,237)	62,139	64,600	(74,539)	(52,731)
Finance costs, net	(65,745)	(44,185)	(557)	(592)	(3)	-	(11,628)	(7,975)	3,416	456	(74,517)	(52,296)
Profit (loss) before income tax expense	240,568	187,265	3,863	(132)	(4,921)	-	(4,357)	(33,006)	9,976	(94)	245,129	154,033
Income tax benefit (expense)	(8,865)	(2,126)	-	-	-	-	48	30	23	18	(8,794)	(2,078)
Profit (loss) for the period	<u>231,703</u>	<u>185,139</u>	<u>3,863</u>	<u>(132)</u>	<u>(4,921)</u>	<u>-</u>	<u>(4,309)</u>	<u>(32,976)</u>	<u>9,999</u>	<u>(76)</u>	<u>236,335</u>	<u>151,955</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

For the nine-month periods ended 30 September

	Production and distribution of electricity from solar power plants		Electricity distribution, service and installation relating to the solar roof system		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	1,389,855	1,083,117	18,670	13,222	-	-	-	-	-	-	1,408,525	1,096,339
Revenue from sales of goods	-	-	21,489	-	-	-	-	-	-	-	21,489	-
Revenue from construction services	-	-	-	12,998	-	-	-	-	-	(1,095)	-	11,903
Other income	6,369	3,244	4,008	742	-	-	50,824	40,902	(41,150)	(40,328)	20,051	4,560
Total revenue and other income	1,396,224	1,086,361	44,167	26,962	-	-	50,824	40,902	(41,150)	(41,423)	1,450,065	1,112,802
Operating profit (loss)	852,482	687,820	12,022	4,857	(6,246)	-	(24,300)	(95,078)	8,253	(42)	842,211	597,557
Interest income	852	1,359	188	25	24	-	187,828	163,680	(187,018)	(162,399)	1,874	2,665
Finance costs	(184,769)	(123,238)	(1,715)	(1,936)	(272)	-	(215,600)	(184,274)	193,963	161,904	(208,393)	(147,544)
Finance costs, net	(183,917)	(121,879)	(1,527)	(1,911)	(248)	-	(27,772)	(20,594)	6,945	(495)	(206,519)	(144,879)
Profit (loss) before income tax expense	668,565	565,941	10,495	2,946	(6,494)	-	(52,072)	(115,672)	15,198	(537)	635,692	452,678
Income tax benefit (expense)	(16,955)	(11,638)	-	-	-	-	143	89	70	53	(16,742)	(11,496)
Profit (loss) for the period	651,610	554,303	10,495	2,946	(6,494)	-	(51,929)	(115,583)	15,268	(484)	618,950	441,182

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 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
Revenue from the external customers				
Thailand	240	233	716	713
Japan	216	90	445	284
Mongolia	23	28	88	28
Vietnam	62	58	179	83
Indonesia	1	-	2	-
Total	542	409	1,430	1,108

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 September 2020, a subsidiary entered into several power purchase agreements with companies (a non-related party) for a period of 25 years.

19.2 Capital Commitments

As at 30 September 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 September 2020	31 December 2019
Thailand	Baht	-	0.1
Japan	Yen	4,875.5	7,844.5
Vietnam	Vietnam Dong	1,783,478.4	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 September 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 September 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
		September	December	September	December	September	December	September	December
		2020	2019	2020	2019	2020	2019	2020	2019
Thailand	Baht	71	86	24	178	-	-	95	264
Japan	Yen	109	38	94	87	368	391	571	516
Vietnam	VND	5,878	7,046	-	1,830	-	83,265	5,878	92,141

As at 30 September 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 September 2020, the Company has commitments in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 531.9 million (31 December 2019: Baht 542.7 million) and a subsidiary in Vietnam amounting to VND 51,428.4 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 971.2 million (31 December 2019: Yen 811.7 million).

19.6 Guarantee

- As at 30 September 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 September 2020, there were outstanding standby letter of credit of Yen 727.8 million, issued by 2 Thai commercial banks on behalf of the Company in respect of contractual performance of investment in Japan.
- As at 30 September 2020, there were outstanding standby letter of credit of USD 36.0 million, issued by Thai Commercial bank on behalf of the Company in respect of contractual performance of construction in Vietnam.
- The Company acts as guarantor of loan agreements to subsidiaries of USD 16.3 million and Baht 92.8 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 September 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 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	2,669,441	2,838,068	26,907,092	20,331,905	0.2999	0.2759
US dollar	21,958	4,627	40,399	13,844	31.6579	30.1540
Singapore dollar	35	35	4	1	23.1451	22.3245
Mongolia	117,433	125,920	11,790	6,799,373	0.0111	0.0109
Vietnam Dong	173,300,117	224,100,000	128,472,786	65,189,430	0.0014	0.0013
Malaysia Ringgit	-	300	-	-	7.6183	7.3222
Rupiah	786,942	1,234,469	5,401	4,662,791	0.0021	0.0022
Hong Kong dollar	2	-	-	-	4.0870	-

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 September 2020, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 45 million and Yen 558 million, totaling of Baht 213 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 September 2020, the fair value of forward exchange contracts of a subsidiary was negative amounting Baht 0.5 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 values 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. Events after the reporting period

On 5 October 2020, the Company increase its share capital in Troung Thanh Tra Vinh Wind Power JSC amounted to VND 7,000 million.

On 6 October 2020, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2019 earnings of Baht 0.11 per shares, totaling Baht 101.42 million. The dividend will be paid to shareholders in November 2020.

23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2020.