

Sernsang Power Corporation Public Company Limited

Results of 2nd Quarter 2019

21 Aug 2019



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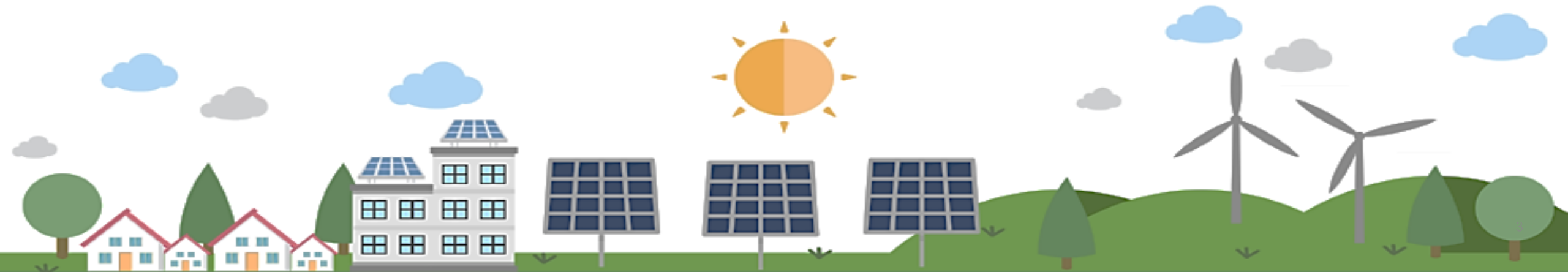
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Key Highlights

- 6M-19 shows meaningful higher financial results, thanks to solid performance of SPN, Japanese projects and Solar WVO.
 - Revenue and EBITDA (excl. unrealized FX) increased in the range of +/- 33-37% (YoY and YTD), in line with increase in sale revenue
 - Net Profit (to SPP's shareholders) : +9.7% YTD and 5.0% YoY
 - Core Operating Profit: +21.7 YTD and 28.0% YoY
- Key drivers included:
 - SPN's volume increased 6.0% YTD and 7.1% YoY, while relatively increased 13.7% QoQ.
 - Hidaka's volume sharply increased 58.2% and 63.4% for YTD and QoQ respectively.
 - Zouen's volume continued to grow up 39.3% from last quarter.
 - 6-months contribution from Solar WVO (COD on Dec.2018)
 - 1-month contribution from Binh Nguyen Solar (Vietnam) Project
- SNNP3 (SDF) solar rooftop project (0.3 MWp installed capacity), start operation on 1 Apr 2019
- Binh Nguyen Solar (Vietnam) projects (49.6 MWp installed capacity@80%), started COD on 27 May 2019



SSP Group Portfolio - Over 200 Equity MWp under Operation and Construction

Installed MWp / SSP Installed Equity MWp

Mongolia – total 12.3 MWp (11.25 MW AC)

Operational

▪ **Khunshight Kundi** 16.4/12.3 MWp

Thailand – total 62 MWp (51 MW AC)

Operational

▪ **SPN** 52/52 MWp
 ▪ **SNNP1** 0.384/0.384 MWp
 ▪ **SNNP2** 0.998/0.998 MWp
 ▪ **Do Home 1** 3/3 MWp
 ▪ **Solar WVO** 5/5 MWp
 ▪ **SNNP3** 0.3/0.3 MWp

Construction

▪ **SNNP4** 0.4/0.4 MWp

Japan – total 97.30 MWp (88 MW AC)

Operational

▪ **Hidaka** 21/18.25 MWp
 ▪ **Zouen** 8/8 MWp

Construction

▪ **Yamaga** 34.5/31.05 MWp
 ▪ **Leo** 40/40 MWp

Vietnam – total 39.69 MWp (32 MW AC)

Operational

▪ **Binh Nguyen** 49.61/39.69 MWp



Progress Report of Projects under Construction/Development

Project Details: Khunsight Kundi Project 16.4 MWp in Mongolia



Project Details

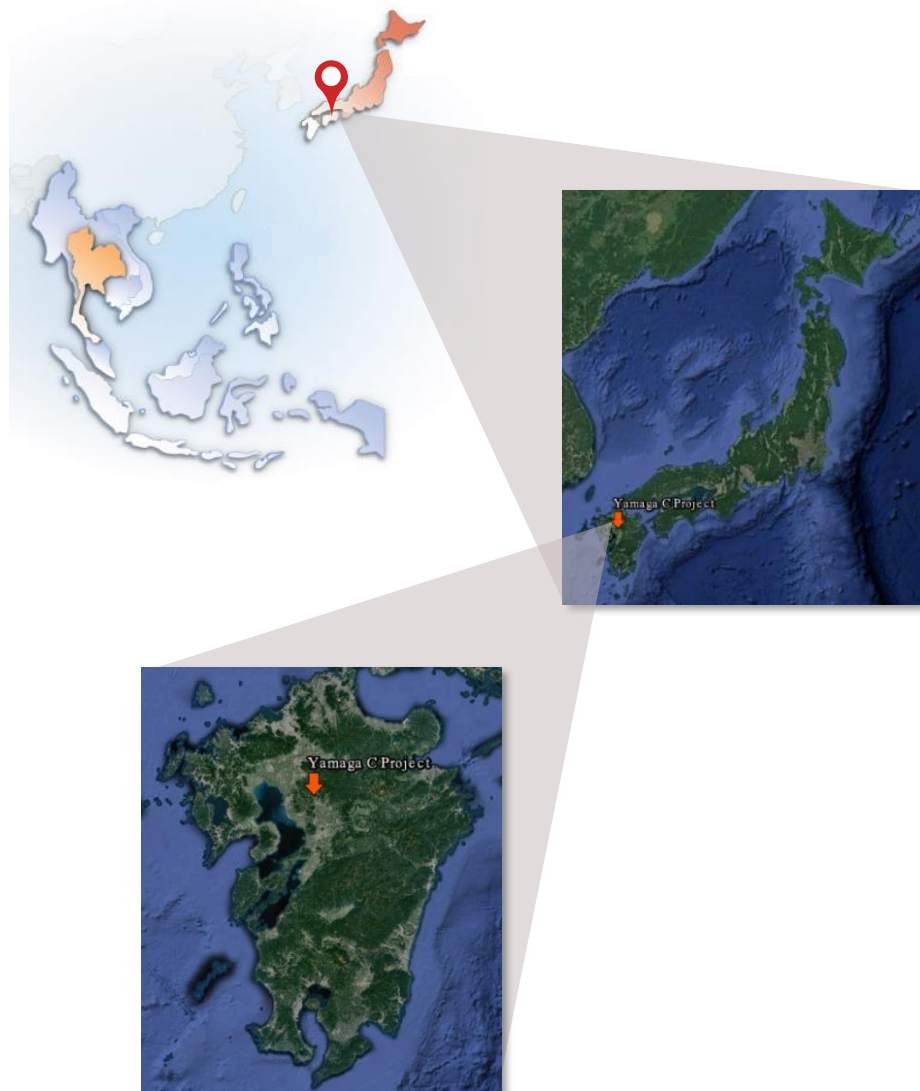
Business Type	: Solar power plant
Project Owner	: Tenuun Gerel Construction LLC (TGC)
Shareholding Stake	: 75%
Solar Irradiation*	: 1,777 KWh/sq.m./annum
Location	: Khushig valley, Tuv aimag, Mongolia (South of Ulaanbaatar)
Installed/PPA MW	: 16.4/15.0 MW
COD date	: 6th July 2019
Power Purchaser	: National Dispatching Center LLC
Purchase Price	: Under FiT Scheme of USD 0.162/KWh
Purchase Term	: 12 years

*Source: (i) Meteonorm Software

Khunsight Kundi (Mongolia) 16.4 MWp:



Project Details: Yamaga (Japan) 34.5 MWp



Project Yamaga Details

Business Type	: Solar power plant
Project Owner	: GSSE (GK Company)
Investment Type	: Through SEG, as TK Investor, under GK-TK Investment Structure
Investment Percentage	: 90.0%
Solar Irradiation*	: 1,413 - 1,460 kWh/sq.m./annum
Location	: Kumamoto, Japan
Installed/PPA MW	: 34.5/30.0 MW
Solar Cell Technology	: Polycrystalline Silicon
Land Details	: 404-0-46 rais (surface right)
Project Status	: Under construction (commencement in July 2017)
SCOD date	: End of Jun-2020
Total Project Cost	: Approximately JPY 12,500.0 mm
Power Purchaser	: Kyushu Electric Power Co., Inc
Purchase Price	: Under FiT Scheme of JPY 36/KWh
Purchase Term	: 20 years
Tax Incentive	<u>GK-TK Structure</u>
	• TK distribution of GK Company to TK investor can be used as tax deductible expense at GK Company level

*Source: (i) New Energy and Industrial Technology Development Organization
(ii) Power Plant Analysis Report, Mitsui Chemicals Inc.

Yamaga (Japan) 34.5 MWp:

As of June-19

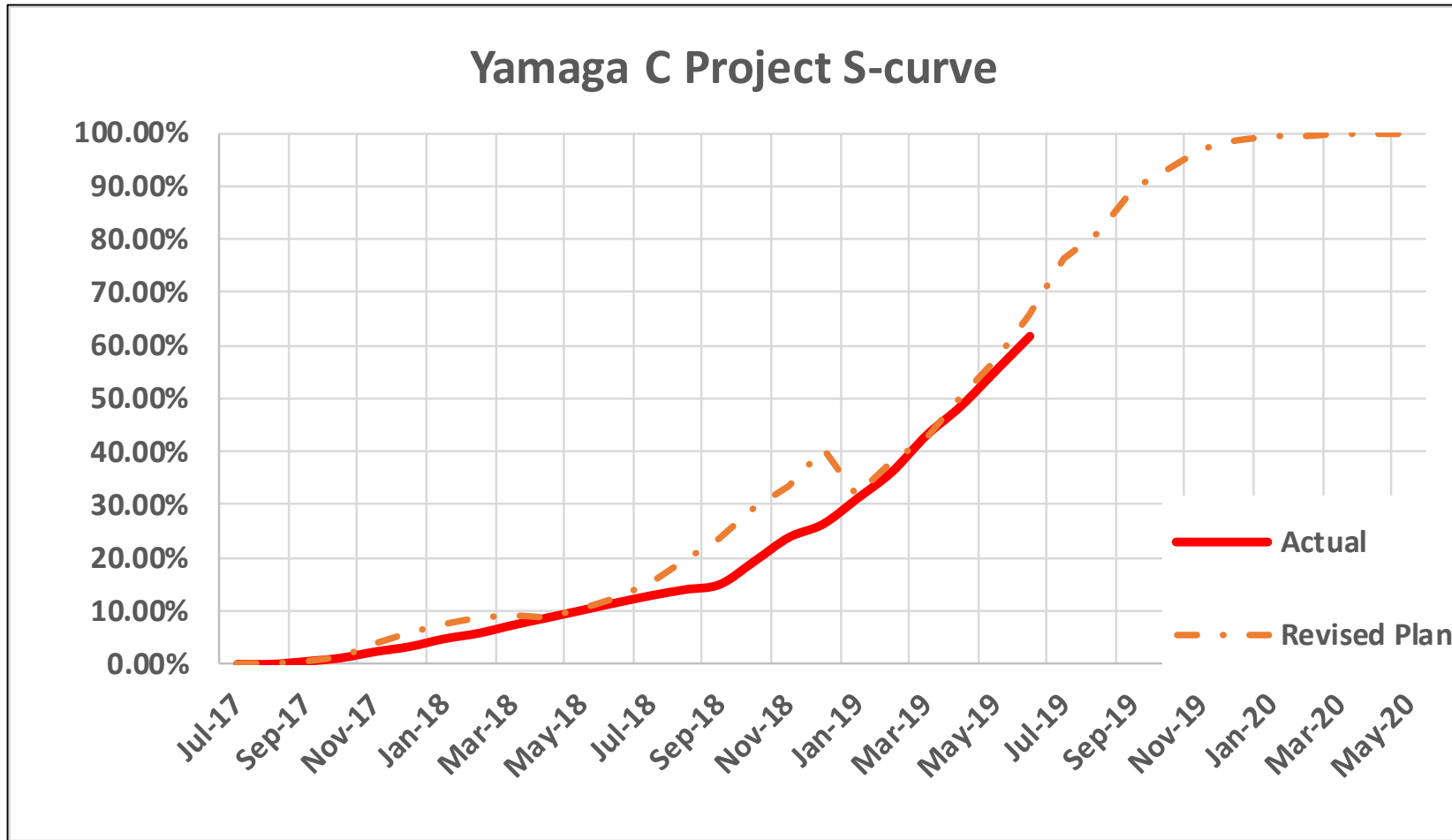


Yamaga (Japan) 34.5 MWp:

As of June-19



Construction Progress (Yamaga)



Current & Next Progress: Yamaga



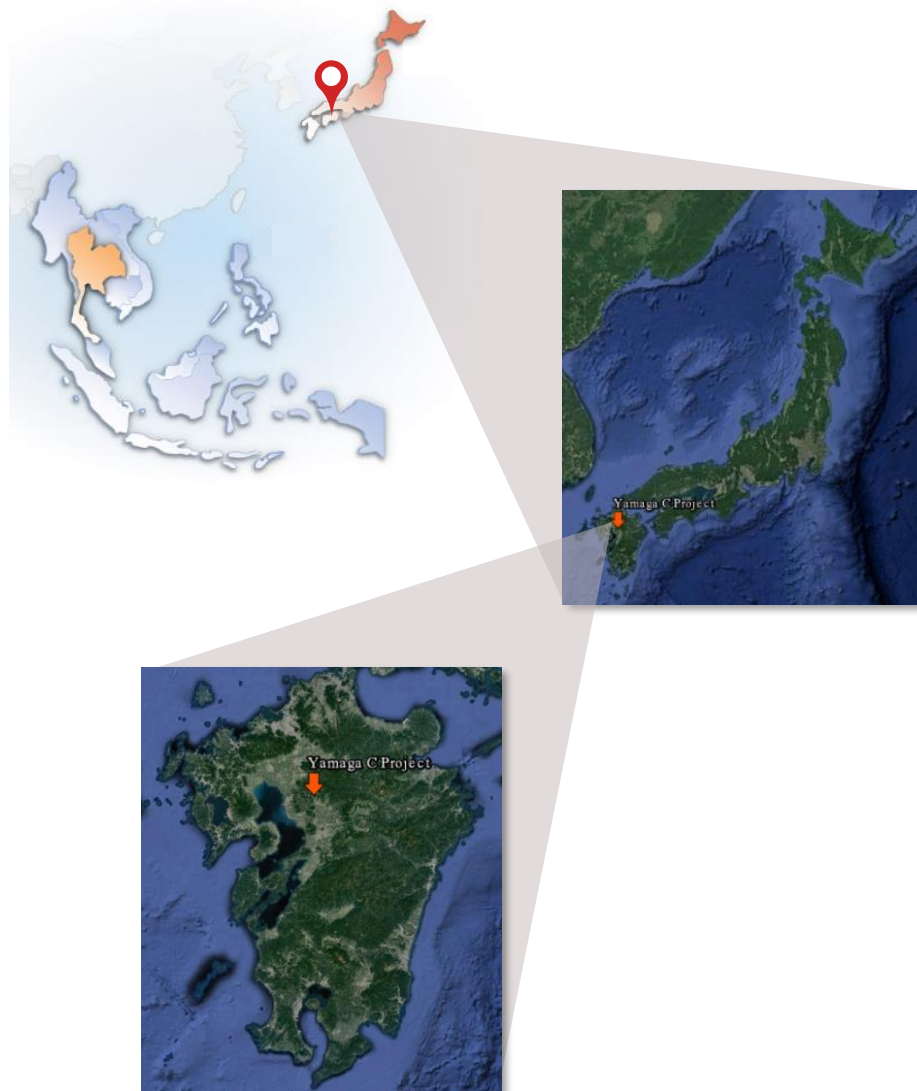
Current Progress (As of June 2019)

Site Preparation	: 98.58% Completed
Grid-Connection Substation Work	: 5.32%
Electrical Work	: 15.34% Completed
High-Voltage Wiring Work	: 32.45% Completed
Inverter Installation Work	: 15.01% Completed
PV Panel Installation Work	: 22.55% Completed
Panel Wiring Work	: 18.81% Completed
Monitoring & Security System	: 12.62% Completed
Mounting Work	: 50.70% Completed
Self-Operated Distribution Line Work	: 17.74% Completed
Material Delivery	: 66.00% Completed

Next Progress

Site Preparation	: 98.58% Completed by end of July 2019
Electrical Work	: 41.88% Completed by end of July 2019
Self-Operated Distribution Line Work	: 33.15% Completed by end of July 2019
Material Delivery	: 78.75% Completed by end of July 2019

Project Details: Leo (phase#1) 26 MWp:



Project Leo Details

Business Type	: Solar power plant
Project Owner	: Ashita Power 1 (GK Company)
Investment Type	: Through SEG, as TK Investor, under GK-TK Investment Structure
Investment Percentage	: 100.0%
Solar Irradiation*	: 1,413 - 1,460 kWh/sq.m./annum
Location	: Shizuoka, Japan
Installed/PPA MW	: 26/20 MW (Phase#1)
Solar Cell Technology	: Polycrystalline Silicon
Land Details	: 756 rais (surface right)
Project Status	: Under construction (commencement in September 2018)
SCOD date	: End of July-2021
Total Project Cost	: Approximately JPY 13,700.0 mm
Power Purchaser	: Tokyo Electric Power Co., Inc
Purchase Price	: Under FiT Scheme of JPY 36/KWh
Purchase Term	: 20 years
Tax Incentive	GK-TK Structure <ul style="list-style-type: none"> • TK distribution of GK Company to TK investor can be used as tax deductible expense at GK Company level

*Source: (i) New Energy and Industrial Technology Development Organization
(ii) Power Plant Analysis Report, Mitsui Chemicals Inc.

Leo (phase#1) 26 MWp: Construction Progress (Site Preparation)



As of July-19



Leo (phase#1) 26 MWp: Construction Progress (Site Preparation)



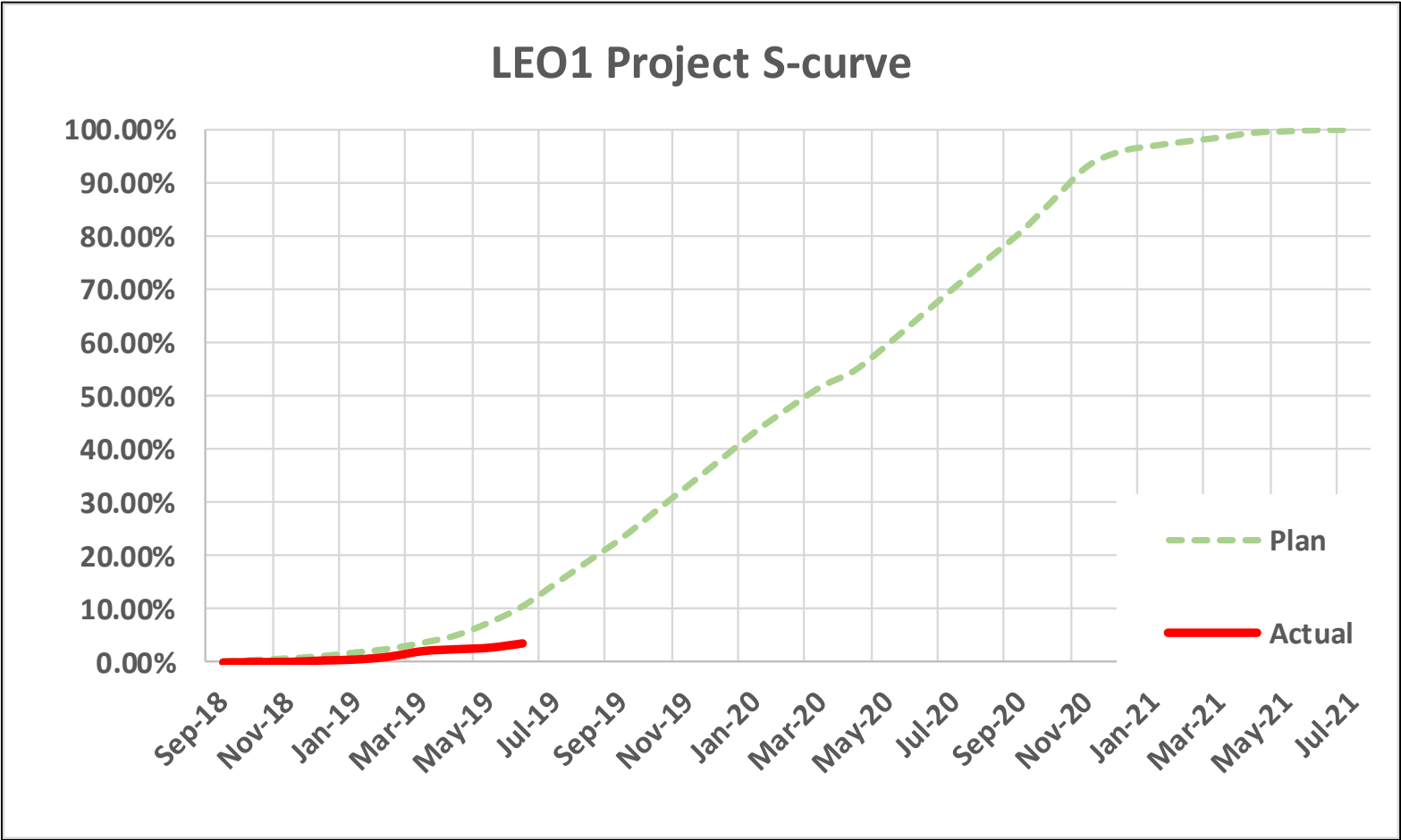
As of June-19



Leo (phase#1) 26 MWp:



Construction Progress : Leo (phase#1)



Current & Next Progress: Leo (phase#1)

Current Progress (As of June 2019)

Site Preparation	: 7.85% Completed
Grid-Connection Substation Work	: TBD
Electrical Work	: TBD
Self-Operated Distribution Line Work	: TBD
Material Delivery	: TBD

Next Progress

Site Preparation	: 20.37% Completed by end of July 2019
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2nd Quarter of 2019

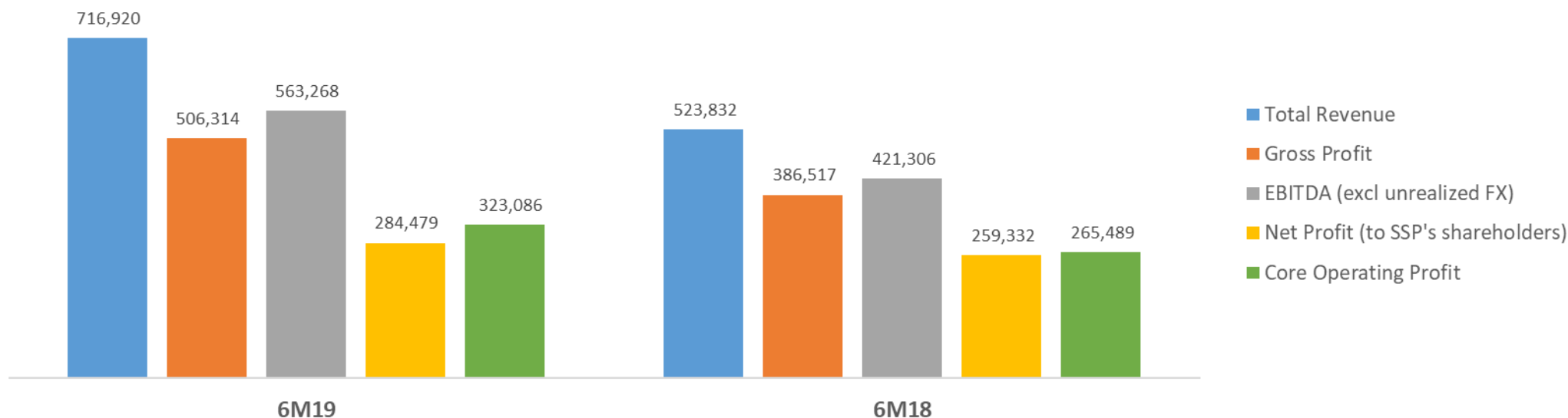
Results

Key Financial Highlights (YTD)

6M19 vs 6M18 (YTD)

- Total Revenue and Gross profit was +36.9% and +31.0% respectively
 - Higher SPN's volume by +6.0%
 - Full half year period operation from Hidaka project
 - Contribution from new projects (Zouen@Aug18, Solar WVO@Dec18 and Binh Nguyen Solar@Q2-19)
- EBITDA (excluded unrealized FX gain/loss) is +33.7%, mainly driven by higher production from SPN, Japanese projects, and contribution from new projects
- Net Profit is +9.7% and Core Operating Profit +21.7%
 - Unrealized FX loss in 6M19 is 38.7 mTHB whereas unrealized FX loss of 6.3 mTHB in 6M18

	YTD (6M)
Total Revenue	+36.9%
Gross Profit	+31.0%
EBITDA (excl. unrealized FX)	+33.7%
Net Profit (to SPP's shareholders)	+9.7%
Core Operating Profit	+21.7%



Key Financial Highlights (QoQ and YoY)

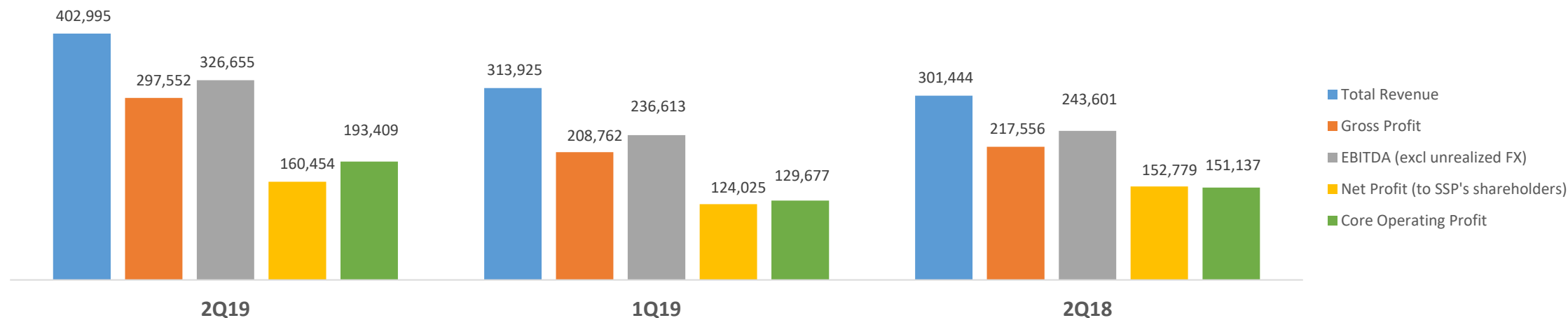
2Q19 vs 2Q18 (YoY)

- Total Revenue and Gross profit was +33.7% and +36.8% respectively
 - Higher SPN's volume by +7.1% and average Tariff increased by 1.3%
 - Higher Hidaka's volume by +22.7% YoY (Higher solar irradiance)
 - Full contribution from new projects (DoHome@Jul18, Zouen@Aug18, WVO Solar@Dec18) and one month from Binh Nguyen Solar@Q2.19)
- EBITDA (excluded unrealized FX gain/loss) is +34.1%, mainly driven by contribution from new projects and higher volume from SPN and Hidaka.
- Net Profit is +5.0%, Core Operating Profit is +28.0% (unrealized FX loss in 2Q19 is 33 mTHB whereas unrealized FX gain of 1.6 mTHB in 2Q18)

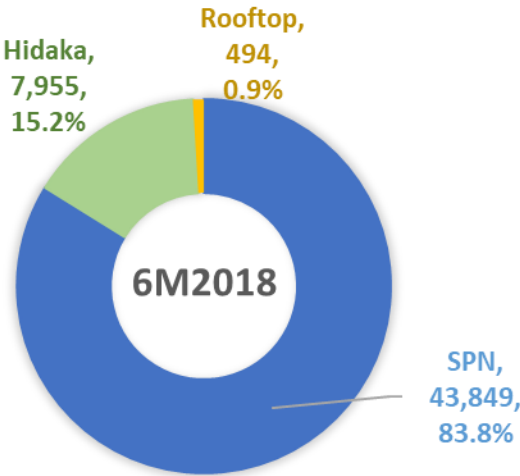
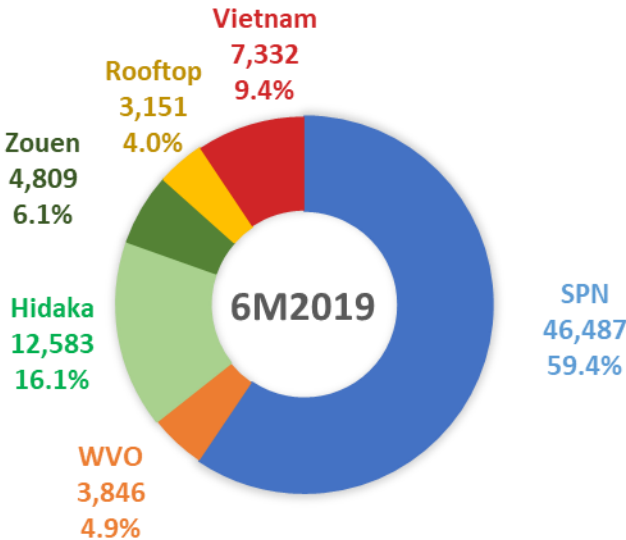
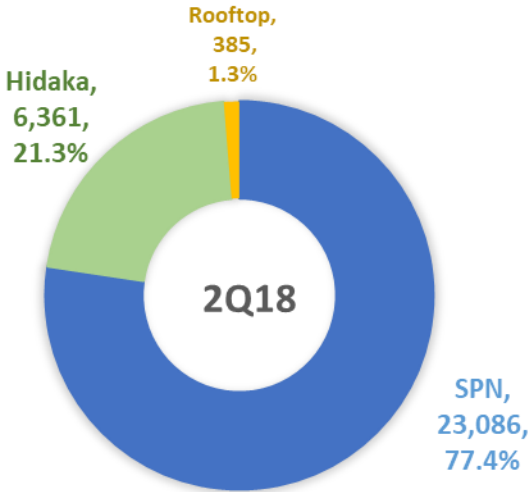
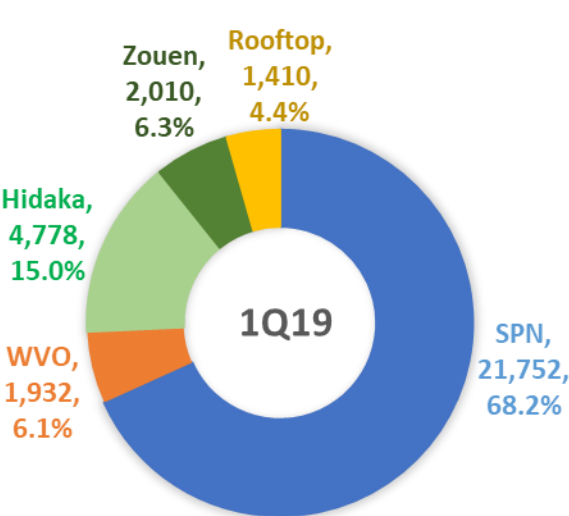
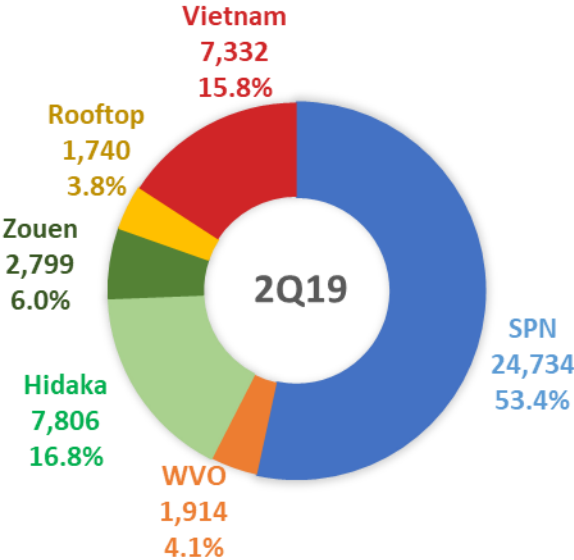
2Q19 vs 1Q19 (QoQ)

- Total Revenue and Gross profit was +28.4% and +42.5% respectively
 - Higher SPN's volume by +13.7% QoQ (Seasonality effect)
 - Higher production from Japanese solar projects (Seasonality effect)
 - Contribution from Vietnam projects which is COD on Q2-19
- EBITDA (excluded unrealized FX gain/loss) is +38.1%, mainly driven by higher production from SPN, Japanese projects, and contribution from Binh Nguyen Solar project
- Net Profit is +29.4%, Core Operating Profit +49.1% (unrealized FX loss in 2Q19 is 33 mTHB whereas unrealized FX loss of 5.7 mTHB in 1Q19)

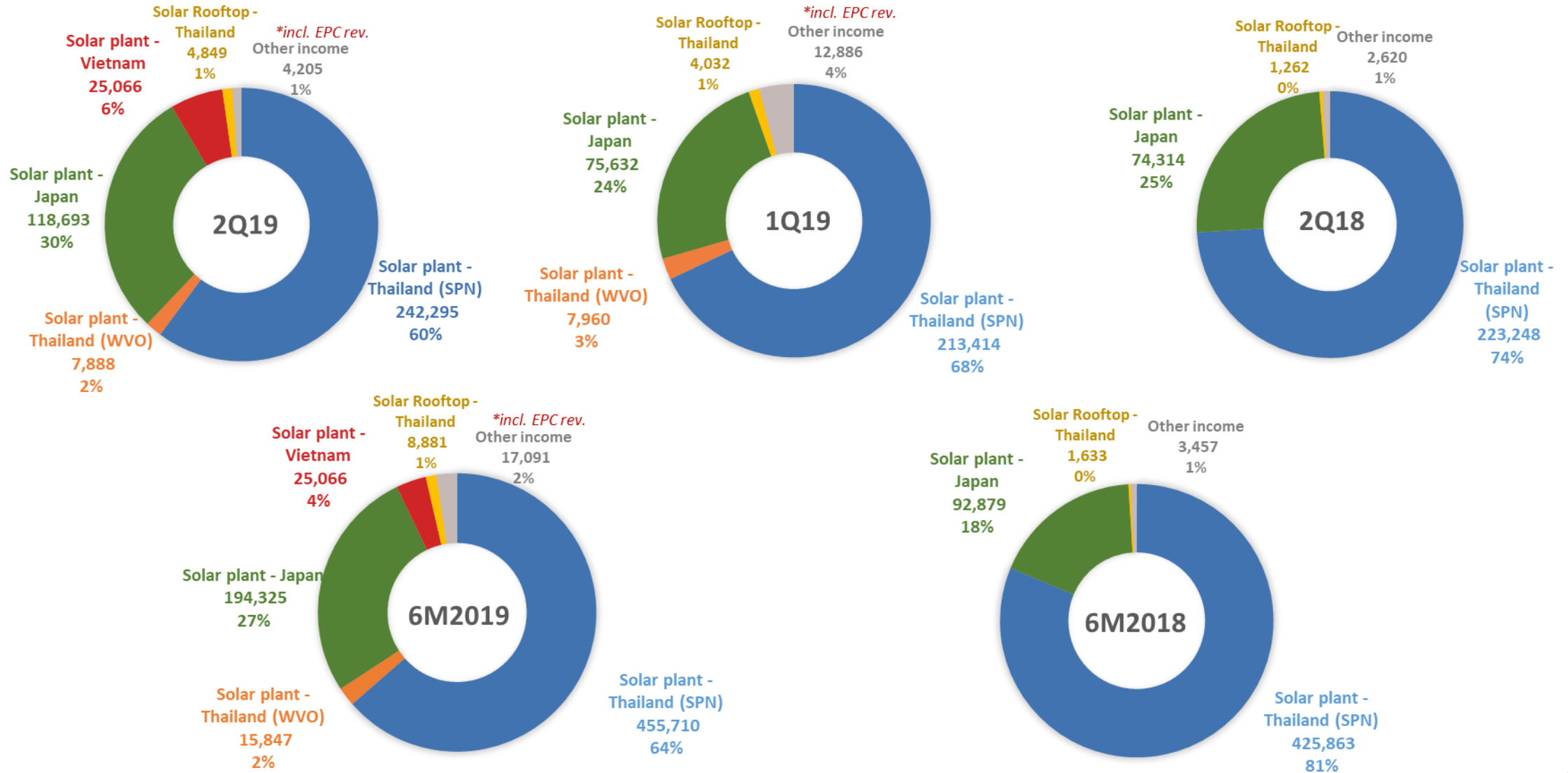
	QoQ (3M)	YoY (3M)
Total Revenue	+28.4%	+33.7%
Gross Profit	+42.5%	+36.8%
EBITDA (excl. unrealized FX)	+38.1%	+34.1%
Net Profit (to SPP's shareholders)	+29.4%	+5.0%
Core Operating Profit	+49.1%	+28.0%



Sale Volume breakdown (MWh)



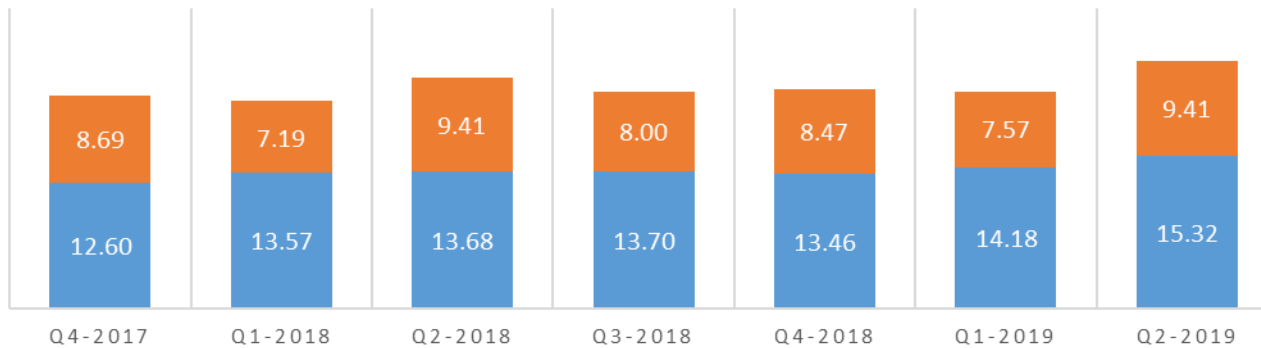
Sale Revenue breakdown (kTHB)



SPN: Higher sale volume and average tariff is slightly increased (adjusted Ft rate)

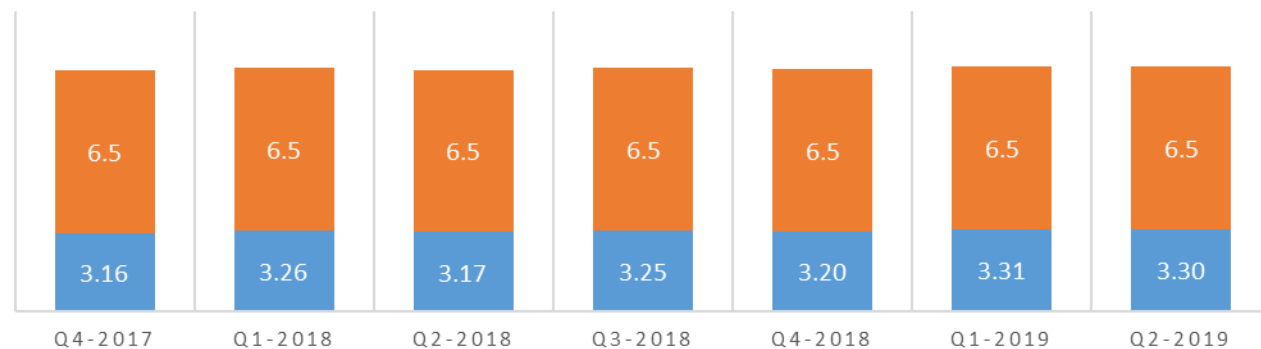
TOTAL PRODUCTION-SPN (GWH)

■ Peak ■ Off-Peak



AVERAGE TARIFF-SPN (THB/KWH)

■ Base Tariff ■ Adder



	YTD	QoQ	YoY
Production	6.0%	13.7%	7.1%
Average Tariff	0.9%	-0.2%	1.3%

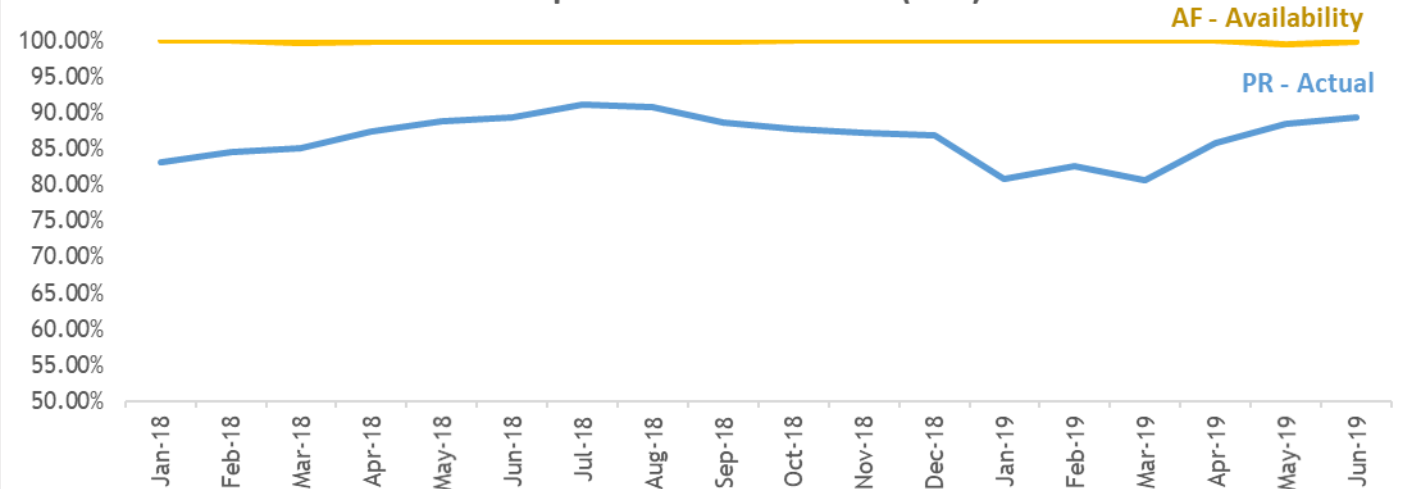
Ft rate adjustment (satang/kWh)

Jan'16 - Apr'16	-0.159	Change :	-0.16
May'16 - Aug'16	-0.397	Change :	-0.24
Sep'16 - Dec'16	-0.428	Change :	-0.03
Jan'17 - Apr'17	-0.472	Change :	-0.04
May'17 - Aug'17	-0.348	Change :	0.12
Sep'17 - Dec'17	-0.302	Change :	0.05
Jan'18 - Mar'18	-0.319	Change :	-0.02
Apr'18 - Jun'18	-0.293	Change :	0.03
July'18 - Sep'18	-0.289	Change :	0.004
Oct'18 - Dec'18	-0.306	Change :	-0.02
Jan'19 - Mar'19	-0.263	Change :	0.042
Apr'19 - Jun'19	-0.217	Change :	0.046

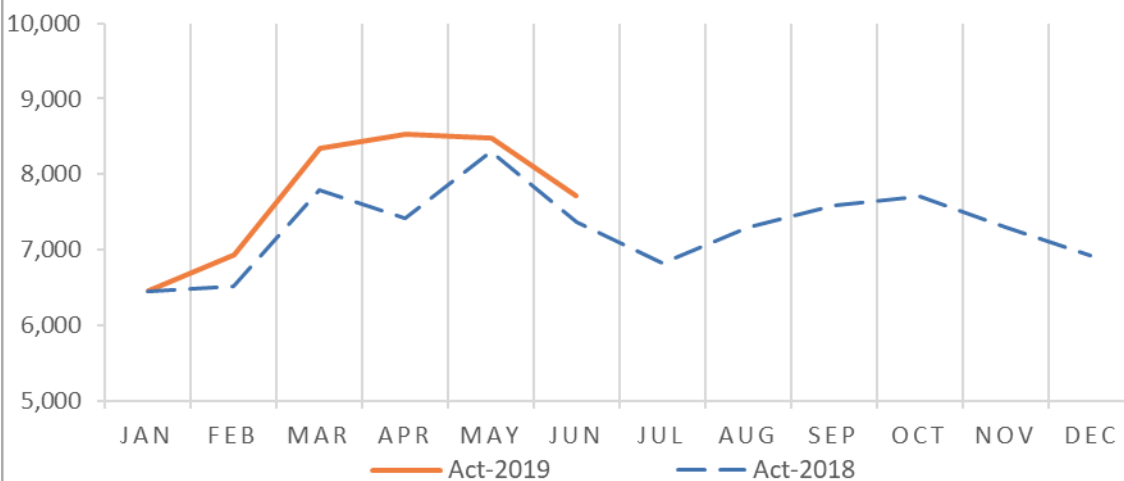
SPN 52 MWp: Operation performance



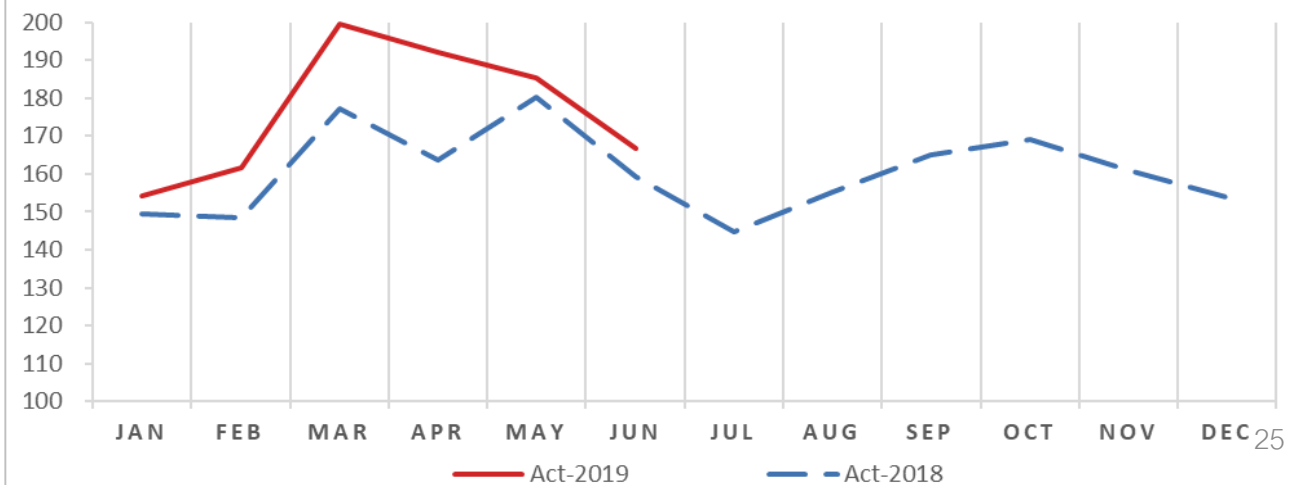
SPN - Operation Performance (YTD)



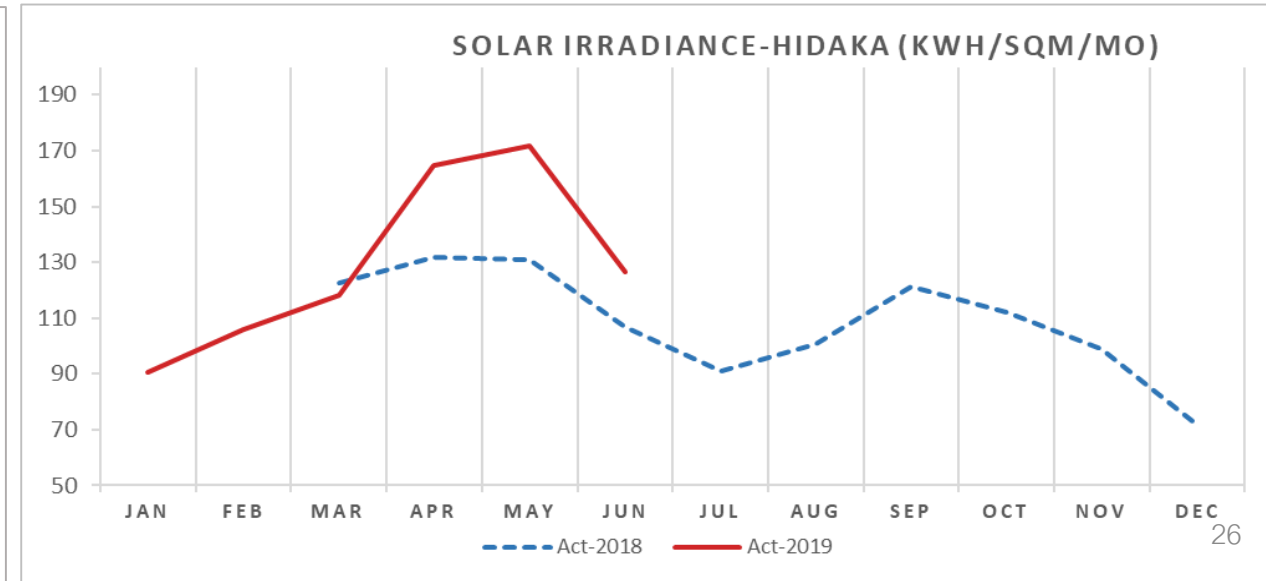
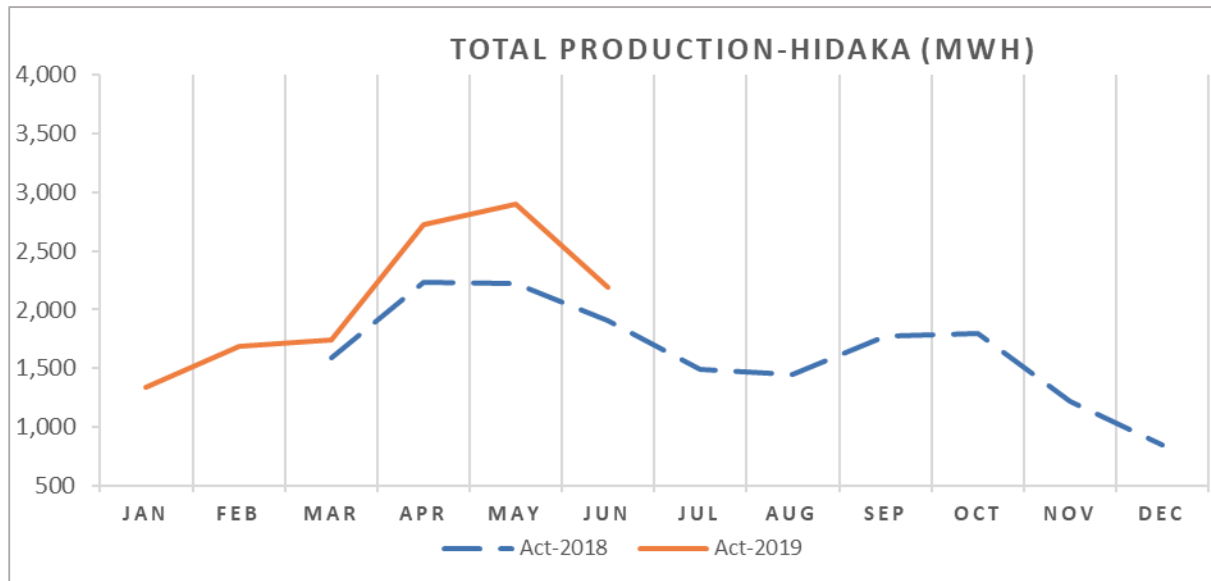
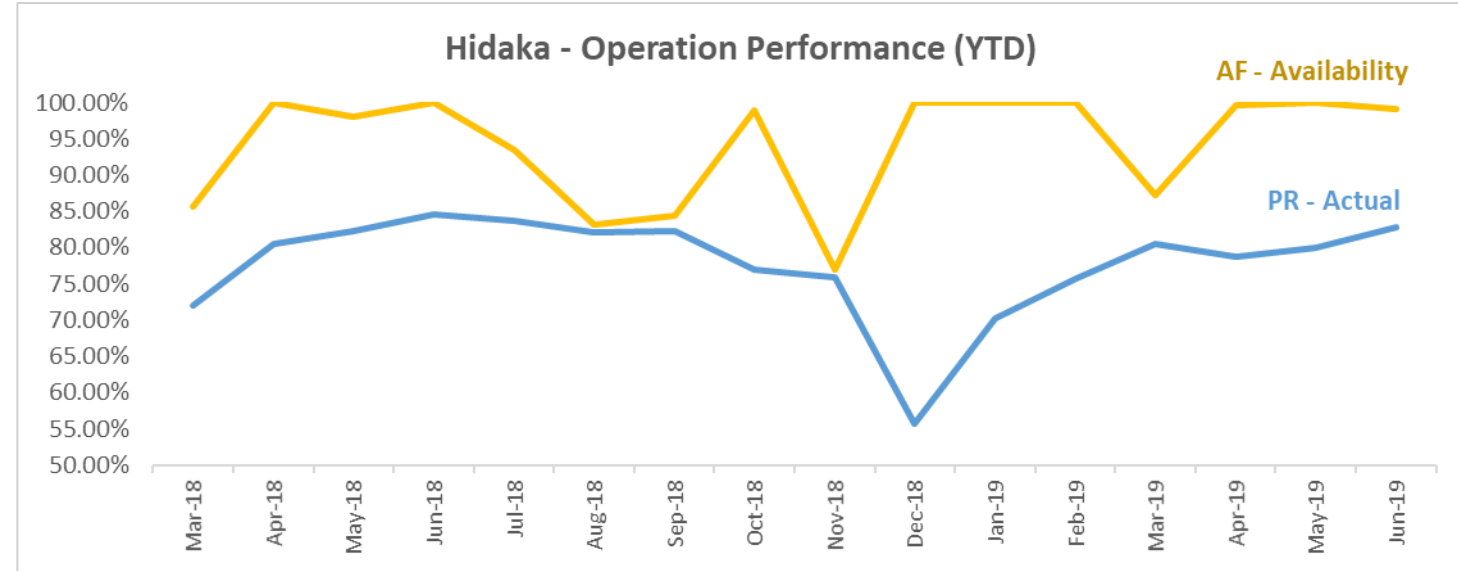
TOTAL PRODUCTION-SPN (MWH)



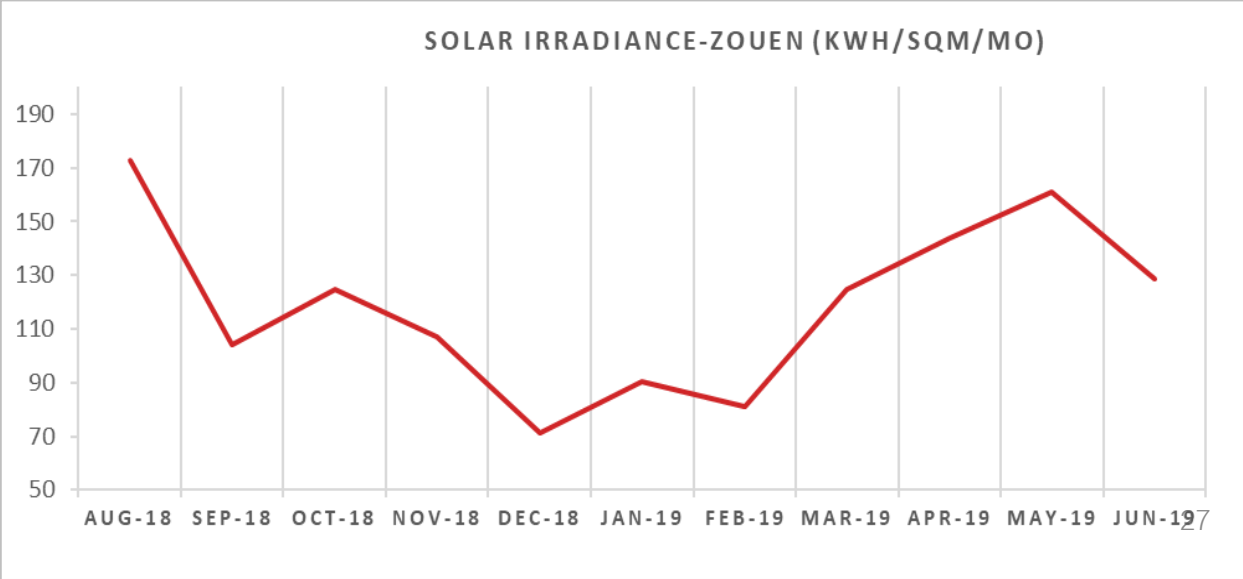
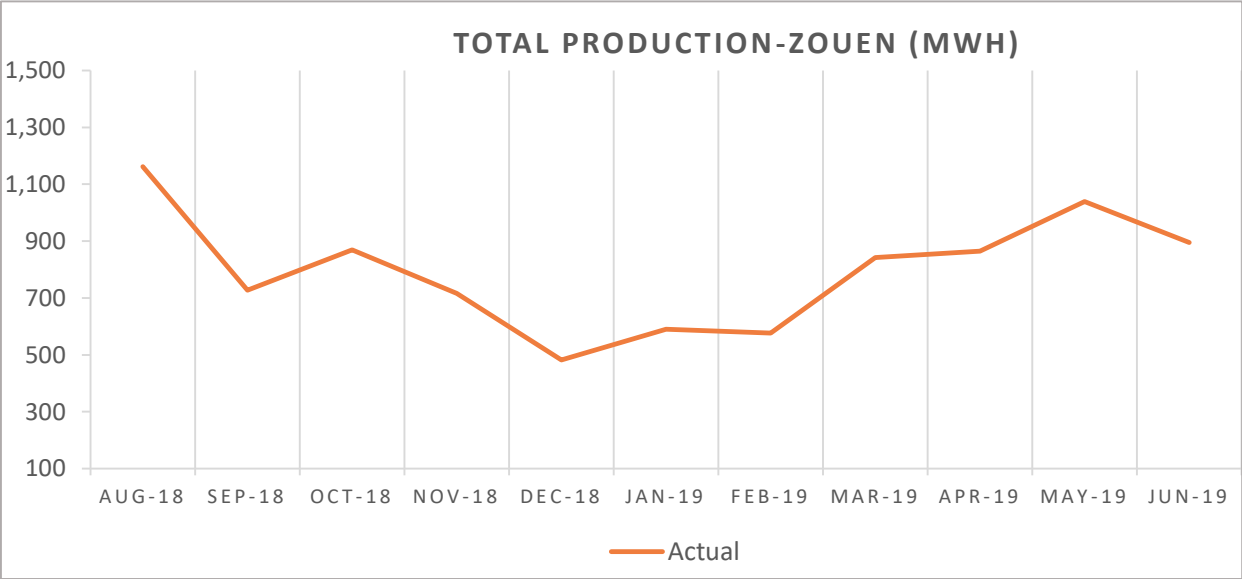
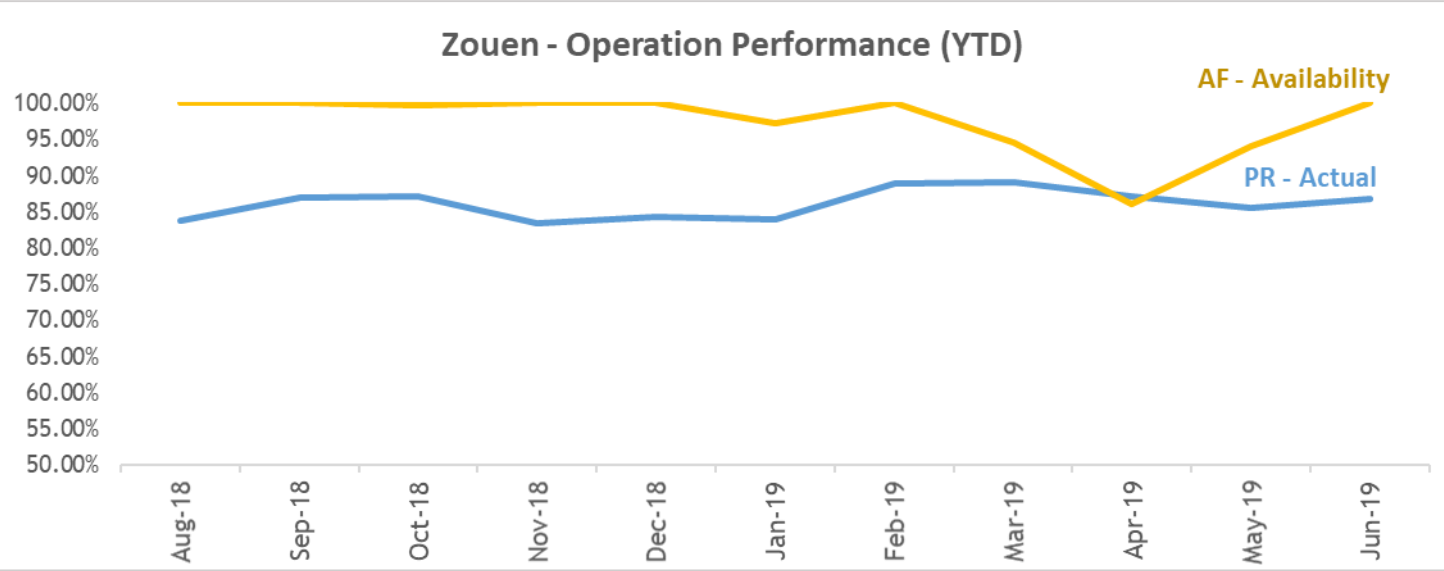
SOLAR IRRADIANCE - SPN (KWH/SQM/MO)



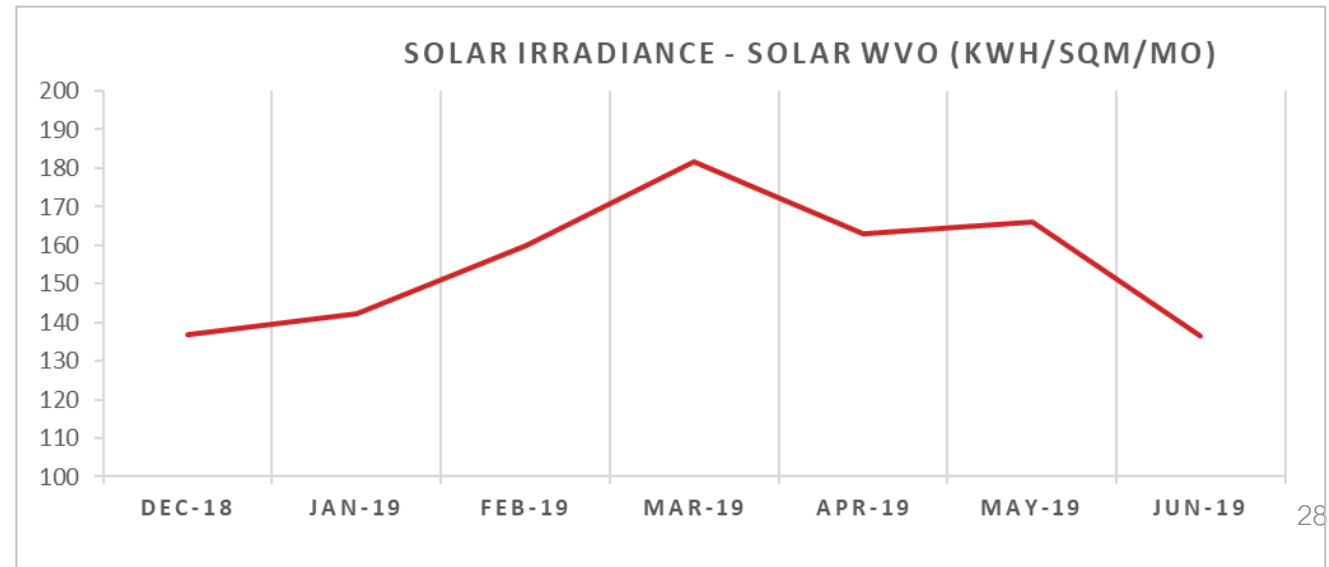
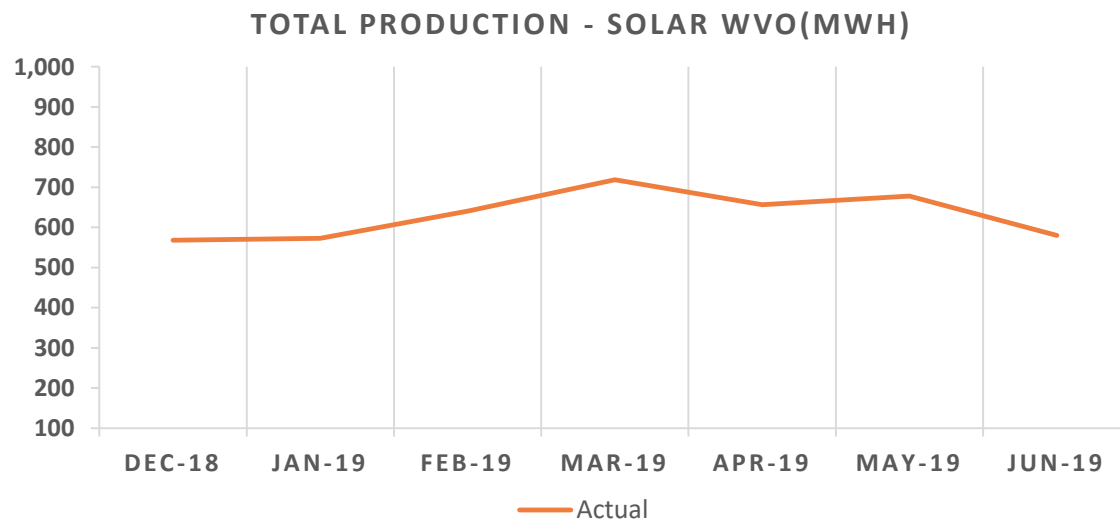
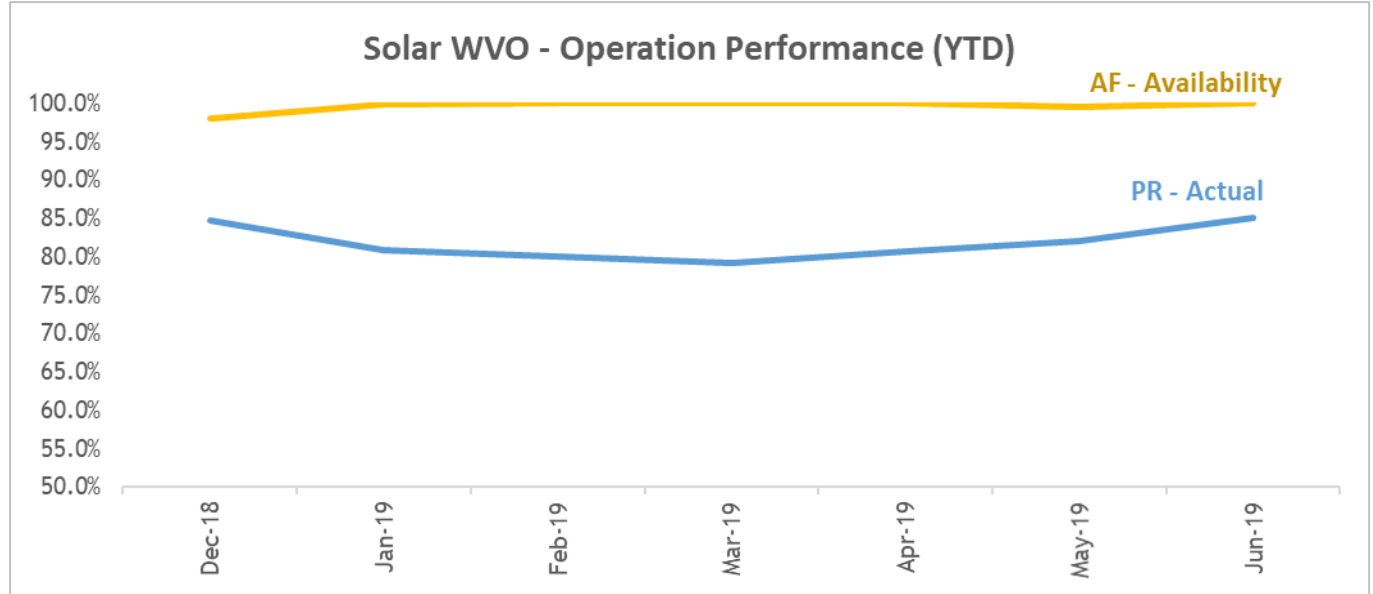
Hidaka 21 MWp: Operation performance



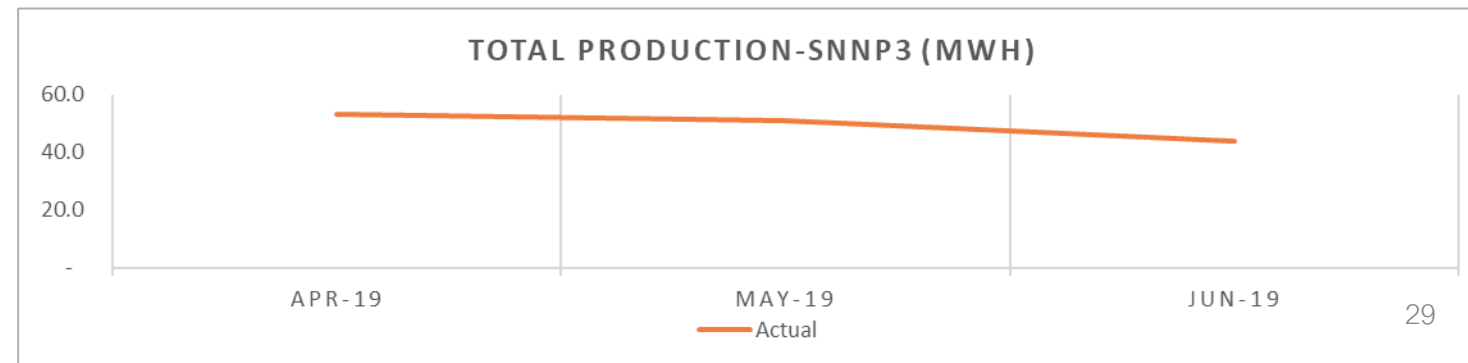
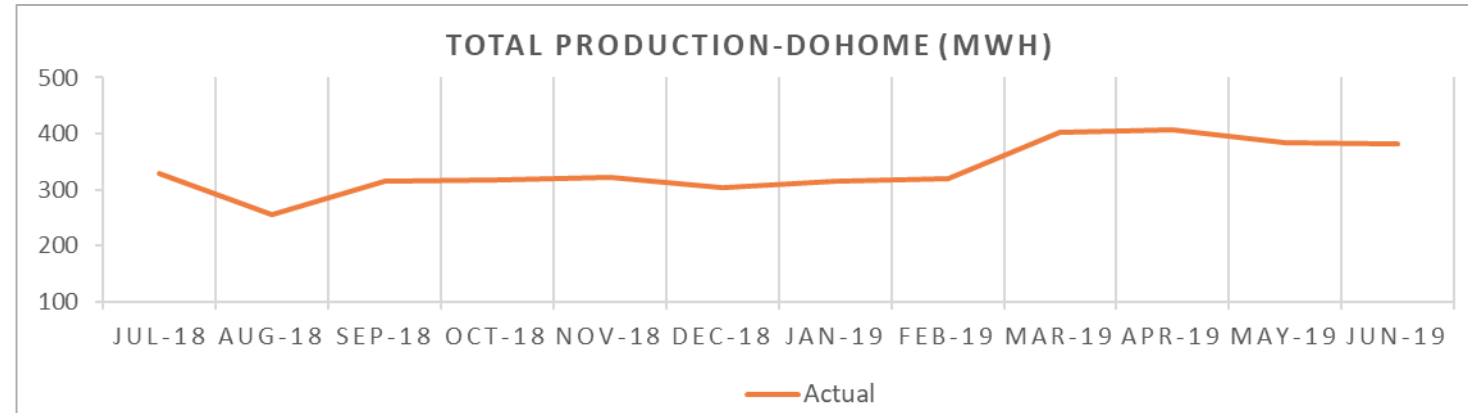
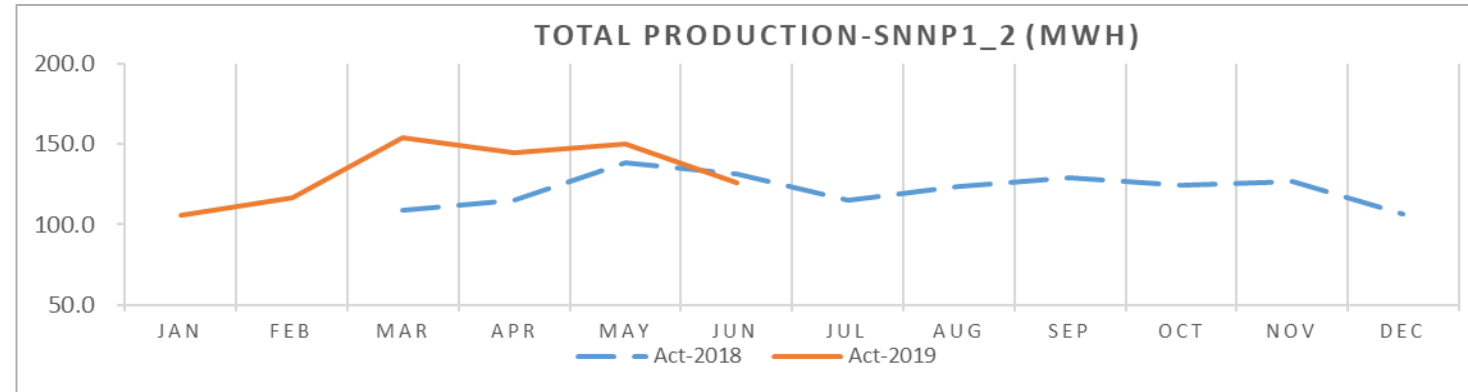
Zouen 8 MWp: Operation performance



Solar WVO 5 MWp: Operation performance



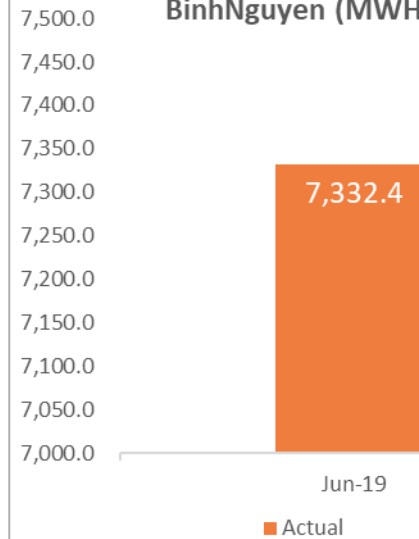
Solar Rooftop projects (SNNP1-3, DoHome#1): Operation performance



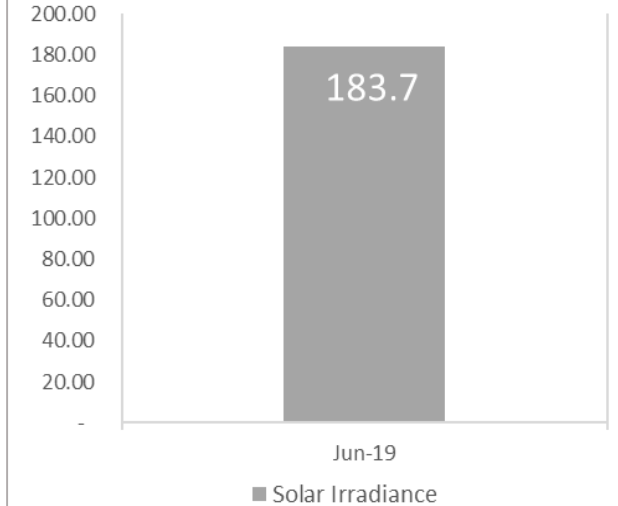
Binh Nguyen Solar (Vietnam) 49.6 MWp: Operation performance



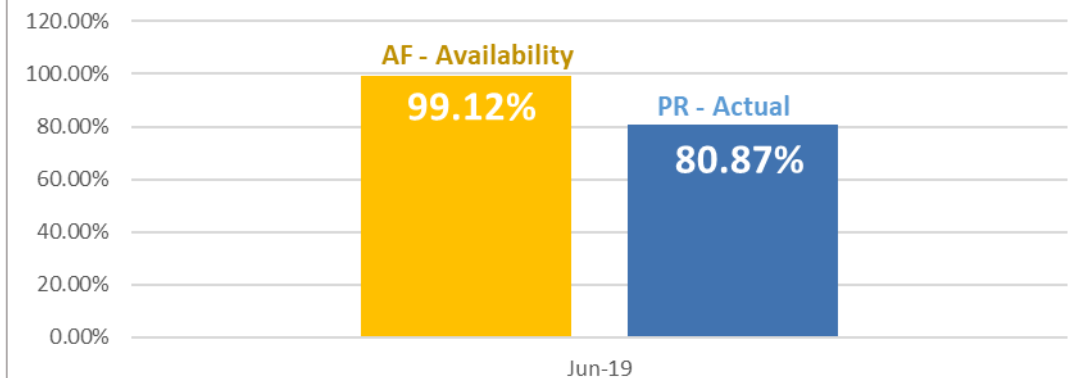
**TOTAL PRODUCTION-
BinhNguyen (MWH)**



Solar IRRADIANCE - BinhNguyen



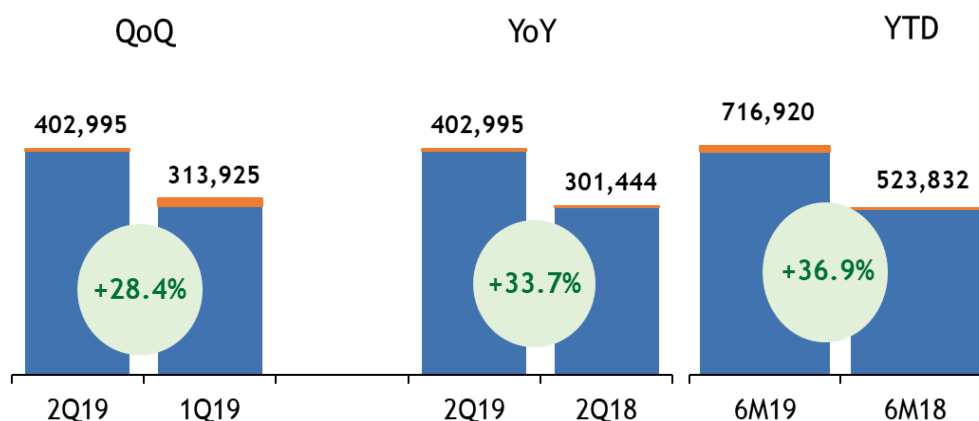
BinhNguyen - Operation Performance



Revenue/COGS

Revenue ■ Sale Revenue ■ Other Revenue (including EPC revenue)

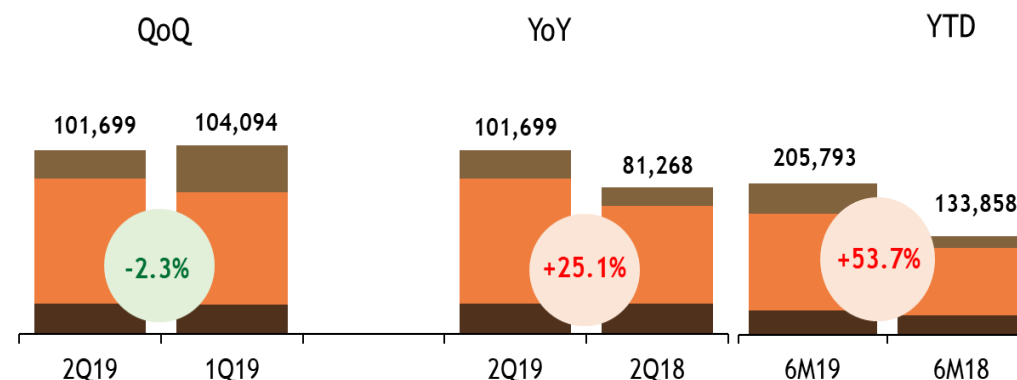
(Unit: '000 THB)



- **Higher QoQ, YoY and YTD**
 - Contribution from new projects;
 - Zouen(COD@Aug18), Solar WVO(COD@Dec18), DoHome rooftop(@Jul18) and Binh Nguyen Solar(COD@Q2-19)
 - SPN's volume higher by +7.1% YoY, +13.7% QoQ and +6.0% YTD (Seasonal effect)
 - JP's volume (Hidaka & Zouen) higher by +66.7% YoY, +56.2% QoQ and +118.6% YTD (Seasonal effect)
- **Other income**, mainly from EPC construction revenue of 0.3 and 11.6 mTHB on Solar rooftop projects booked in Q2.19 and Q1.19 respectively.

COGS ■ O&M Costs ■ Depreciation and Amortization ■ Others (Including EPC construction cost)

(Unit: '000 THB)



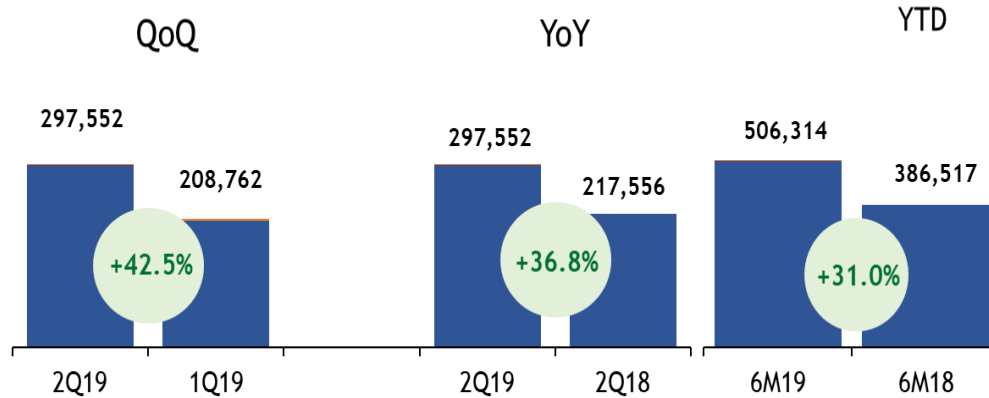
- **Higher YoY and YTD**,
 - Mainly resulted from new projects entered COD throughout the year (mainly from higher depreciation)
- **Lower QoQ**,
 - Mainly from a lower of EPC construction cost of 0.2 mTHB booked in Q2-19, whereas EPC construction cost of 9.9 mTHB booked in Q1-19.

Gross Profit/SG&A

Gross Profit ■ GP from Sale ■ GP from EPC (construction)

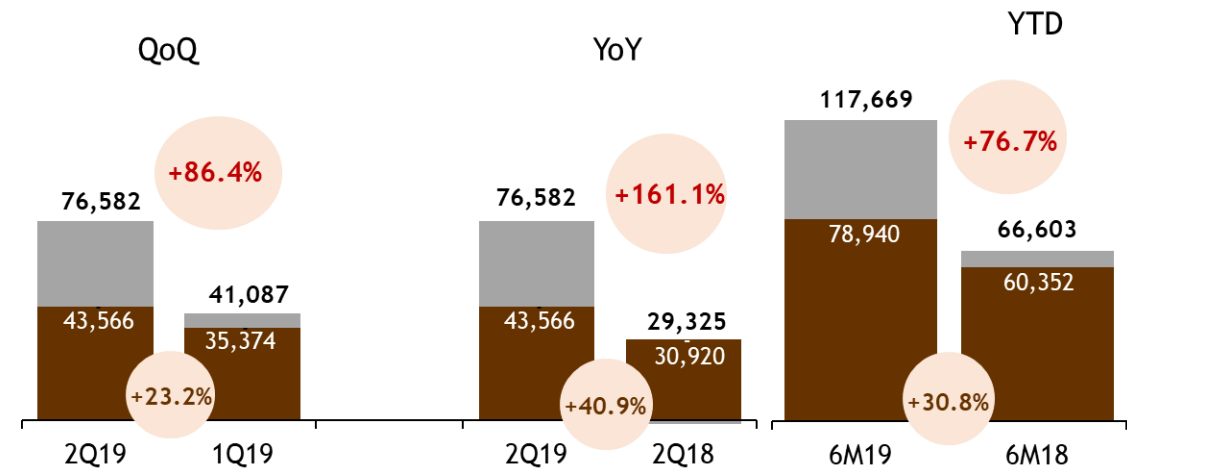
SG&A ■ Unrealized FX loss (gain) ■ General G&A expense

(Unit: '000 THB)



- **Higher QoQ, YoY and YTD**, mainly driven from contribution from new projects and higher sale volume for both SPN and JP projects (Seasonal effect)

(Unit: '000 THB)

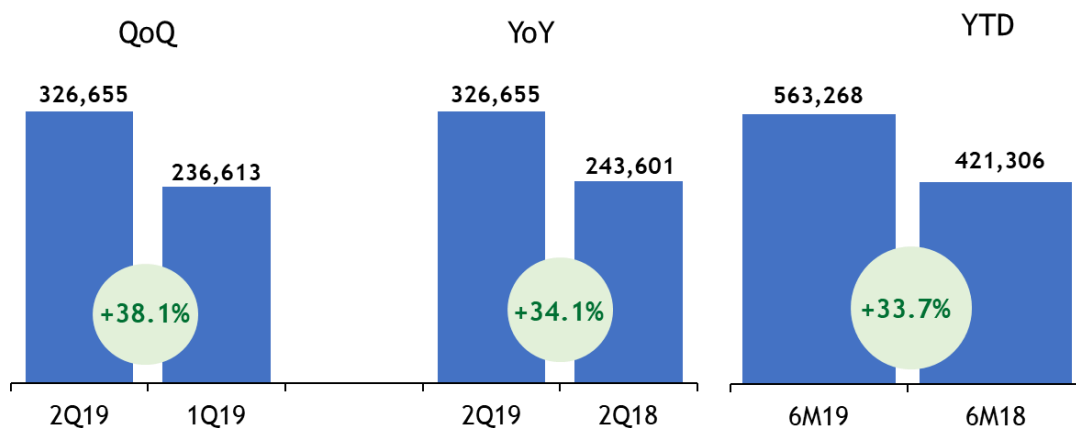


- **Higher QoQ, YoY and YTD**,
 - Mainly driven from contribution of new projects.
 - Unrealized FX loss of 38.7 MTHB have been booked in 6M-19, while unrealized FX loss of 6.3 MTHB in 6M-18. (33.0 mTHB in 2Q19 and 5.7 mTHB in 1Q19)

EBITDA and Core Operating Profit (COP)

EBITDA

(Unit: '000 THB)



(Unit: '000 THB)

	2Q19	1Q19	2Q18	6M19	6M18
Net Profit Distribution to SSP's Shareholders	160,454	124,025	152,779	284,479	259,332
Adjustment Items (after minority interest)					
Unrealized FX loss (gain)	33,016	5,713	(1,595)	38,729	6,251
Deferred tax expenses (revenue)	(61)	(61)	(47)	(122)	(94)
Core Operating Profit (to SSP's shareholders)	193,409	129,677	151,137	323,086	265,489

Core Operating Profit (COP)

(Unit: '000 THB)



- **Core operating profit (COP)** is increased with mixture of main factors (YTD):
 - **Positive**
 - Full contribution: Hidaka, Zouen, Solar WVO and Solar rooftop projects
 - 1-month contribution from Binh Nguyen Solar (Vietnam) Project
 - Higher SPN's volume and average tariff by FT adjustment
 - Higher JP's volume (Hidaka & Zouen)
 - **Negative**
 - Higher financial expenses and SG&A

Consolidated P&L

P&L Statement ('000 THB)	2Q19	1Q19	2Q18	6M19	6M18
Sale Revenue	398,790	301,039	298,824	699,829	520,375
EPC Revenue (Construction)	273	11,630	-	11,903	-
Service Revenue	188	187	-	375	-
Other Revenue	3,744	1,069	2,620	4,813	3,457
Total Revenue	402,995	313,925	301,444	716,920	523,832
Cost of Goods Sold (Sale)	101,479	94,214	81,268	195,693	133,858
Cost of Construction (EPC)	220	9,880	-	10,100	-
Gross Profit (Sale - COGS)	297,499	207,012	217,556	504,511	386,517
Gross Profit (EPC - COC)	53	1,750	-	1,803	-
Gross Profit (total)	297,552	208,762	217,556	506,314	386,517
Gross Profit Margin	74.5%	66.7%	72.8%	71.1%	74.3%
SG&A	76,582	41,087	29,325	117,669	66,603
Land lease during construction	-	-	-	-	-
Unrealized FX loss (gain)	33,016	5,713	(1,595)	38,729	6,251
General G&A expenses	43,566	35,374	30,920	78,940	60,352
EBITDA (excluding unrealized FX gain/loss)	326,655	236,613	243,601	563,268	421,306
EBITDA margin	81.1%	75.4%	80.8%	78.6%	80.4%
Financial Expenses	48,747	46,066	35,842	94,813	62,321
Tax	9,437	(19)	(26)	9,418	23
Net Profit	166,530	122,697	155,035	289,227	261,027
Net Profit Distribution					
To SSP's Shareholders	160,454	124,025	152,779	284,479	259,332
Minority Shareholders of Subsidiaries	6,076	(1,328)	2,256	4,748	1,695
Adjustment Items (after minority interest)					
Unrealized FX (gain)/loss	33,016	5,713	(1,595)	38,729	6,251
Uncapitalized land lease during construction and interest of SSP equity loan	-	-	-	-	-
Deferred tax (revenue) expenses	(61)	(61)	(47)	(122)	(94)
Uncapitalized development cost	-	-	-	-	-
Unrealized impairment provision	-	-	-	-	-
Core Operating Profit (to SSP's shareholders)	193,409	129,677	151,137	323,086	265,489

- Sale revenue of 2Q19 is higher QoQ and YoY (compared to 1Q19 and 2Q18), which is mainly from higher sale production from SPN and JP projects and contribution from new projects.
- COGS and SG&A is higher mainly from new projects (both Thailand, Japan and Vietnam projects).
- Unrealized FX loss for 2Q19 = 33 mTHB (vs FX loss = 5.7 mTHB for 1Q19 and vs. FX gain = 1.6 mTHB for 2Q18)
- Unrealized FX loss for 6M19 = 38.7 mTHB (vs FX loss = 6.3 for 6M18)

Consolidated Balance Sheet

Balance Sheet Statement ('000 THB)	30/Jun/19	31/Dec/18
Cash and Cash Equivalent	742,247	1,125,130
Short-term restricted bank deposits	210,753	438,922
Trade and other receivables	498,179	408,800
Other Current Assets	20,277	42,093
Total Current Assets	1,471,456	2,014,945
Long-term restricted bank deposits	116,530	96,733
Revenue department receivable	14,803	68,634
Property, plant and equipment	9,577,566	8,352,084
Intangible Assets	1,056,904	950,633
Other Fixed Assets	458,902	409,699
Total Fixed Assets	11,224,705	9,877,783
Total assets	12,696,161	11,892,728
Account Payables	528,826	503,820
Current Portion of Long-Term loan	568,237	508,587
Other Current Liabilities	167,575	134,494
Total Current Liabilities	1,264,638	1,146,901
Long-Term Loan	7,541,561	6,868,208
Other Non-Current Liabilities	18,081	19,473
Total Non-Current Liabilities	7,559,642	6,887,681
Total liabilities	8,824,280	8,034,582
Paid-up share capital	922,000	922,000
Premium on ordinary shares	1,511,210	1,511,210
Surplus on business combination under common control	33,098	33,098
Legal Reserve	64,815	64,815
Unappropriated Retained Earnings	1,168,461	1,084,056
Others components of shareholders' equity	(154,329)	(81,638)
Total Equity of Company	3,545,255	3,533,541
Minority interest	326,626	324,605
Total shareholders' equity	3,871,881	3,858,146

- Majority of the cash and cash equivalent is from IPO, SPN, new projects and syndicated loan.

- PP&E gradually increased along with construction of projects under development.

- Consolidated D/E ratio (excluded minority int.) as of 30 Jun 19 = 2.49x increased from 2.27x as of 31 Dec 18.
- SSP's company only D/E ratio as of 30 Jun 19 is at around 0.47x increased from 0.33x as of 31 Dec 18.

Q&A



Back-up



Key Development Milestones

**“Strive to become leader of renewable power producer with the most advanced technology.
We promise to develop and create sustainable energy to secure future energy source for everyone”**



June 2013
SPN entered into 40 MW (Non-firm) Power Purchase Agreement with EGAT as a Small Power Producer (SPP)



February 2015
COD of SPN project (Thailand)

January 2010
SPN was found with initial paid-up capital of THB 10.0 mm

2010

2013

2014

March 2014
Start construction of SPN project (Thailand)

2015

August 2016
Start construction of Hidaka Project (Japan)

2016

September 2017
Listed on mai



2017

Quarter 3, 2017
- Start construction of Yamaga Project (Japan)

Quarter 4, 2017
- Start construction of Zouen Project (Japan)
- Entered into Khunsight Kundi project (Mongolia)



Quarter 1, 2018
- COD of Hidaka Project (Japan)
Quarter 3, 2018
- COD of Zouen Project (Japan)
Quarter 4, 2018
- COD of Solar WVO Project (Thailand)



2nd half, 2018
- Entered into TTQN project (Vietnam)
- Start construction of Leo Project (Japan)
- Start construction of Binh Nguyen Solar project (Vietnam)



2018



March 2019
Move to SET



2019



Quarter 2, 2019
- COD of Binh Nguyen Solar project (Vietnam)

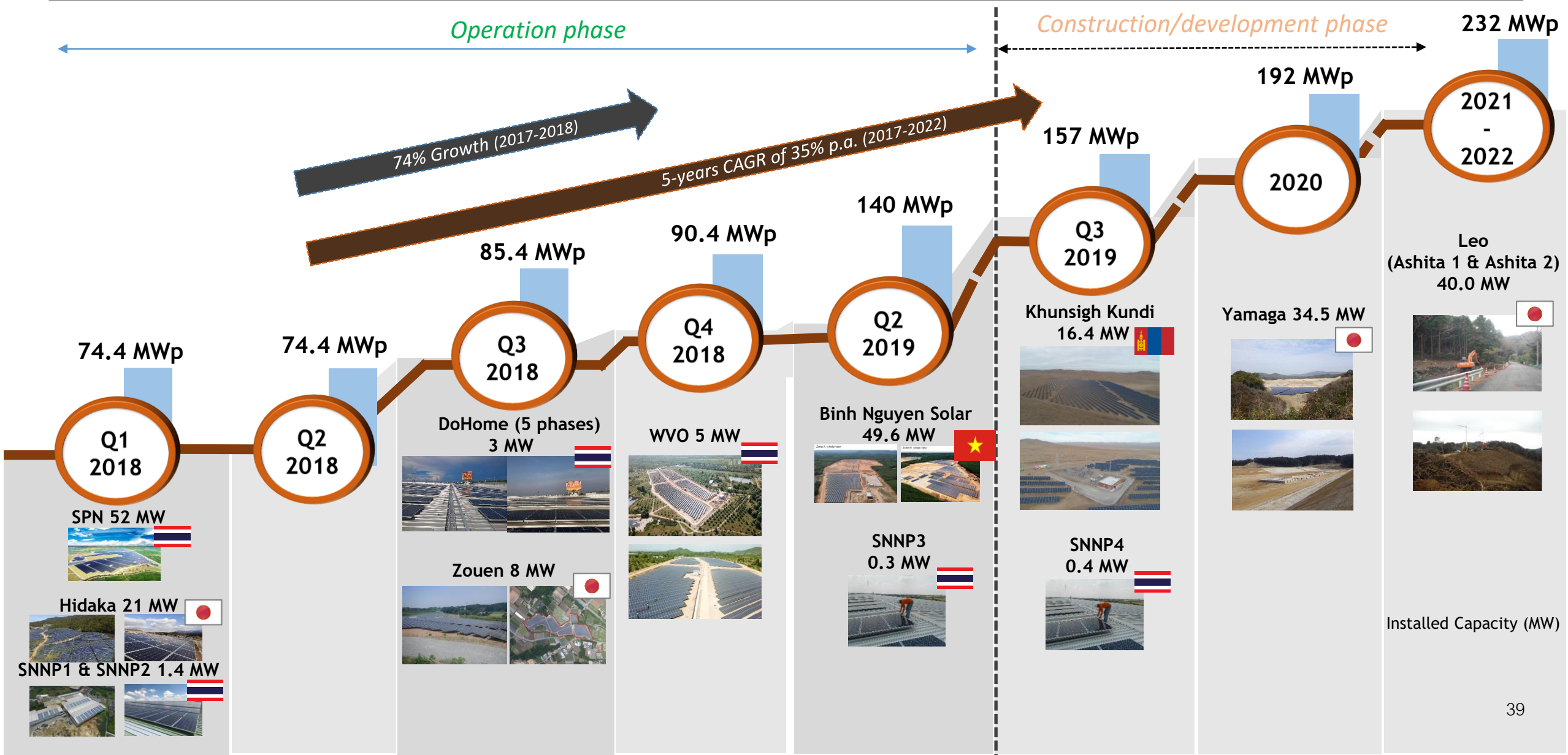
Quarter 3, 2019
- COD of Khunsight Kundi project (Mongolia)



2020 onwards
- SCOD of Yamaga project (Japan)
- SCOD of Leo project (Japan)

2020

Delivery timeline:



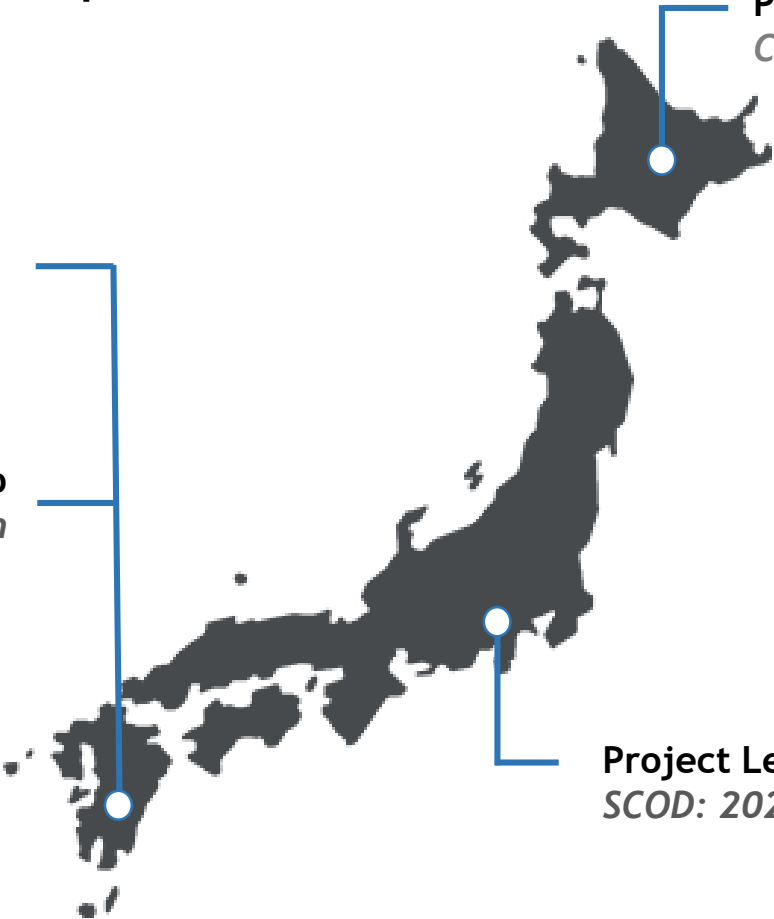
Total Installed Capacity of 103.5 MWp

Project Hidaka 17.0 MWp / 21.0 MWp 
COD: 1st March 2018, FiT = 40 JPY/kwh

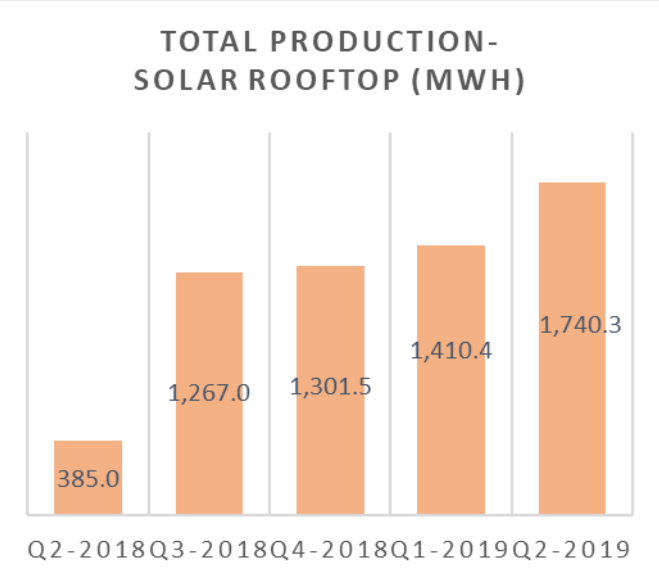
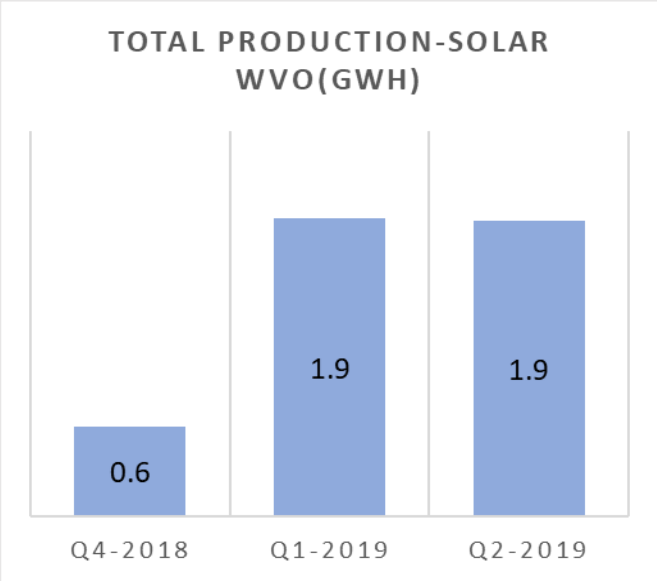
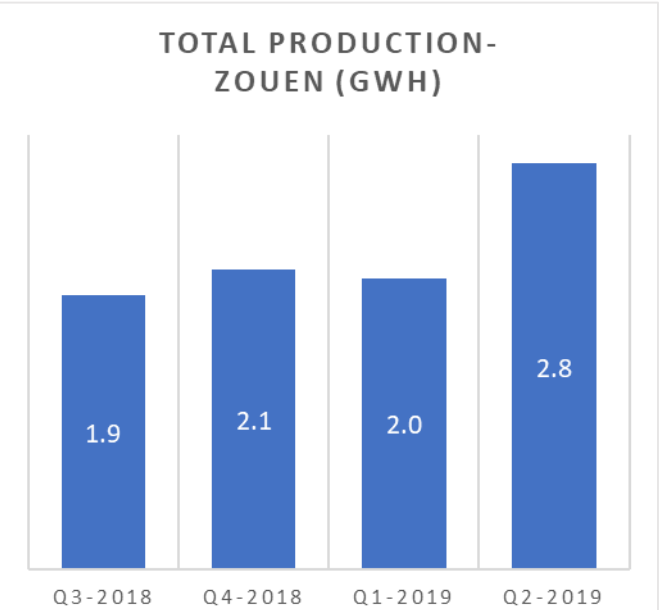
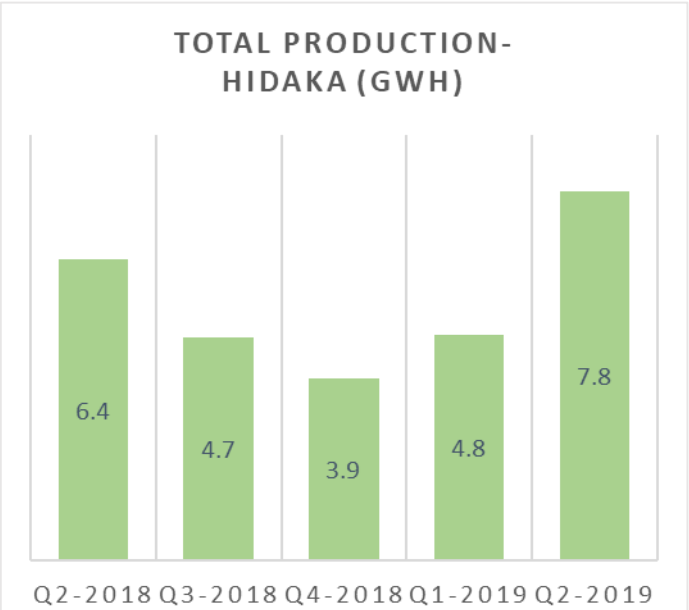
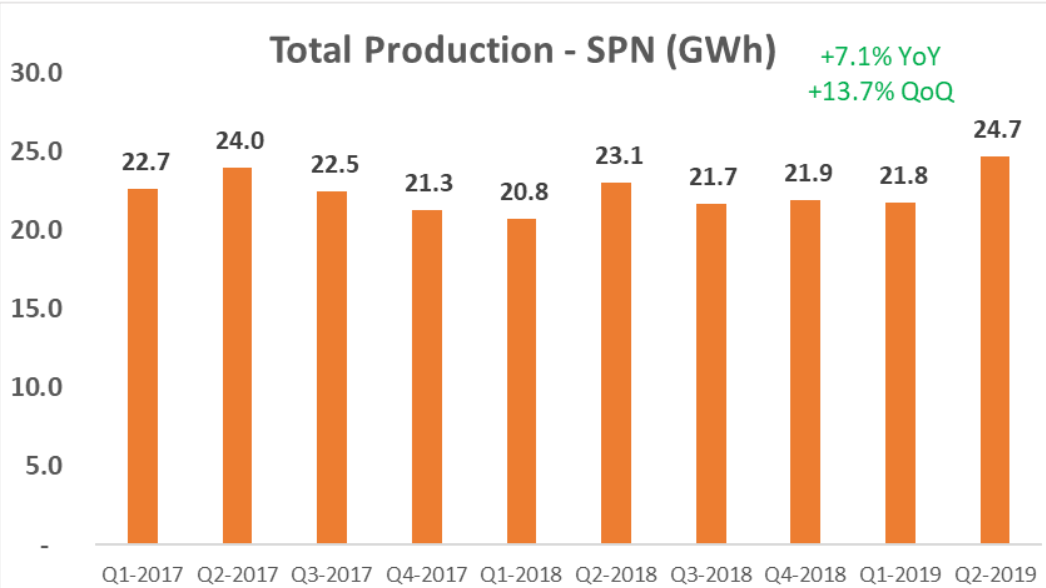
Project Yamaga 30.0 MW / 34.5 MWp
SCOD: 2020, FiT = 36 JPY/kwh

 Project Zouen 6.0 MW / 8.0 MWp
COD: 1st Aug 2018, FiT = 36 JPY/kwh

Project Leo 30.0 MW / 40.0 MWp
SCOD: 2021-2022, FiT = 36 JPY/kwh



Sale Volume: Quarterly production performance



Japan new FIT rule - New METI regulation: “1-year rule”

- During late 2018, METI issued new regulation affecting Solar projects with capacity over 2 MW; so called “1-year rule”.
- This regulation is in addition to prior regulation; so called “3-years rule”.
- Implication of 3-years rule: start of PPA tenor will be fixed at certain date → meaning PPA may be ‘shorter’ if project cannot start COD by such date.
- Implication of 1-year rule: project may get both ‘FIT reduction’ (to 21 JPY/kwh) and/or shorter PPA tenor;
- 1-year rule test is quite complex, though key tests are:
 - a. If project obtain METI ID after Jul-15 ‘or’ executed grid agreement after Jul-16, project will fall into 3-years rule; If not, further test required.
 - b. As of 05/12/18, If project already obtained “Notification of Construction Plan”, project is exempted from 1-year rule; if not, further test required.
 - c. If not already obtained Notification of Construction Plan by 05/12/18,
 - i. Project will be exempted from 1-year rule, if achieve all of this:
 1. Already acquired “Forestry Permit” and get accepted of “Notification of start of Forestry Activities” as of 05/12/18
 2. Get accepted of “Notification of Construction Plan” by 30/9/19
 3. Start PV panel installation work by 31/10/19
 - ii. If not achieve all 3 conditions in i, project is subject to 1-year rule
 - If project can get i-2 above, no FIT reduction, but PPA tenor starts from 01/10/2020
 - If project cannot get i-2 above, FIT will be reduced to 21 JPY/kwh (for 2019 submission) and start of PPA tenor starts from 1 year after construction work submission date.
- **Implication to SSP’s projects:**
 - a. Hidaka and Zouen → already COD → no effect
 - b. Yamaga → under construction (more than 1 year already) → no effect
 - c. Leo → fall into category ‘a’ above (and already start construction) → 3-years rule → no effect