

Sermsang Power Corporation Public Company Limited
and its subsidiaries
Report and interim financial statements
31 March 2018

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Sermsang Power Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sermsang Power Corporation Public Company Limited and its subsidiaries as at 31 March 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Sermsang Power Corporation Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

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

Sirikorn Plernpissiri

Certified Public Accountant (Thailand) No. 5234

EY Office Limited

Bangkok: 14 May 2018

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Assets					
Current assets					
Cash and cash equivalents	5	1,466,754	1,603,392	771,259	699,494
Trade and other receivables	4, 6	188,267	151,364	103,221	93,263
Short-term loans to related parties	4	-	-	323,978	302,997
Other current assets		46,397	45,729	19	-
Total current assets		1,701,418	1,800,485	1,198,477	1,095,754
Non-current assets					
Revenue Department receivable		283,507	246,378	1,844	2,205
Long-term loans to related parties	4	-	-	1,167,904	1,162,004
Investments in subsidiaries	7	-	-	1,530,023	1,505,229
Property, plant and construction	8	6,046,464	5,427,213	1,110	1,124
Intangible assets	9	674,150	654,207	62	66
Prepaid rental		140,653	141,003	-	-
Deferred tax assets	11	340	293	117	96
Other non-current assets		43,991	264	-	-
Total non-current assets		7,189,105	6,469,358	2,701,060	2,670,724
Total assets		8,890,523	8,269,843	3,899,537	3,766,478

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and shareholder's equity					
Current liabilities					
Trade payables and other payables	4	592,382	256,696	29,298	27,162
Retention payable		5,353	4,036	-	-
Short-term loans from related parties	4	-	-	146,818	147,580
Liabilities under finance lease agreements					
net of current portion		-	70	-	-
Current portion of loan term loans	10	538,144	510,313	-	-
Other current liabilities		12,082	11,410	1,907	1,820
Total current liabilities		1,147,961	782,525	178,023	176,562
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion		-	-	-	-
Long-term loans - net of current portion	10	4,174,337	4,061,676	-	-
Other non-current liabilities		4,529	3,973	586	479
Loss in excess of cost over investments accounted					
for under equity method in investment in subsidiaries		-	-	301,079	281,607
Total non-current liabilities		4,178,866	4,065,649	301,665	282,086
Total liabilities		5,326,827	4,848,174	479,688	458,648

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Shareholder's equity					
Share capital					
Registered					
922,000,000 ordinary shares of Baht 1 each issued		922,000	922,000	922,000	922,000
Issued and fully paid up					
922,000,000 ordinary shares of Baht 1 each issued		922,000	922,000	922,000	922,000
Share premium		1,511,210	1,511,210	1,511,210	1,511,210
Surplus on business combination under common control		33,098	33,098	33,098	33,098
Retained earning					
Appropriated - statutory reserve	12	40,714	40,714	40,714	40,714
Unappropriated		921,543	814,990	921,543	814,990
Other components of shareholder's equity		(8,716)	(14,182)	(8,716)	(14,182)
Equity attributable to owner of the company		3,419,849	3,307,830	3,419,849	3,307,830
Non-controlling interests of the subsidiaries		143,847	113,839	-	-
Total shareholders' equity		3,563,696	3,421,669	3,419,849	3,307,830
Total liabilities and shareholders' equity		8,890,523	8,269,843	3,899,537	3,766,478
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Sermasang Power Corporation Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
					(Restated)
Revenue					
Sales		86,590	70,712	-	-
Subsidy for adder		134,961	147,390	-	-
Service income		-	-	7,250	9,000
Other income		837	327	7,657	10,044
Total revenue		222,388	218,429	14,907	19,044
Expenses					
Cost of sales		52,590	41,448	-	-
Administrative expenses		37,278	37,174	12,508	12,681
Total expenses		89,868	78,622	12,508	12,681
Profit before share of profit from investment		132,520	139,807	2,399	6,363
in subsidiaries, financial cost and income tax expenses					
Share of profit from investment in subsidiaries	7.2	-	-	104,854	107,611
Profit before financial cost and		132,520	139,807	107,253	113,974
income tax expenses					
Financial cost		26,479	38,142	722	11,616
Profit before income tax expenses		106,041	101,665	106,531	102,358
Income tax revenue (expenses)	11	(49)	33	22	20
Profit for the period		105,992	101,698	106,553	102,378
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit</i>					
<i>or loss in subsequent periods</i>					
Exchange difference on translation of financial statement					
in foreign currency		3,608	(1,302)	5,466	(1,157)
<i>Other comprehensive income not to be reclassified to profit</i>					
<i>or loss in subsequent periods</i>					
Actuarial loss-net of income tax		-	-	-	-
Other comprehensive income for the period		3,608	(1,302)	5,466	(1,157)
Total comprehensive income for the period		109,600	100,396	112,019	101,221
Profit attributable to:					
Equity holders of the company		106,553	102,378	106,553	102,378
Non-controlling interests of the subsidiaries		(561)	(680)		
		105,992	101,698		

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

(Unaudited but reviewed)

Sermasang Power Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
					(Restated)
Comprehensive income attributable to:					
Equity holders of the company		112,019	101,221	112,019	101,221
Non-controlling interests of the subsidiaries		(2,419)	(825)		
		<u>109,600</u>	<u>100,396</u>		
Earnings per share					
Basic earnings per share	14				
Profit attributable to equity holders					
of the company (Baht per share)		<u>0.116</u>	<u>0.148</u>	<u>0.116</u>	<u>0.148</u>
Weighted average number of ordinary shares (shares)		<u>922,000,000</u>	<u>691,475,000</u>	<u>922,000,000</u>	<u>691,475,000</u>

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

(Unaudited but reviewed)

Sermsang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owner of the company												
		Retained earning					Other components of shareholders' equity					
				Appropriated		Unappropriated	Other comprehensive income					
				Retained earning		Exchange differences			Total equity			
		Issued and		Surplus on business		after the			Total other		attributable	
		paid up share		combination under		combination under			components of		to owner of	
		Share		common control		financial statements			shareholders' equity		the Company	
		Premium		Statutory		in foreign currency			Acturial gain (loss)		the subsidiaries	
		capital		reserve		common control			shareholders' equity		shareholders' equity	
Note												
		690,875	-	33,098	-	515,872	2,301	(527)	1,774	1,241,619	55,190	1,296,809
		750	-	-	-	-	-	-	-	750	-	750
		-	-	-	-	102,378	-	-	-	102,378	(680)	101,698
		-	-	-	-	-	(1,157)	-	(1,157)	(1,157)	(145)	(1,302)
		-	-	-	-	102,378	(1,157)	-	(1,157)	101,221	(825)	100,396
	12	-	-	-	24,719	(24,719)	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	10,817	10,817
		691,625	-	33,098	24,719	593,531	1,144	(527)	617	1,343,590	65,182	1,408,772
		922,000	1,511,210	33,098	40,714	814,990	(13,856)	(326)	(14,182)	3,307,830	113,839	3,421,669
		-	-	-	-	106,553	-	-	-	106,553	(561)	105,992
		-	-	-	-	-	5,466	-	5,466	5,466	(1,858)	3,608
		-	-	-	-	106,553	5,466	-	5,466	112,019	(2,419)	109,600
		-	-	-	-	-	-	-	-	-	32,427	32,427
		922,000	1,511,210	33,098	40,714	921,543	(8,390)	(326)	(8,716)	3,419,849	143,847	3,563,696

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 three-month period ended 31 March 2018

(Unit: Thousand Baht)

Seperate financial statements									
						Other components of shareholders' equity			
						Other comprehensive income			
						Exchange difference			
						on translation of		Total other	
						financial statement		components of	
						in foreign currency		shareholders' equity	
						Actuarial loss		Total	
Note	Issued and paid up share capital	Share Premium	Surplus on business combination under common control	Retained earning				shareholders' equity	
				Appropriated	Unappropriated				equity
Balance as at 31 December 2016 - as previously reported	690,875	-	-	-	489,687	-	(315)	(315)	1,180,247
Cumulative effect of change in accounting policy for investment in subsidiaries	3	-	-	33,098	-	26,184	2,301	(212)	61,371
Balance as at 31 December 2016 - as restated	690,875	-	33,098	-	515,871	2,301	(527)	1,774	1,241,618
Paid up ordinary shares	750	-	-	-	-	-	-	-	750
Profit for the period (restated)	-	-	-	-	102,378	-	-	-	102,378
Other comprehensive income for the period	-	-	-	-	-	(1,157)	-	(1,157)	(1,157)
Total comprehensive income for the period	-	-	-	-	102,378	(1,157)	-	(1,157)	101,221
Transferred to statutory reserve	12	-	-	24,719	(24,719)	-	-	-	-
Balance as at 31 March 2017	691,625	-	33,098	24,719	593,530	1,144	(527)	617	1,343,589
Balance as at 31 December 2017 - as previously reported	922,000	1,511,210	-	40,714	768,857	-	16	16	3,242,797
Cumulative effect of change in accounting policy	3	-	33,098	-	46,133	(13,856)	(342)	(14,198)	65,033
Balance as at 31 December 2017 - as restated	922,000	1,511,210	33,098	40,714	814,990	(13,856)	(326)	(14,182)	3,307,830
Paid up ordinary shares	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	106,553	-	-	-	106,553
Other comprehensive income for the period	-	-	-	-	-	5,466	-	5,466	5,466
Total comprehensive income for the period	-	-	-	-	106,553	5,466	-	5,466	112,019
Balance as at 31 March 2018	922,000	1,511,210	33,098	40,714	921,543	(8,390)	(326)	(8,716)	3,419,849

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

(Unaudited but reviewed)

Sernsang Power Corporation Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
Cash flows operating activities				
Profit before tax	106,041	101,665	106,531	102,358
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	37,408	29,548	50	46
Long-term employee benefits	236	163	107	103
Share of profit from investments in subsidiaries	-	-	(104,854)	(107,611)
Gain on disposal of fixed assets	-	(7)	-	-
Loss on exchange rate	8,215	2,935	-	-
Interest income	(525)	(1)	(7,657)	(10,054)
Financial cost	26,479	38,142	722	11,616
Profit (loss) from operating activities before				
changes in operating assets and liabilities	177,854	172,445	(5,101)	(3,542)
Decrease (increase) in operating assets				
Trade and other receivables	(36,723)	(12,078)	(2,121)	4,694
Other current assets	(518)	(95,312)	(19)	(10,168)
Revenue Department receivable	(37,129)	(18,429)	362	-
Non-current assets	(43,377)	77	-	-
Increase (decrease) in operating liabilities				
Trade payables and other payables	335,686	1,479	1,469	(970)
Retention payable	1,317	1,613	-	-
Other current liabilities	672	1,724	87	271
Other non-current liabilities	320	(30)	-	-
Cash flow from (used in) operating activities	398,102	51,489	(5,323)	(9,715)
Cash paid for income tax	(180)	-	(180)	-
Net cash flow from (used in) operating activities	397,922	51,489	(5,503)	(9,715)

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

(Unaudited but reviewed)

Sernsang Power Corporation Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
				(Restated)
Cash flow from investing activities				
Short-term loans to related parties	-	-	(20,981)	(5,159)
Long-term loans to related parties	-	-	(5,900)	(176,700)
Investment in subsidiaries	-	-	-	(6,750)
Dividend income from investment	-	-	105,000	40,000
Acquisition of property, plant and equipment	(613,174)	(396,229)	(32)	(11)
Acquisition of intangible assets	(12,314)	(29)	-	-
Government grants	-	153,860	-	-
Interest income	525	1	-	10
Non-controlling interest of the subsidiaries	32,427	10,817	-	-
Net cash flows from (used in) investing activities	(592,536)	(231,580)	78,087	(148,610)
Cash flows from financing activities				
Short-term loans from related parties	-	(117)	(762)	(3,810)
Liabilities under finance lease agreement	(70)	(432)	-	-
Cash received from long-term loans	185,729	476,777	-	120,000
Payment of long-term loans	(85,097)	(86,448)	-	-
Paid up ordinary shares	-	750	-	750
Payment of interest and bank fee	(41,854)	(41,823)	(57)	(7,907)
Net cash flows from (used in) financing activities	58,708	348,707	(819)	109,033
Decrease in translation adjustments	(732)	(1,123)	-	-
Net increase (decrease) in cash and cash equivalents	(136,638)	167,493	71,765	(49,292)
Cash and cash equivalents at beginning of period	1,603,392	367,356	699,494	95,893
Cash and cash equivalents at end of period	1,466,754	534,849	771,259	46,601
	-	-	-	-
Supplement cash flow information				
Non-cash item				
Increase in fixed assets by replacement	85	78	-	-
Interest expenses record to cost of property and equipment	16,168	8,820	-	-

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 period ended 31 March 2018

1. General information

1.1 Corporate information

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

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

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

1.2 Basis of the preparation of interim financial statements

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

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

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

1.3 Basis of preparation on the interim consolidated financial statements

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

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			31 March	31 December
			2018	2017
			(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
<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
Seijo Corporation	Investment and consultancy	Japan	100	100
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87	87
GK GSSE	Production and distribution of electricity	Japan	90	90
Zouen Energy GK	Production and distribution of electricity	Japan	100	100
Sernsang Sustainable Singapore Private Limited	Investment and consultancy	Singapore	100	100
Ashita Power 1 GK	Production and distribution of electricity	Japan	100	100
Ashita Power 2 GK	Production and distribution of electricity	Japan	100	100
Tenuun Gerel Construction LLC	Production and distribution of electricity	Mongolia	73.7	73.7

During the period, a subsidiary (Surge Energy Corporation Limited) has invested in SS Hidaka No Mori GK of Yen 197.4 million, GK GSSE of Yen 63.0 million, Zouen Energy GK of Yen 75.0 million, Ashita power 1 GK of Yen 51.7 million and Ashita power 2 GK of Yen 51.7 million.

Called up and increase in share capital of subsidiary

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

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

2. Significant accounting policies

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

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

3. Cumulative effect of change in accounting policies

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

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

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at	As at	As at
	31 March	31 December	31 December
	2018	2017	2016
Statements of financial position:			
Increase in investment in subsidiaries	371,435	346,641	130,699
Loss in excess of cost over investments accounted for under equity method in investment in subsidiaries	(301,079)	(281,607)	(69,326)
Increase in unappropriated retained earnings	45,988	46,134	26,184
Increase surplus on business combination under common control	33,098	33,098	33,098
Increase (decrease) in other components of shareholders' equity	(8,730)	(14,198)	2,091

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

For the three-month period ended

31 March

2018

2017

Statements of comprehensive income**Profit or loss:**

Share gain from investment in subsidiaries	104,854	107,611
Decrease in dividend income	(105,000)	(40,000)
Increase (decrease) in net profit	(146)	67,611

Other comprehensive income:

Increase (decrease) in share of other comprehensive income		
from investments in subsidiaries	5,466	(1,157)

Earnings per share (Baht):

Increase (decrease) in basic earnings per share	(0.00)	0.10
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4. Related party transactions

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

(Unit: Thousand Baht)

<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		<u>Pricing policy</u>	
For the three-month periods ended		For the three-month periods ended			
31 March		31 March			
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Service income	-	-	7,250	9,000	Per agreement
Service expenses	-	-	2,550	-	Per agreement
Interest income	-	-	7,657	10,044	2.0% - 6.7% per annum
Interest expense	-	-	722	1,344	2.0% - 6.2% per annum
Dividend income	-	-	105,000	40,000	
<u>Transactions with related companies</u>					
Sales	371	-	-	-	Per agreement
Professional fee	-	435	-	-	Per agreement
Rental and service expense	90	90	90	90	Per agreement

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

	Consolidated		(Unit: Thousand Baht)	
	financial Statements		Separate	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Accounts receivables				
- related parties (Note 6)				
Subsidiaries	-	-	29,550	27,923
Related company	397	-	-	-
Total accounts receivables - related parties	397	-	29,550	27,923
Interest receivables - related parties				
Subsidiaries	-	-	71,376	63,719
Total interest receivable-related parties	-	-	71,376	63,719
Interest payables - related parties				
Subsidiaries	-	-	19,878	19,213
Total interest payable - related parties	-	-	19,878	19,213
Accrued rental expense - director				
Director	30	30	30	30
Total accrued rental expense - director	30	30	30	30

Service income agreement

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

Power purchase agreement

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

Loans to related parties and loan from related parties

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

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month period ended 31 March 2018			
	Balance as at 1 January 2018	Increase during the period	Decrease during the period	Balance as at 31 March 2018
<u>Short-term loans to related party</u>				
<u>Subsidiaries</u>				
Triple P Renewable Company Limited	2,129	-	-	2,129
Sermsang Infinite Company Limited	-	14,981	-	14,981
Access Energy Company Limited	13,681	6,000	-	19,681
Sermsang International Company Limited	287,187	-	-	287,187
Total short-term loans to subsidiary companies	302,997	20,981	-	323,978
<u>Long-term loans to subsidiary</u>				
Sermsang International Company Limited	1,162,004	5,900	-	1,167,904
Total long-term loans to subsidiary	1,162,004	5,900	-	1,167,904

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

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month period ended 31 March 2018			
	Balance as at 1 January 2018	Increase during the period	Decrease during the period	Balance as at 31 March 2018
<u>Short-term loans from related party</u>				
Sermsang Corporation Company Limited	78,060	-	(300)	77,760
Essential Power Company Limited	11,599	-	-	11,599
Sermsang Solar Company Limited	40,717	1,000	(2,444)	39,273
Siam Renewable Power Company Limited	3,050	-	-	3,050
Plus Energy Company Limited	3,123	-	-	3,123
Sermsang Infinite Company Limited	18	-	(18)	-
Prestige Group Company Limited	2,324	-	-	2,324
Siam Clean Solution Company Limited	8,689	1,000	-	9,689
Total short-term loans from related party	147,580	2,000	(2,762)	146,818

Directors and management's benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the three-month periods		financial statements	
	ended 31 March		For the three-month periods	
	2018	2017	2018	2017
Short-term employee benefits	6,237	8,498	6,237	8,498
Post-employment benefits	104	100	104	100
Total	6,341	8,598	6,341	8,598

5. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Cash	300	352	9	15
Bank deposits - Current accounts	3,448	3,876	76	60
Bank deposits - Saving accounts	1,463,006	1,599,164	771,174	699,419
Total	1,466,754	1,603,392	771,259	699,494

As at 31 March 2018, a subsidiary (Sermsang Palang Ngan Company Limited) has pledged its bank deposit in savings account amounting to Baht 246.8 million (31 December 2017: Baht 278.9 million) as security against long-term loans, as discussed in Note 10 to the financial statements, however such the subsidiary can withdraw such savings account to use in operation.

6. Trade and other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Trade receivable - related parties</u>				
Not yet due	397	-	2,978	3,210
Past due				
Up to 3 months	-	-	892	3,313
3 - 6 months	-	-	3,210	3,210
6 - 12 months	-	-	6,420	5,350
Over 1 year	-	-	16,050	12,840
Total trade receivable - related parties	397	-	29,550	27,923
<u>Trade receivable - unrelated parties</u>				
Not yet due	169,861	144,732	-	-
Past due - not over 3 months	-	-	-	-
Total trade receivable - unrelated parties	169,861	144,732	-	-
<u>Other receivable - related parties</u>				
Interest receivable	-	-	71,376	63,719
Total other receivable - related parties	-	-	71,376	63,719
<u>Other receivable - unrelated parties</u>				
Not yet due	18,009	6,632	2,295	1,621
Total other receivable - unrelated parties	18,009	6,632	2,295	1,621
Total trade receivable and other receivable	188,267	151,364	103,221	93,263

7. Investments in subsidiaries

7.1 Details of investments in subsidiaries as presented in separate financial statements as at 31 March 2018 and 31 December 2017 are as follows:

(Unit: Thousand Baht)

Company Name	Separate financial Statements							
	Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		Carrying amounts based on equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2018	2017	2018	2017	2018	2017	2018	2017
	(Percentage)	(Percentage)						(Restated)
Subsidiary companies which directly held by the Company								
Serm Sang Palang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506	1,335,636	1,308,259
Serm Sang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312	96,344	96,631
Serm Sang International Co., Ltd.	100	100	10,000	10,000	10,000	10,000	-	-
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	-	-
Essential Power Co., Ltd.	100	100	13,250	13,250	13,250	13,250	12,127	12,155
Serm Sang Solar Co., Ltd.	100	100	50,000	50,000	50,000	50,000	49,124	49,381
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250	3,115	3,185
Serm Sang Infinite Co., Ltd.	100	100	46,100	46,100	46,100	46,100	18,306	20,070
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250	3,195	3,260
Siam Clean Solutions Co., Ltd.	100	100	10,000	10,000	10,000	10,000	9,815	9,858
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500	2,361	2,430
Triple P Renewable Co., Ltd.	100	100	2,500	2,500	2,500	2,500	-	-
Total					1,192,668	1,192,668	1,530,023	1,505,229
					(34,080)	(34,080)	-	-
					1,158,588	1,158,588	1,530,023	1,505,229

In addition, as at 31 March 2018 and 31 December 2017, 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								
						Carrying amounts based		
Percentage of Shareholding		Paid up Share Capital		Investment at Cost method		on equity method		
31	31	31	31	31	31	31	31	
March	December	March	December	March	December	March	December	
2018	2017	2018	2017	2018	2017	2018	2017	
(Percentage)	(Percentage)							(Restated)
<u>Loss in excess of cost over</u>								
<u>investments accounted for</u>								
<u>under equity method in</u>								
<u>investment in subsidiaries</u>								
Sermasang International Co., Ltd.	100	100	10,000	10,000	10,000	10,000	(284,885)	(268,468)
Access Energy Co., Ltd.	100	100	20,000	20,000	20,000	20,000	(13,745)	(10,790)
Triple P Renewable Co., Ltd.	100	100	2,500	2,500	2,500	2,500	(2,450)	(2,349)
Total loss in excess of cost over investments accounted for under equity method in								
investment in subsidiaries in separate financial statements					32,500	32,500	(301,080)	(281,607)

7.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company Name	For the three-month periods ended 31 March			
	Separate financial statements			
	Share of profit (loss) from investment in subsidiaries		Share of other comprehensive income from investment in subsidiaries	
	2018	2017 (Restated)	2018	2017 (Restated)
Serm Sang Palang Ngan Co., Ltd.	132,377	141,172	-	-
Serm Sang Corporation Co., Ltd.	(287)	697	-	-
Serm Sang International Co., Ltd.	(21,684)	(25,255)	5,267	(1,157)
Access Energy Co., Ltd.	(3,154)	(5,219)	199	-
Essential Power Co., Ltd.	(28)	(6)	-	-
Serm Sang Solar Co., Ltd.	(257)	(50)	-	-
Siam Renewable Power Co., Ltd.	(70)	5	-	-
Serm Sang Infinite Co., Ltd.	(1,765)	(3,652)	-	-
Plus Energy Co., Ltd.	(65)	11	-	-
Siam Clean Solutions Co., Ltd.	(43)	(54)	-	-
Prestige Group Co., Ltd.	(69)	7	-	-
Triple P Renewable Co., Ltd.	(101)	(45)	-	-
Total	104,854	107,611	5,466	(1,157)

7.3 Dividend received

During the period, the company received dividend as follows:

(Unit: Thousand Baht)

Company Name	Dividend received	
	For the three-month periods ended 31 March	
	2018	2017
Serm Sang Palang Ngan Co., Ltd.	105,000	40,000
Total	105,000	40,000

8. Property, plant and equipment

The movement in property, plant and equipment for the three-month period ended 31 March 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
31 December 2017	5,773,002	1,408
Additions during the period	629,428	32
Disposals and written off during the period	(85)	-
Exchange differences on translation	26,104	-
31 March 2018	6,428,449	1,440
Accumulated depreciation		
31 December 2017	345,789	284
Depreciation for disposals and written off during the period	(11)	-
Depreciation for the period	36,207	46
31 March 2018	381,985	330
Net book value		
31 December 2017	5,427,213	1,124
31 March 2018	6,046,464	1,110

As at 31 March 2018, a subsidiary has pledged and mortgaged all property plant and equipment which net book value Baht 2,697.6 million (31 December 2017: Baht 2,726.4 million) as collateral against credit facilities obtained from two financial institutions as discussed in Note 10 to the financial statements.

As at 31 March 2018, a subsidiary in Japan has mortgaged all machineries and equipment of solar power plant which net book value Baht 1,643.4 million as collateral against credit facilities obtained from financial institutions as discussed in Note 10 to the financial statements.

As at 31 March 2018, subsidiaries had vehicle with net book value of Baht 1.1 million (31 December 2017: Baht 1.5 million) which were acquired under finance lease agreements.

As at 31 March 2018, the subsidiaries in Japan capitalised their borrowing costs as construction in progress-power plant totaling to Baht 16.2 million (31 December 2017: Baht 50.0 million).

9. Intangible assets

The movement in intangible assets for the three-month period ended 31 March 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
31 December 2017	657,640	91
Additions during the period - cost	12,314	-
Exchange differences on translation	8,841	-
31 March 2018	678,795	91
Accumulated amortisation		
31 December 2017	3,433	25
Amortisation for the period	1,212	4
31 March 2018	4,645	29
Net book value		
31 December 2017	654,207	66
31 March 2018	674,150	62

10. Long-term loans

(Unit: Thousand Baht)								
Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated		Separate		Note
				financial statements		financial statements		
				31 March 2018	31 December 2017	31 March 2018	31 December 2017	
1)	THBFIX 3 months plus additional rate	Baht	Repayments of principal and interest are to be made on quarterly basis starting from June 2015 and ending in December 2024	1,765,430	1,850,527	-	-	a)
2)	JPY LIBOR 3 months plus additions rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from September 2018 and ending in June 2036	1,587,806	1,565,507	-	-	b)
3)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from March 2021 to December 2037	1,041,359	938,807	-	-	c)
4)	JPY LIBOR 3 months plus additional rate	Yen	Repayments of interest on quarterly basis and repayments of principal in Yen currency starting from March 2019 to December 2035	545,596	442,740	-	-	d)
Total loan from banks				4,940,191	4,797,581	-	-	
Less: Deferred finance charges				(227,710)	(225,592)	-	-	
Total				4,712,481	4,571,989	-	-	
Less: Current portion				(538,144)	(510,313)	-	-	
Long-term loans - net of current portion				4,174,337	4,061,676	-	-	

Note:

- a) As at 31 March 2018, a subsidiary (Serm Sang Palang Ngan Co., Ltd.) had pledged the bank saving account and mortgaged property, plant and equipment with two commercial banks as discussed in Note 5 and Note 8 to the financial statements.
- b) On 10 August 2016, a subsidiary (SS Hidaka No Mori GK) has entered into loans agreements with financial institutions for the solar power plant project in Japan. The credit facility was Yen 6,362.0 million. As at 31 March 2018, a subsidiary had drawn Yen of 5,401.9 million (31 December 2017: Yen 5,401.9 million). All machines and plant equipment for solar power plant have been mortgaged as collateral against credit facilities.
- c) On 28 June 2017, a subsidiary (GK GSSE) entered into loan agreement with financial institutions, total credit facilities amounting to Yen 10,023.0 million. As at 31 March 2018, the subsidiary had drawn Yen 3,542.8 million (31 December 2017: Yen 3,239.4 million).
- d) On 17 November 2017, a subsidiary (Zouen Energy GK) entered into loan agreement with financial institutions, total credit facilities amounting to Yen 2,453.0 million. As at 31 March 2018, the subsidiary had drawn Yen 1,856.2 million (31 December 2017: Yen 1,527.7 million).

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

As at 31 March 2018, the Company and its subsidiaries have undrawn credit facility amounting to Baht 1,705.0 million and Yen 8,037.1 million (The Company and its subsidiaries: 31 December 2017: Yen 1,705.0 million and Yen 8,668.9 million and the Company: Baht 1,665.0 million).

11. Income tax expenses (revenue)

Income tax expenses (revenue) for the three-month periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For three-month periods ended	For three-month periods ended
	31 March	31 March
	2018	2017
	2018	2017
Current income tax:		
Interim corporate income tax charge	96	-
Deferred tax:		
Relating to origination and reversal of temporary differences and others	(47)	(33)
Income tax expenses (revenue) reported in the statement of comprehensive income	49	(33)

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	For three-month periods ended	For three-month periods ended
	31 March	31 March
	2018	2017
	2018	2017
Accounting profit before tax	106,041	101,665
Applicable tax rate	0%, 15%, 16.5%, 20%	0%, 15%, 16.5%, 20%
Accounting profit before corporate income tax multiplied by income tax rate	21,805	20,976
Effects of:		
Promotional privileges (Note 13)	(26,458)	(28,216)
Non-deductible expenses	226	206
Exempted revenue	-	-
Tax losses for the period, that were not recognised as deferred tax assets/(utilised)	4,476	7,001
Income tax expenses (revenue) reported in the statement of comprehensive income	49	(33)

The amounts of income tax relating to each component of other comprehensive income for the periods ended 31 March 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2018	2017	2018	2017
Actuarial loss	-	-	-	-
Income tax expense as reported in the statement of comprehensive income	-	-	-	-

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Deferred tax assets				
Provision for long-term employee benefits	340	293	117	96

12. 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.

13. Promotional privileges

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

A subsidiary has received promotional privileges from the Board of Investment for the production of electricity generated from solar energy rooftop, pursuant to the investment promotion certificate No. 61-0246-1-00-1-0 issued on 9 March 2018 and certificate No. 60-1446-1-00-1-0 issued on 20 December 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax that up to 100 percentage of investment excluding land and working capital for a period of 8 years from the date the promoted operations begin generating revenues (1 March 2018 and 12 March 2018 respectively)

The subsidiary's operating revenues and subsidy for adder as presented in statement of comprehensive income for the periods ended 31 March 2018 and 2017 are revenues from promoted operations of Baht 203 million and Baht 218 million, respectively.

14. Earnings per share

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

15. Segment information

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

16. Commitments and contingent liabilities

16.1 Power purchase agreement

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

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

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

16.2 Capital Commitments

As at 31 March 2018, the subsidiaries in Japan had capital commitments of Yen 8,232.9 million (2017: Yen 10,264.1 million), relating to the project development, land purchase and licenses. The subsidiary in Mongolia had capital commitments of MNT 7.08 million (31 December 2017: MNT 28.82 million) relating, to the project development, machinery and equipment purchase.

16.3 Land Lease Agreement

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

16.4 Service Agreement

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

	(Unit Million Baht)	
	31 March 2018	31 December 2017
Payable		
In up to1 year	55	39
In over 1 year and up to 5 years	160	160
In over 5 years	78	88
Total	293	287

As at 31 March 2018, the subsidiaries in Japan entered into various service agreements and the service expense are amounting to has commitments Yen 67.5 million per year (31 December 2017: Yen 61.7 million).

16.5 Share capital of subsidiaries

As at 31 March 2018, the Company has commitments in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 517.6 million (31 December 2017: Baht 517.6 million), a subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 2,409.4 million (31 December 2017: Yen 2,611.8 million). A subsidiary in Singapore has a commitment to pay for investment in subsidiaries in Mongolia of USD 8.6 million.

16.6 Bank Guarantees

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

16.7 Derivatives

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

		Contract value		Received interest rate	Paid interest rate	Due date
		31 March 2018	31 December 2017			
1.	Baht 265 Million	Baht 278 Million		Floating interest rate, THBFIX-REUTERS 3 months plus 2 percent per annum	Fixed interest rate 5.795 percent per annum	30 December 2024
2.	Baht 883 Million	Baht 925 Million		Floating interest rate, THBFIX-REUTERS 3 months plus 2 percent per annum	Fixed interest rate 5.710 percent per annum	30 December 2024

16.8 Foreign currency risk

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	1,698,306	1,649,528	10,990,418	9,536,125	0.293934	0.2898060
US dollar	8,886	11,745	6,349	5,926	31.231800	32.680900
Singapore dollar	30	30	3	3	23.822300	24.450250
Mongolia	115,080	33,383	5,160	333,146	0.013040	0.013439
Euro	-	-	-	50	38.439400	39.027250

17. Events after the reporting period**17.1 Dividend payment**

On 30 April 2018, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2017 earnings of Baht 0.205 per share, totaling Baht 189 million. The dividend will be paid to shareholders in May 2018.

17.2 Increment of registered share capital

In April 2018, a subsidiary invested in its overseas subsidiary in overseas amounting to Yen 35 million.

18. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2018.