

Sermsang Power Corporation Public Company Limited  
and its subsidiaries

(formerly known as “Sermsang Power Corporation  
Company Limited”)

Review report and consolidated interim financial statements  
30 September 2017

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

To the shareholders of Serm Sang Power Corporation Public Company Limited  
(formerly known as "Serm Sang Power Corporation Company Limited")

I have reviewed the accompanying consolidated statements of financial position of Serm Sang Power Corporation Public Company Limited and its subsidiaries as at 30 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month period ended 30 September 2017, and the consolidated statement of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Serm Sang 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.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 9 November 2017

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

**Statement of financial position**

**As at 30 September 2017**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	1,507,435	367,356	947,334	95,893
Trade and other receivables	3, 5	159,099	152,289	24,990	14,980
Short-term loans to related companies	3	-	-	15,810	7,143
Current portion of long-term loans to related companies	3	-	-	4,302	24,182
Other current assets		176,870	65,974	61,046	14,616
<b>Total current assets</b>		<b>1,843,404</b>	<b>585,619</b>	<b>1,053,482</b>	<b>156,814</b>
<b>Non-current assets</b>					
Revenue department receivable		228,127	155,781	-	-
Long-term loans to related companies - net of current portion	3	-	-	1,149,089	502,885
Investments in subsidiaries	6	-	-	1,170,458	1,083,138
Property, plant and equipment	7	4,803,498	3,684,953	761	827
Intangible assets	8	676,172	535,997	70	69
Deferred tax assets	12	310	212	158	96
Other non-current assets		147,012	81	-	-
<b>Total non-current assets</b>		<b>5,855,119</b>	<b>4,377,024</b>	<b>2,320,536</b>	<b>1,587,015</b>
<b>Total assets</b>		<b>7,698,523</b>	<b>4,962,643</b>	<b>3,374,018</b>	<b>1,743,829</b>

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

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

**Statement of financial position (continued)**

**As at 30 September 2017**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3	75,435	32,959	61,765	20,147
Construction retention		2,843	3,474	-	-
Short-term loans from related companies	3	-	117	153,552	103,331
Current portion of liabilities under finance lease agreements		540	1,803	-	-
Current portion of long-term loans from banks	9	492,138	362,414	-	22,667
Other current liabilities		14,299	10,519	1,664	1,100
Total current liabilities		585,255	411,286	216,981	147,245
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion		-	65	-	-
Long-term loans from banks - net of current portion	9	3,797,588	3,250,790	-	415,854
Other non-current liabilities		4,092	3,693	791	483
Total non-current liabilities		3,801,680	3,254,548	791	416,337
Total liabilities		4,386,935	3,665,834	217,772	563,582

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 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
30 September 2017 : 922,000,000 ordinary shares of Baht 1 each (31 December 2016 : 6,916,250 ordinary shares of Baht 100 each)					
	10	922,000	691,625	922,000	691,625
Issued and paid up					
30 September 2017 : 922,000,000 ordinary shares of Baht 1 each (31 December 2016 : 10,000 ordinary shares, paid up at 25% 6,906,250 ordinary shares, paid up at 100% )					
		922,000	-	922,000	-
		-	250	-	250
		-	690,625	-	690,625
Issued and paid up	11	922,000	690,875	922,000	690,875
Share premium	11	1,511,210	-	1,511,210	-
Retained earnings					
Appropriated - statutory reserve	13	24,719	-	24,719	-
Unappropriated		758,177	515,872	698,632	489,687
Other components of shareholders' equity		28,807	34,872	(315)	(315)
Equity attributable to owners of the Company		3,244,913	1,241,619	3,156,246	1,180,247
Non-controlling interests of the subsidiaries		66,675	55,190	-	-
<b>Total shareholders' equity</b>		<b>3,311,588</b>	<b>1,296,809</b>	<b>3,156,246</b>	<b>1,180,247</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,698,523</b>	<b>4,962,643</b>	<b>3,374,018</b>	<b>1,743,829</b>

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

Directors

## Statement of comprehensive income

For the three-month period ended 30 September 2017

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Revenues</b>					
Sales		72,173	69,970	-	-
Subsidy for adder		145,997	145,440	-	-
Service income		-	-	9,000	9,000
Dividend income		-	-	125,000	100,000
Other income		502	6,243	18,697	5,403
<b>Total revenues</b>		<b>218,672</b>	<b>221,653</b>	<b>152,697</b>	<b>114,403</b>
<b>Expenses</b>					
Cost of sales		42,132	42,359	-	-
Administrative expenses		71,352	24,281	7,511	7,082
<b>Total expenses</b>		<b>113,484</b>	<b>66,640</b>	<b>7,511</b>	<b>7,082</b>
<b>Profit before finance cost and income tax expenses</b>		<b>105,188</b>	<b>155,013</b>	<b>145,186</b>	<b>107,321</b>
Finance cost		43,846	37,403	18,750	8,836
<b>Profit before income tax expenses</b>		<b>61,342</b>	<b>117,610</b>	<b>126,436</b>	<b>98,485</b>
Income tax revenue (expense)	12	(8,018)	(2,127)	(8,031)	16
<b>Profit for the period</b>		<b>53,324</b>	<b>115,483</b>	<b>118,405</b>	<b>98,501</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(4,986)	(5,430)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	(235)	-	(237)
<b>Other comprehensive income (loss) for the period</b>		<b>(4,986)</b>	<b>(5,665)</b>	<b>-</b>	<b>(237)</b>
<b>Total comprehensive income for the period</b>		<b>48,338</b>	<b>109,818</b>	<b>118,405</b>	<b>98,264</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		54,104	115,842	118,405	98,501
Non-controlling interests of the subsidiaries		(780)	(359)	-	-
		53,324	115,483	118,405	98,501

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

## Statement of comprehensive income (continued)

For the three-month period ended 30 September 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	50,739	109,653	118,405	98,264
Non-controlling interests of the subsidiaries	(2,401)	165	-	-
	<u>48,338</u>	<u>109,818</u>	<u>118,405</u>	<u>98,264</u>
<b>Earnings per share</b>				
Basic earnings per share	15			
Profit attributable to equity holders of the Company (Baht per share)	<u>0.08</u>	<u>16.76</u>	<u>0.17</u>	<u>14.26</u>
Weighted average number of ordinary shares (shares)	<u>707,100,066</u>	<u>6,908,750</u>	<u>707,100,066</u>	<u>6,908,750</u>

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

## Statement of comprehensive income

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Revenues</b>					
Sales		216,509	218,043	-	-
Subsidy for adder		449,536	441,963	-	-
Service income		-	-	27,000	27,000
Dividend income		-	-	245,000	420,700
Other income		2,111	31,745	44,019	9,051
<b>Total revenues</b>		<b>668,156</b>	<b>691,751</b>	<b>316,019</b>	<b>456,751</b>
<b>Expenses</b>					
Cost of sales		125,462	126,964	-	-
Administrative expenses		148,852	65,347	30,949	26,291
<b>Total expenses</b>		<b>274,314</b>	<b>192,311</b>	<b>30,949</b>	<b>26,291</b>
<b>Profit before finance cost and income tax expenses</b>		<b>393,842</b>	<b>499,440</b>	<b>285,070</b>	<b>430,460</b>
Finance cost		121,200	111,729	43,416	22,210
<b>Profit before income tax expenses</b>		<b>272,642</b>	<b>387,711</b>	<b>241,654</b>	<b>408,250</b>
Income tax revenue (expense)	12	(7,985)	(2,140)	(7,990)	16
<b>Profit for the period</b>		<b>264,657</b>	<b>385,571</b>	<b>233,664</b>	<b>408,266</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(8,736)	4,105	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	(235)	-	(237)
<b>Other comprehensive income (loss) for the period</b>		<b>(8,736)</b>	<b>3,870</b>	<b>-</b>	<b>(237)</b>
<b>Total comprehensive income for the period</b>					
		<b>255,921</b>	<b>389,441</b>	<b>233,664</b>	<b>408,029</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		267,024	385,931	233,664	408,266
Non-controlling interests of the subsidiaries		(2,367)	(360)	-	-
		<b>264,657</b>	<b>385,571</b>	<b>233,664</b>	<b>408,266</b>

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



## Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Total comprehensive income attributable to:					
Equity holders of the Company		260,959	388,635	233,664	408,029
Non-controlling interests of the subsidiaries		(5,038)	806	-	-
		255,921	389,441	233,664	408,029
Earnings per share					
Basic earnings per share	15				
Profit attributable to equity holders					
of the Company (Baht per share)		0.38	55.86	0.34	59.09
Weighted average number of ordinary shares (shares)		696,790,590	6,908,750	696,790,590	6,908,750

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 2017

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Retained earnings				Other components of equity				Total other components of shareholder's equity	Total equity attributable to owners of the company	Non-controlling interest of subsidiaries	Total shareholder's equity
		Issued and paid-up share capital	Deficit before business combination under the common control	Premium on ordinary shares	Appropriated Statutory reserve	Unappropriated Retained earning after the combination under common control	Surplus on business combination under common control	Exchange differences on translation of financial statements in foreign currency	Acturial loss				
<b>Balance as at 1 January 2016</b>		693,378	(4,598)	-	-	67,229	37,698	(2)	(41)	37,655	793,664	-	793,664
Profit for the period		-	-	-	-	385,931	-	-	-	-	385,931	(360)	385,571
Other comprehensive income for the period		-	-	-	-	-	-	3,299	(235)	3,064	3,064	806	3,870
Total comprehensive income for the period		-	-	-	-	385,931	-	3,299	(235)	3,064	388,995	446	389,441
Transfer equity of subsidiaries before the business combination													
under common control to surplus on business combination		(2,503)	4,598	-	-	-	(4,598)	-	-	(4,598)	(2,503)	-	(2,503)
Increase in non-controlling interest from the increase													
in share capital of subsidiaries		-	-	-	-	-	-	-	-	-	-	31,707	31,707
<b>Balance as at 30 September 2016</b>		690,875	-	-	-	453,160	33,100	3,297	(276)	36,121	1,180,156	32,153	1,212,309
<b>Balance as at 1 January 2017</b>		690,875	-	-	-	515,872	33,098	2,301	(527)	34,872	1,241,619	55,190	1,296,809
Increase in share capital issuance	11	231,125	-	1,511,210	-	-	-	-	-	-	1,742,335	-	1,742,335
Profit for the period		-	-	-	-	267,024	-	-	-	-	267,024	(2,367)	264,657
Other comprehensive income for the period		-	-	-	-	-	-	(6,065)	-	(6,065)	(6,065)	(2,671)	(8,736)
Total comprehensive income for the period		-	-	-	-	267,024	-	(6,065)	-	(6,065)	260,959	(5,038)	255,921
Statutory reserve	13	-	-	-	24,719	(24,719)	-	-	-	-	-	-	-
Increase in non-controlling interests from the increase													
in share capital of subsidiaries		-	-	-	-	-	-	-	-	-	-	16,523	16,523
<b>Balance as at 30 September 2017</b>		922,000	-	1,511,210	24,719	758,177	33,098	(3,764)	(527)	28,807	3,244,913	66,675	3,311,588

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

## Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Separate financial statements							
		Issued and	Premium on	Retained earnings		Other components of equity	Total
	Note	paid-up share capital	ordinary shares	Appropriated	Unappropriated	income Actuarial loss	shareholders' equity
As at 1 January 2016		690,875	-	-	(4,702)	-	686,173
Profit for the period		-	-	-	408,266	-	408,266
Other comprehensive income for the period		-	-	-	-	(237)	(237)
Total comprehensive income for the period		-	-	-	408,266	(237)	408,029
Balance as at 30 September 2016		690,875	-	-	403,564	(237)	1,094,202
As at 1 January 2017		690,875	-	-	489,687	(315)	1,180,247
Increase in share capital issuance	11	231,125	1,511,210	-	-	-	1,742,335
Profit for the period		-	-	-	233,664	-	233,664
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	233,664	-	233,664
Transferred to statutory reserve	13	-	-	24,719	(24,719)	-	-
Balance as at 30 September 2017		922,000	1,511,210	24,719	698,632	(315)	3,156,246

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

## Cash flow statement

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	272,642	387,711	241,654	408,250
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	89,407	89,354	142	71
Provision for long-term employee benefits	488	503	308	80
Gain on disposal of fixed assets	-	(20)	-	-
Unrealised gain on exchange	(258)	(8,326)	-	-
Dividend income from subsidiaries	-	-	(245,000)	(420,700)
Interest income	(765)	(1,844)	(43,803)	(8,472)
Finance cost	121,200	111,729	43,416	22,210
Profit (loss) from operating activities before changes in operating assets and liabilities	482,714	579,107	(3,283)	1,439
Operating assets (increase) decrease				
Trade and other receivables	(6,810)	3,531	(10,010)	(11,770)
Other current assets	(110,767)	(37,544)	(2,323)	(528)
Revenue Department receivable	(72,346)	(34,422)	-	-
Other non-current assets	(146,931)	(119)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	7,549	2,578	2,316	1,087
Construction retention	(631)	(947)	-	-
Other current liabilities	3,780	653	564	836
Other non-current liabilities	(89)	780	-	59
Cash flows from operating activities	156,469	513,617	(12,736)	(8,877)
Cash paid for corporate income tax	(579)	-	(541)	(480)
<b>Net cash flows from (used in) operating activities</b>	<b>155,890</b>	<b>513,617</b>	<b>(13,277)</b>	<b>(9,357)</b>

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

## Cash flow statement (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Short-term loans to related companies	-	(678)	(8,667)	(4,503)
Long-term loans to related companies	-	-	(626,324)	(247,268)
Investment in subsidiaries	-	-	(87,320)	(20,020)
Dividend income from investment in subsidiaries	-	-	245,000	420,700
Acquisition of property, plant and equipment	(1,352,667)	(557,397)	(65)	(927)
Acquisition of intangible assets	(160,150)	(303,126)	(12)	(79)
Subsidy from the government	148,214	-	-	-
Interest income	765	1,756	237	1,166
Non-controlling interest	16,523	32,153	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(1,347,315)</b>	<b>(827,292)</b>	<b>(477,151)</b>	<b>149,069</b>
<b>Cash flows from financing activities</b>				
Short-term loans from related parties	(117)	(37,140)	50,221	(328,830)
Liabilities under finance lease agreements	(1,328)	(1,241)	-	-
Cash receipt from long-term loans from bank	1,765,332	1,061,461	270,000	225,000
Cash payment of long-term loans from bank	(979,747)	(513,680)	(715,000)	-
Proceeds from increase in share capital	1,774,638	-	1,774,638	-
Cash paid for direct costs related to the share offering	(5,428)	-	(5,428)	-
Cash payment of interest and fee expenses	(222,767)	(217,527)	(32,562)	(16,656)
<b>Net cash flows from (used in) financing activities</b>	<b>2,330,583</b>	<b>291,873</b>	<b>1,341,869</b>	<b>(120,486)</b>
<b>Translation adjustments</b>	<b>921</b>	<b>3,657</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,140,079</b>	<b>(18,145)</b>	<b>851,441</b>	<b>19,226</b>
Cash and cash equivalents at beginning of period	367,356	320,378	95,893	730
<b>Cash and cash equivalents at end of period</b>	<b>1,507,435</b>	<b>302,233</b>	<b>947,334</b>	<b>19,956</b>
	-	-	-	-

## Supplemental cash flow information:

Non - cash transactions :

Fixed assets increase by replacement	357	401	-	-
Transfer interest expenses to cost of plant and equipment	33,946	-	-	-
Payables for direct costs related to the share offering	34,926	-	34,926	-

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

**Sernsang Power Corporation Public Company Limited and its subsidiaries**  
**(Formerly named “Sernsang Power Corporation Company Limited”)**  
**Notes to consolidated interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2017**

**1. General information**

**1.1 The Company’s general 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 shareholders 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 service providers regarding to the power business to related companies. 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 be "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 preparation of interim financial statements**

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) “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 financial statements.

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

The consolidated financial statements include the financial statements of Sermsang Power Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016.

The interim consolidated financial statements include the account balances of the Company and its subsidiaries. Material intercompany transactions and balance have been eliminated.

The Company’s percentages of shareholding in subsidiaries are as follows:

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September	31 December
			2017	2016
			(Percentage)	(Percentage)
<b><u>Subsidiary companies directly held by the Company</u></b>				
Serm Sang Palang Ngan Company Limited	Production and distribution of electricity	Thailand	100	100
Sermsang Corporation Company Limited	Production and distribution of electricity	Thailand	100	100
Sermsang International Company Limited	Investment and consultancy	Thailand	100	100
Access Energy Company Limited	Investment and consultancy	Thailand	100	100
Essential Power Company Limited	Production and distribution of electricity	Thailand	100	100
Sermsang Solar Company Limited	Production and distribution of electricity	Thailand	100	100
Siam Renewable Power Company Limited	Production and distribution of electricity	Thailand	100	100
Plus Energy Company Limited	Production and distribution of electricity	Thailand	100	100
Sermsang Infinite Company Limited (Formerly named “Sermsang Sustainable Energy 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 (Formerly named “Siquie Biogas Company Limited”)	Production and distribution of electricity	Thailand	100	100
<b><u>Subsidiary companies indirectly held by the Company</u></b>				
S. Global Power Limited	Investment and consultancy	Hong Kong	100	100
Surge Energy Corporation Limited	Investment and consultancy	Hong Kong	100	100
Access C Management Limited	Investment and consultancy	Hong Kong	100	100
Seijo Corporation	Investment and consultancy	Japan	100	100
SS Hidaka No Mori GK	Production and distribution of electricity	Japan	87	87
GSSE GK	Production and distribution of electricity	Japan	90	90
Zouen Energy GK	Production and distribution of electricity	Japan	100	-

During the period, a subsidiary company (Surge Energy Corporation Limited) had additionally invested in SS Hidaka No Mori GK amounting to Yen 351.5 million, GSSE GK amounting to Yen 4.0 million, and Zouen Energy GK amounting to Yen 764.0 million.

#### 1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### 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 2016.

#### 3. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised as follows, 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)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
<i>(Eliminated from the consolidated financial statements)</i>					
Service income	-	-	9,000	9,000	Per agreement
Interest income	-	-	18,654	4,462	2.0% - MLR+2.3%
Interest expense	-	-	1,658	1,389	2.0% - MLR+2.3%
Dividend income	-	-	125,000	100,000	



(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2017	2016	2017	2016	
<u>Transactions with related parties</u>					
Interest income	-	837	-	837	6.5% - 6.7%
Management fee income	-	243	-	-	Per agreement
Interest income - directors	-	11	-	11	2.0%
Rental and service expenses	90	90	90	90	Per agreement
Interest expenses	-	3,877	-	3,877	1.3% - 6.5%
Interest expense - directors	-	-	-	-	2.0%
Purchase of land	6,849	-	-	-	With reference to the appraisal value by an independent professional appraiser

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
<i>(Eliminated from the consolidated financial statements)</i>					
Service income	-	-	27,000	27,000	Per agreement
Interest income	-	-	43,696	7,580	2.0% - MLR+2.3%
Interest expense	-	-	4,471	12,053	2.0% - MLR+2.3%
Dividend income	-	-	245,000	420,700	
<u>Transactions with related parties</u>					
Interest income	-	873	-	873	6.5% - 6.7%
Management fee income	-	243	-	-	Per agreement
Interest income - directors	-	19	-	19	2.0%
Consulting expenses	435	-	-	-	Per agreement
Rental and service expenses	270	270	270	270	Per agreement
Interest expenses	-	4,690	-	4,690	1.3% - 6.5%
Interest expense - directors	-	191	-	191	2.0%
Purchase of land	6,849	-	-	-	With reference to the appraisal value by an independent professional appraiser

As at 30 September 2017 and 31 December 2016, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial Statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
<b>Accounts receivable - related parties (Note 5)</b>				
Subsidiaries	-	-	24,990	14,980
Total accounts receivable - related parties	-	-	24,990	14,980
<b>Interest receivables - related parties</b>				
Subsidiaries	-	-	57,017	13,452
Total interest receivables - related parties	-	-	57,017	13,452
<b>Other current asset - prepaid expense</b>				
Subsidiaries	-	-	-	476
Total other current asset - related companies	-	-	-	476
<b>Interest payables - related parties</b>				
Subsidiaries	-	-	18,484	14,109
Total interest payables - related parties	-	-	18,484	14,109
<b>Accrued rental expenses - directors and related parties</b>				
Directors	30	-	30	-
Related companies (related by common shareholders)	-	360	-	360
Total accrued rental expenses - directors and related parties	30	360	30	360

### Service income agreements

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

### Power purchase agreement

During the period, a subsidiary (Sermsang Infinite Co., Ltd.) entered into Power purchase agreement with a related company ( Srinanaporn Marketing Co. , Ltd) for 25 years. As at 30 September 2017, the subsidiary has not yet earned income because the project has not been operated.

Loans to related parties and loan from related parties

As at 30 September 2017 and 31 December 2016, the balances of loans between the Company and the related parties and their movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For nine-month periods ended 30 September 2017			
	Balance as at			Balance as at
	1 January	Increase during	Decrease during	30 September
	2017	the period	the period	2017
<u>Short-term loans to related parties</u>				
Directors who are related persons	-	-	-	-
Total short-term loans to related parties	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	For nine-month periods ended 30 September 2017			
	Balance as at			Balance as at
	1 January	Increase during	Decrease during	30 September
	2017	the period	the period	2017
<u>Short-term loans to related companies</u>				
<u>Subsidiaries</u>				
Sermsang Solar Company Limited	55	-	(55)	-
Siam Clean Solution Company Limited	55	-	(55)	-
Sermsang Corporation Company Limited	150	-	(150)	-
S. Global Power Limited	13	-	(13)	-
Triple P Renewable Company Limited (Formerly named "Siquie Biogas Company Limited")	2,109	20	-	2,129
Siam Renewable Power Company Limited	30	-	(30)	-
Sermsang Infinite Company Limited (Formerly named "Sarmsang Sustainable Energy Company Limited")	-	12,000	(12,000)	-
Access Energy Company Limited	4,731	8,950	-	13,681
Total short-term loans to subsidiaries	7,143	20,970	(12,303)	15,810
<u>Long-term loans to subsidiary</u>				
Sermsang International Company Limited	527,067	646,204	(19,880)	1,153,391
Total long-term loans to subsidiaries	527,067	646,204	(19,880)	1,153,391

The Company entered into loan agreement with Sermuang International Company Limited with credit facility of Baht 1,361.9 million and the repayment term was in between December 2017 - August 2020. As at 30 September 2017, such long-term loans to subsidiary has outstanding balance of Baht 1,153.4 million (31 December 2016: Baht 527.1 million).

(Unit: Thousand Baht)

Consolidated financial statements				
For nine-month periods ended 30 September 2017				
	Balance as at 1 January 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2017
<u>Short-term loans from related parties</u>				
Directors who are related persons	117	-	(117)	-
Total short-term loans from related parties	117	-	(117)	-

(Unit: Thousand Baht)

Separate financial statements				
For nine-month periods ended 30 September 2017				
	Balance as at 1 January 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2017
<u>Short-term loans from related companies</u>				
<u>Subsidiaries</u>				
Sermuang Corporation Company Limited	81,820	-	(2,511)	79,309
Essential Power Company Limited	8,073	10,000	(6,475)	11,598
Sermuang Solar Company Limited	1,468	46,750	(7,501)	40,717
Siam Renewable Power Company Limited	3,168	-	(118)	3,050
Plus Energy Company Limited	3,174	-	(51)	3,123
Sermuang Infinite Company Limited (Formerly named " Sermuang Sustainable Energy Company Limited")	2,589	5,380	(2,589)	5,380
Prestige Group Company Limited	2,376	-	(51)	2,325
Siam Clean Solution Company Limited	663	7,500	(113)	8,050
Total short-term loans from subsidiaries	103,331	69,630	(19,409)	153,552

Directors and management's benefits

During the period, the Company and its subsidiaries had employee benefit expenses to their directors and management as follow:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For three-month periods ended 30 September		For three-month periods ended 30 September	
	2017	2016	2017	2016
Short-term employee benefits	6,246	4,799	6,246	4,799
Post-employment benefits	98	70	98	70
Total	6,344	4,869	6,344	4,869

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For nine-month periods ended 30 September		For nine-month periods ended 30 September	
	2017	2016	2017	2016
Short-term employee benefits	19,557	13,786	19,557	13,786
Post-employment benefits	297	70	297	70
Total	19,854	13,856	19,854	13,856

**4. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Cash	377	500	15	15
Bank deposits – Current accounts	1,923	4,304	98	402
Bank deposits – Saving accounts	1,505,135	362,552	947,221	95,476
Total	1,507,435	367,356	947,334	95,893

As at 30 September 2017, a subsidiary (Serm Sang Palang Ngan Company Limited) has pledged its bank deposit in savings account amounting to Baht 293.2 million (31 December 2016: Baht 240.0 million) as security against long-term loans, as described in Note 9 to the interim financial statements, however the subsidiary can withdraw such savings account to use in operation purpose.

**5. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<u>Trade receivables - related companies</u>				
Not yet due	-	-	3,590	3,210
Past due				
Up to 3 months	-	-	2,140	3,210
3 - 6 months	-	-	3,210	3,210
6 - 12 months	-	-	6,420	5,350
Over 1 year	-	-	9,630	-
Total trade receivables - related companies	-	-	24,990	14,980
<u>Trade receivables - unrelated companies</u>				
Not yet due	159,084	152,273	-	-
Past due not over 3 months	15	15	-	-
Total trade receivables - unrelated companies	159,099	152,288	-	-
Other receivable	-	1	-	-
Total trade and other receivables	159,099	152,289	24,990	14,980

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements as at 30 September 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

Company's Name	Separate financial statements					
	Percentage of shareholding		Paid up share capital		Investment (Cost method)	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2017	2016	2017	2016	2017	2016
	(Percentage)	(Percentage)				
<b>Subsidiary companies directly held by the Company</b>						
Serm Sang Palang Ngan Co., Ltd.	100	100	900,506	900,506	900,506	900,506
Sernsang Corporation Co., Ltd.	100	100	131,312	131,312	131,312	131,312
Sernsang International Co., Ltd.	100	100	10,000	10,000	10,000	10,000
Access Energy Co., Ltd.	100	100	16,390	12,570	16,390	12,570
Essential Power Co., Ltd.	100	100	13,250	8,250	13,250	8,250
Sernsang Solar Co., Ltd.	100	100	50,000	3,250	50,000	3,250
Siam Renewable Power Co., Ltd.	100	100	3,250	3,250	3,250	3,250
Sernsang Infinite Co., Ltd.						
(Formerly named "Sernsang						
Sustainable Energy Co., Ltd.")	100	100	27,500	3,250	27,500	3,250
Plus Energy Co., Ltd.	100	100	3,250	3,250	3,250	3,250
Siam Clean Solutions Co., Ltd.	100	100	10,000	2,500	10,000	2,500
Prestige Group Co., Ltd.	100	100	2,500	2,500	2,500	2,500
Triple P Renewable Co., Ltd.						
(Formerly named "Siquie						
Biogas Co., Ltd.")	100	100	2,500	2,500	2,500	2,500
					<u>1,170,458</u>	<u>1,083,138</u>

### 6.1 Dividend received from subsidiaries

During the period, the Company received dividend from Sernsang Palang Ngan Company Limited (a subsidiary company) of Baht 245.0 million (30 September 2016: Baht 420.7 million).

## **6.2 Change the name of subsidiaries**

On 11 January 2017, the Extraordinary Meeting of the shareholders No. 2/2017 of Sermsang Sustainable Energy Company Limited passed the resolution to change the Company name to be Sermsang Infinite Company Limited.

On 31 March 2017, the Extraordinary Meeting of the shareholders No. 2/2017 of Siquie Biogas Company Limited passed the resolution to change the Company name to be Triple P Renewable Company Limited.

## **6.3 Called up and increase in share capital of subsidiaries**

6.3.1 On 6 February 2017, Sermsang Infinite Company Limited has called up 75% of its registered capital and the Company paid for the share subscription of Baht 6.7 million. Subsequently on 12 June 2017, the Extraordinary General Meeting of the shareholders No. 3/2017 of Sermsang Infinite Company Limited passed a resolution to increase its registered share capital from Baht 10.0 million to Baht 20.0 million by issuing 100,000 ordinary shares at a par value of Baht 100 each. Sermsang Infinite Company Limited called up 100% of its registered share capital of Baht 10.0 million and the Company fully paid for the share subscription on 13 June 2017.

On 24 July 2017, the Extraordinary Meeting of the shareholders No. 4/2017 of Sermsang Infinite Company Limited passed the resolution to approve the increase of its registered share capital from Baht 20.0 million to Baht 50.0 million by issuing 300,000 ordinary shares with a par value of Baht 100 each. Sermsang Infinite Company Limited called up 25% of total registered share capital which is Baht 7.5 million. The Company paid in the called-up share of Baht 7.5 million on 24 July 2017.

6.3.2 On 8 May 2017, Sermsang Solar Company Limited has called up 75% of the registered capital and the Company paid for the share subscription of Baht 6.7 million. Subsequently on 15 May 2017, the Extraordinary General Meeting of the shareholders No. 2/2017 of Sermsang Solar Company Limited passed a resolution to increase its registered share capital from Baht 10.0 million to Baht 50.0 million by issuing 400,000 ordinary shares at a par value of Baht 100 each. Sermsang Solar Company Limited called up 100% of its registered share capital of Baht 40.0 million and the Company fully paid for the share subscription on 17 May 2017.

6.3.3 On 8 May 2017, Siam Clean Solution Company Limited has called up 75% of its registered capital and the Company paid for the share subscription of Baht 7.5 million.



- 6.3.4 On 9 May 2017, the Extraordinary General Meeting of the shareholders No. 2/2017 of Essential Power Company Limited passed a resolution to increase its registered share capital from Baht 30.0 million to Baht 50.0 million by issuing 200,000 ordinary shares at a par value of Baht 100 each. Essential Power Company Limited called up 25% of its registered share capital of Baht 5.0 million and the Company paid for the share subscription of Baht 5.0 million on 16 May 2017.
- 6.3.5 On 25 September 2017, Access Energy Company Limited has called up 20.11% of its registered capital and the Company paid for the share subscription of Baht 3.8 million.

## 7. Property, plant and equipment

Movements of the property, plant and equipment for the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
As at 31 December 2016	3,912,400	934
Addition during the period	1,386,970	65
Disposal and written off during the period	(357)	-
Subsidy from the government	(148,214)	-
Exchange differences on translation of financial statements in foreign currency	(31,348)	-
As at 30 September 2017	5,119,451	999
<b>Accumulated depreciation</b>		
As at 31 December 2016	227,447	107
Depreciation of disposal/written off during the period	(34)	-
Depreciation for the period	88,540	131
As at 30 September 2017	315,953	238
<b>Net book value</b>		
As at 31 December 2016	3,684,953	827
As at 30 September 2017	4,803,498	761

As at 30 September 2017, A subsidiary (Serm Sang Palang Ngan Company Limited) has pledged and mortgaged all property, plant and equipment which net book value Baht 2,755.8 million (31 December 2016: Baht 2,843.0 million) as collateral against credit facilities obtained from two financial institutions as discussed in Note 9 to the interim financial statements.

As at 30 September 2017, the subsidiaries had vehicles with net book value of Baht 1.9 million (31 December 2016: Baht 2.9 million) which were acquired under finance lease agreements.

As at 30 September 2017, the subsidiaries in Japan (SS Hidaka No Mori GK and GSSE) capitalized its interest expenses as part of construction in progress - Power plant totaling to Baht 33.9 million (31 December 2016: Baht 7.9 million).

During the period, a subsidiary in Japan (SS Hidaka No Mori GK) received subsidy from the government amounting to Yen 500.0 million or Baht 148.2 million. The subsidy was related to assets. The subsidiary thus presents such subsidy income deducted from the construction in progress - Power plant.

## 8. Intangible assets

Movements of the Intangible assets account for the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
As at 31 December 2016	538,222	79
Addition during the period - Cost	160,150	12
Exchange differences on translation of financial statements in foreign currency	(19,073)	-
As at 30 September 2017	679,299	91
<b>Accumulated amortisation</b>		
As at 31 December 2016	2,225	10
Amortisation for the period	902	11
As at 30 September 2017	3,127	21
<b>Net book value</b>		
31 December 2016	535,997	69
30 September 2017	676,172	70

## 9. Long-term loans

(Unit: Thousand Baht)								
Loan	Interest rate (percent per annum)	Currency	Repayment schedule	Consolidated financial statements		Separate financial statements		
				30 September 2017	31 December 2016	30 September 2017	31 December 2016	Notes
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	1,930,222	2,194,968	-	-	a)
2	MLR plus additional rate	Baht	Repayments of interest is to be made on quarterly basis and repayments of principal is to be made on semi- annual basis starting from March 2018 and ending in September 2024 or repayment the total principal within 31 December 2017 depend on the condition as stipulated in loan agreement	-	445,000	-	445,000	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 September 2018 and ending in June 2036	1,601,284	1,107,655	-	-	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 2021 and ending in December 2037	960,260	-	-	-	d)
Total loan from bank				4,491,766	3,747,623	-	445,000	
Less: Deferred finance charges				(202,040)	(134,419)	-	(6,479)	
Total				4,289,726	3,613,204	-	438,521	
Less: Current portion				(492,138)	(362,414)	-	(22,667)	
Long-term loans - net of current portion				3,797,588	3,250,790	-	415,854	

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

As at 30 September 2017, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 1,705.0 million and Yen 7,743.6 million (the Company: Baht 1,665.0 million) (the Company and subsidiaries: 31 December 2016: Baht 1,395.0 million and Yen 2,765.1 million and the Company: Baht 1,355.0 million).

## Notes

- a) As at 30 September 2017, the subsidiary (Serm Sang Palang Ngan Company Limited) had pledged all of deposit in saving account, property, plant and equipment as collateral against credit facilities obtained from 2 commercial banks as discussed in Note 4 and Note 7 to interim financial statements.
- b) In March 2017, the Company entered into an amendment to loan agreement with the bank whereby the first payment period was extended from 31 March 2017 to 31 March 2018. The principal was amended from Baht 1,800.0 million to be Baht 1,665.0 million. On 27 September 2017, the Company repaid Baht 715.0 million to bank. The credit facilities that has not been drawn down amounts to Baht 1,665.0 million. This loan is secured by dividend to be received from a subsidiary.

During the period, the Company was granted approval to make an initial public offering of new shares as described in Note 11 to interim financial statement. The Company made a full repayment of loan and interest.

- c) On 10 August 2016, the subsidiary (SS Hidaka No Mori GK) entered into loan agreement with financial institutions for the solar power plant project in Japan, total credit facilities amounting to Yen 6,362.0 million. As at 30 September 2017, the subsidiary had drawn Yen 5,401.9 million (31 December 2017: Yen 3,596.9 million).
- d) On 28 June 2017, the subsidiary (GSSE GK) entered into loan agreement with financial institutions, total credit facilities amounting to Yen 10,023.0 million. As at 30 September 2017, the subsidiary had drawn Yen 3,239.4 million.

## 10. Share capital

On 11 January 2017, the Extraordinary General Meeting of shareholders No.1/2017 of the Company passed the resolutions as follows:

- a) Approving the adjustment of par value from Baht 100 each to at Baht 1 each. After this adjustment, the number of ordinary shares would increase from 6,916,250 shares to 691,625,000 shares. The Company registered the change in its par value with the Ministry of Commerce on 12 January 2017.
- b) Approving capital increase, from Baht 691,625,000 (691,625,000 shares of Baht 1 each) to Baht 922,000,000 (922,000,000 shares of Baht 1 each) by issuing 230,375,000 new ordinary shares at a par value of Baht 1 each. The increase of capital is to accommodate the public offering. The Company registered the capital increase with the Ministry of Commerce on 12 January 2017.

**11. Issued and paid up share capital**

- a) According to the resolution of the Board of Directors' meeting held on 27 December 2016, the resolution was to call up share capital amounting to Baht 750,000. The Company received share subscription from its shareholders on 19 January 2017, then the Company has the paid-up share capital of Baht 691.6 million.
- b) In September 2017, the Company made an initial public offering for 230,375,000 of newly issued ordinary shares at the price of Baht 7.7 per share for total proceeds of Baht 1,773.9 million, resulting in share premium amounting to Baht 1,511.2 million, net of direct cost attributable to the share offering and related income tax of Baht 32.3 million (income tax of Baht 8.0 million). The Company received full settlement of the additional share capital on 25 September 2017.

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

Income tax expenses (revenue) of the Group for the three-month periods and nine-month periods ended 30 September 2017 and 2016 are made up as follows:

	(Unit : Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	-	2,157	-	-
Effects of income tax related to the expenses				
from share offering (Note 11)	8,051	-	8,051	-
<b>Deferred tax:</b>				
Relating to origination and reversal of				
temporary differences and others	(33)	(30)	(20)	(16)
<b>Income tax expense (revenue) reported in</b>				
<b>    the statement of comprehensive</b>				
<b>    income</b>	<u>8,018</u>	<u>2,127</u>	<u>8,031</u>	<u>(16)</u>

(Unaudited but reviewed)

(Unit : Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	32	2,177	-	-
Effects of income tax related to the expenses from share offering (Note 11)	8,051	-	8,051	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences and others	(98)	(37)	(61)	(16)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>7,985</b>	<b>2,140</b>	<b>7,990</b>	<b>(16)</b>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2017	2016	2017	2016
Accounting profit before tax	61,342	117,610	126,436	98,485
Applicable tax rate	0%, 15%, 16.5%, 20%	0%, 15%, 16.5%, 20%	20%	20%
Accounting profit before corporate income tax multiplied by income tax rate	13,001	23,430	25,288	19,697
Effects of:				
Promotional privileges (Note 14)	(28,679)	(27,276)	-	-
Non-deductible expenses	260	175	53	33
Tax effect related to direct costs attributable to the share offering (Note 11)	8,051	-	8,051	-
Exempted revenue	-	-	(25,000)	(20,000)
Tax losses for the period, that have not been recognised as a deferred tax assets/(utilized tax losses)	15,385	5,798	(361)	254
<b>Tax income expense (revenue) reported in the statement of comprehensive income</b>	<b>8,018</b>	<b>2,127</b>	<b>8,031</b>	<b>(16)</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Accounting profit before tax	272,642	387,711	241,654	408,250
Applicable tax rate	0%, 15%, 16.5%, 20%	0%, 15%, 16.5%, 20%	20%	20%
Accounting profit before corporate income				
tax multiplied by income tax rate	56,048	77,542	48,331	81,650
Effects of:				
Promotional privileges (Note 14)	(87,816)	(82,831)	-	-
Non-deductible expenses	811	541	85	150
Tax effect related to direct costs				
attributable to the share offering				
(Note 11)	8,051	-	8,051	-
Exempted revenue	-	-	(49,000)	(84,140)
Tax losses for the period, that have not				
been recognised as a deferred tax				
assets	30,891	6,888	523	2,324
Tax income expense (revenue) reported in				
the statement of comprehensive income	7,985	2,140	7,990	(16)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Actuarial loss	-	(59)	-	(59)
<b>Income tax expense reported in other</b>				
<b>comprehensive income</b>	-	(59)	-	(59)

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	310	212	158	96

### 13. Statutory reserve

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

On 14 March 2017, the annual general meeting of shareholders for the year 2017 resolved to approve the appropriation of the Company's operating profit of the year 2016 as statutory reserve amounting to Baht 24.7 million.

### 14. 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.

The subsidiary's operating revenues and subsidy for adder as presented in statement of comprehensive income for the three-month and nine-month periods ended 30 September 2017 and 2016 are wholly revenues from promoted operations of the subsidiary.

### 15. 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.



**16. Segment information**

The company and its subsidiaries are principally engaged in the production and distribution of electricity from solar energy. As a result, the management considers that the Group has only one 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.

**17. Commitments and contingent liabilities****17.1 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 5 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.

**17.2** As at 30 September 2017 and 31 December 2016, the Company and subsidiaries have commitment for service agreements in Thailand which have the remaining schedule repayments as follows:

	(Unit : Million Baht)	
	30 September 2017	31 December 2016
Payable		
In up to 1 year	51	41
In over 1 year and up to 5 years	158	198
In over 5 years	99	133
Total	308	372

**17.3** As at 30 September 2017, there were outstanding bank guarantees of Baht 13.4 million issued by bank on behalf of its subsidiaries in order to guarantee contracted performance to state enterprises (31 December 2016: Baht 3.4 million).

## 17.4 Derivatives

- a) As at 30 September 2017 and 31 December 2016, a subsidiary (Serm Sang Palang Ngan Company Limited) has the interest rate swap contracts as follows:

		Contract value		Received interest rate	Paid interest rate	Due date
30 September		31 December				
2017		2016				
1	Baht 290	Million	Baht 329 Million	Floating interest rate, THBFIX-REUTERS 3 months + 2 percent per annum	Fixed interest rate 5.795 percent per annum	30 December 2024
2	Baht 965 Million		Baht 1,097 Million	Floating interest rate, THBFIX-REUTERS 3 months + 2 percent per annum	Fixed interest rate 5.710 percent per annum	30 December 2024

- b) Forward exchange contracts

As at 30 September 2017, a subsidiary had outstanding forward exchange contracts, of which details are presented below.

As at 30 September 2017			
Currency	Maturity date	Contractual exchange rate (Baht per 1 foreign currency unit)	Bought amount
US dollar	2 October 2017	36.005	US Dollar 3.5 Million

- 17.5** As at 30 September 2017, the Company has a commitment in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 539.8 million (31 December 2016: Baht 527.9 million) and a subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 1,611.8 million (31 December 2016: Yen 1,967.3 million).

- 17.6** As at 30 September 2017, a subsidiary in Japan has entered into several service agreements and the future minimum payments are as follows:

- a) Capital commitments

As at 30 September 2017, the subsidiaries in Japan had capital commitments of approximately Yen 8,298.1 million (31 December 2016: Yen 4,264.0 million), relating to the project development, land purchase and licenses.

## b) Long-term service commitments

As at 30 September 2017, the subsidiaries in Japan have long-term service commitments related to several service agreements. The service fee expense was Yen 43.7 million per year (31 December 2016: Yen 28.3 million).

## c) Land lease commitments

As at 30 September 2017, the subsidiaries in Japan have land lease commitments for the 20 years starting from 2016 or 2017. The annual rent are totaling Yen 139.6 million (31 December 2016: Yen 129.6 million).

**17.7 Foreign currency risk**

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from Revenue department receivable, cash in foreign currency and loans from finance institutions that are denominated in foreign currencies. As at 30 September 2017 and 31 December 2016, 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
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	1,227,061	550,174	8,043,516	3,267,841	0.2964290	0.3079505
US dollar	228	103	2	-	33.368350	35.830650
Singapore dollar	30	30	-	-	24.562850	24.801000

**18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the authorised director on 9 November 2017.