

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EASTERN PRINTING PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of Eastern Printing Public Company Limited and its subsidiaries and the separate financial statements of Eastern Printing Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Eastern Printing Public Company Limited and its subsidiaries and of Eastern Printing Public Company Limited as at December 31, 2018, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements. My opinion on the consolidated and separate financial statements is not modified with respect to any of the key audit matters described below and I do not express an opinion on these individual matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying consolidated and separate financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (Con't) -2-

Key Audit Matter (Con't)

Key audit matter and how audit procedures respond for each matter are described below.

Business Acquisition

As discussed in Note 2.2.1.1.1 and 2.2.1.1.2 to the financial statements, The Group has continually acquired businesses both nationally and internationally. Such acquisitions are transactions in which assets are significantly acquired during the year. The acquisition method for accounting for business combination is complex regarding related agreements, regulations and different accounting policies which require management to understand the matters and make judgment, requiring the Group to determine the fair value of assets acquired and liabilities assumed. I, therefore, consider accounting for business combination as the key audit matter.

Significant audit procedures, among other, included the following.

- Inquired management about the nature and objectives of the shares acquisition.
- Read the sales and purchase agreement and analysis report of business combination prepared by the Group to understand key terms and conditions.
- Assessed the appropriateness of the management judgement in determining the assumptions applied in determining the purchase price for the investment of the subsidiaries.
- Evaluated the appropriateness of the assessment by the Group of identification of all assets acquired and liabilities assumed and consideration transferred.
- Evaluated knowledge competency and integrity of the independent appraiser including the appropriateness of the assumptions and the valuation methods applied.
- Review the presentation and related disclosure.

Investment in subsidiaries

As discussed in Note 2.2.1 to the financial statements, the group has a significant balance of investment in subsidiary companies which Thai Financial Reporting Standards required to consider for provision for impairment set up. In determining the impairment loss, the management had to exercise judgement with respect to its projections of future operating performance of subsidiary companies in the group, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of the impairment loss recorded on investment in subsidiaries. I therefore identified the investment in subsidiaries as a key audit matter.

INDEPENDENT AUDITOR'S REPORT (Con't) -3-

Key Audit Matter (Con't)

Significant audit procedures, among other, included the following.

- I gained an understanding of and assessed the assumptions applied in preparing plans and cash flow projections, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information.
- Comparison of the past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections.
- I gained an understanding of and assessed the discount rate and considered the scope and probability of potential changes in the key assumptions, and I performed a sensitivity analysis on the returns expected to be realised on the investments.

Emphasis of matter

I draw attention to Note 3 to the financial statements, regarding correction of prior period errors in the consolidated financial statements in respect of recognition of loan from other company of a subsidiary in Japan. My opinion is not qualified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

INDEPENDENT AUDITOR'S REPORT (Con't) -4-

Responsibilities of Management and Those Charged with Governance for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also :

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (Con't) -5-

Auditor's Responsibilities for the Audit of the consolidated and separate financial statements (Con't)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (Con't) -6-

Auditor's Responsibilities for the Audit of the consolidated and separate financial statements (Con't)

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Wanpen Unruan.

(Wanpen Unruan)

Certified Public Accountant (Thailand) No. 7750

OFFICE OF PITISEVI CO., LTD.

8/4, Floor 1st, 3rd, Soi Viphavadee Rangsit 44,
Chatuchak, Bangkok

February 28, 2019

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit : Baht					
		Consolidated			Separate		
		Dec 31, 2017					
Note	Dec 31, 2018	(Restated)	Jan 1,2017	Dec 31, 2018	Dec 31, 2017		
ASSETS							
CURRENT ASSETS							
	Cash and cash equivalents	7	325,500,078.80	159,060,091.75	439,461,620.55	4,381,398.43	6,559,536.91
	Temporary investments	8	258,880,790.66	27,010,297.81	1,984,913,979.84	251,535,310.40	-
	Trade accounts and other current receivable - net	6.2, 9	659,234,715.41	476,579,482.49	366,597,586.49	138,540,125.65	378,532,493.01
	Short-term loans to related parties	6.2	-	-	-	1,350,430,979.63	1,270,077,591.40
	Current portion of						
	Long-term loans to indirect associated companies	6.2	9,371,018.65	75,776,000.00	-	-	-
	Long-term loans to employees	10	2,139,411.94	2,180,754.03	2,317,449.28	2,139,411.94	2,168,405.39
	Inventories - net	11	119,306,232.73	88,517,269.73	60,505,528.38	87,351,640.13	88,517,269.73
	Construction in Progress						
	- finance lease	12	107,315,909.64	101,040,489.05	-	-	-
	- installation service contract		-	712,320.00	-	-	-
	Other current assets	13	140,711,495.56	35,156,265.38	386,903,020.31	172,761.83	161,478.66
	Total current assets		1,622,459,653.39	966,032,970.24	3,240,699,184.85	1,834,551,628.01	1,746,016,775.10
NON-CURRENT ASSETS							
	Deposit at bank held as collateral	14	118,079,846.33	128,679,670.66	-	-	-
	Long-term investment		344,205.00	421,850.00	371,600.00	344,205.00	421,850.00
	Investment in subsidiaries	15	-	-	-	1,457,460,920.00	1,049,960,920.00
	Investment in associated companies	16	3,602,007,251.99	3,356,843,772.73	-	-	-
	Investment in joint entity		-	-	507,391,683.23	-	-
	Long-term loans to employees - net	10	2,130,574.35	1,915,274.65	2,636,266.67	2,130,574.35	1,915,274.65
	Property, plant and equipment - net	17	4,465,702,289.58	3,282,614,057.16	2,668,833,193.81	249,748,300.32	279,836,776.82
	Intangible assets - net	18	634,648,536.64	643,687,143.72	477,522,760.69	-	-
	Deferred tax assets	19.1	-	6,199,212.60	4,837,027.14	6,176,329.84	5,697,266.62
	Other non-current assets	20	153,959,828.60	121,351,771.50	28,087,128.69	13,683,928.37	11,371,110.05
	Total non-current assets		8,976,872,532.49	7,541,712,753.02	3,689,679,660.23	1,729,544,257.88	1,349,203,198.14
	TOTAL ASSETS		10,599,332,185.88	8,507,745,723.26	6,930,378,845.08	3,564,095,885.89	3,095,219,973.24

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2018

		Unit : Baht					
		Consolidated			Separate		
		Dec 31, 2017					
Note	Dec 31, 2018	(Restated)	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017		
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
	Overdraft and short-term loans from financial institutions	21	321,047,477.30	291,000,877.90	119,496,017.43	56,159,243.59	273,908,486.38
	Discounted bill of exchange	22	460,000,000.00	380,000,000.00	490,000,000.00	460,000,000.00	380,000,000.00
	Trade accounts and other current payable	6.2, 23	247,879,678.21	189,858,914.11	148,496,847.01	29,280,485.47	23,410,828.83
	Short-term loan from related party	6.2	-	30,000,000.00	-	-	30,000,000.00
	Short-term loans from persons and other company	24	79,939,737.25	128,896,286.53	-	-	-
	Current portion of						
	Long-term loans from financial institutions	25	332,824,973.31	226,159,174.80	836,705,646.78	71,200,000.00	8,250,000.00
	Long-term loans from other company		28,508,448.00	28,195,200.00	-	-	-
	Debentures	26	884,700,000.00	-	-	328,000,000.00	-
	Finance lease liabilities		-	-	33,424.92	-	-
	Provisions for employee benefit	27	2,565,653.00	196,507.00	177,348.00	2,013,726.00	82,049.00
	Accrued corporate income tax		972,757.62	10,219,985.80	91,544.00	-	-
	Accrued dividend paid		1,183,799.73	962,402.06	2,219,772.22	1,176,753.49	951,747.82
	Other current liabilities		35,421,473.29	26,001,833.21	19,191,486.23	10,510,491.66	12,202,395.26
	Total current liabilities		2,395,043,997.71	1,311,491,181.41	1,616,412,086.59	958,340,700.21	728,805,507.29
NON-CURRENT LIABILITIES							
	Long-term loans from financial institutions - net	25	2,502,514,376.62	1,412,611,479.18	632,495,893.22	361,948,000.00	3,000,000.00
	Debentures	26	2,292,700,000.00	3,234,100,000.00	2,418,700,000.00	487,400,000.00	815,400,000.00
	Provisions of non-current liabilities for employee benefit - net	27	37,499,940.00	29,166,107.00	25,302,683.00	27,115,937.00	26,469,669.00
	Provision for liabilities from commitment	28	46,213,539.72	46,213,539.72	46,213,539.72	46,213,539.72	46,213,539.72
	Deferred tax liabilities	19.1	43,858,305.06	-	-	-	-
	Other non-current liabilities		1,235,000.00	1,235,000.00	-	63,000.00	63,000.00
	Total non-current liabilities		4,924,021,161.40	4,723,326,125.90	3,122,712,115.94	922,740,476.72	891,146,208.72
	TOTAL LIABILITIES		7,319,065,159.11	6,034,817,307.31	4,739,124,202.53	1,881,081,176.93	1,619,951,716.01
SHAREHOLDERS' EQUITY							
	Share capital	29					
	Authorized share capital						
	1,045,038,462 common shares in 2018 and						
	937,716,283 common shares in 2017 of Baht 1.00 each		1,045,038,462.00	937,716,283.00	861,283,589.00	1,045,038,462.00	937,716,283.00
	Issued and paid-up share capital						
	921,572,840 common shares in 2018 and						
	836,030,770 common shares in 2017 of Baht 1.00 each		921,572,840.00	836,030,770.00	765,585,412.00	921,572,840.00	836,030,770.00
	Share premium - common shares	30	561,848,558.82	365,101,797.82	364,982,731.51	561,848,558.82	365,101,797.82
	Share premium - treasury stock		6,017,138.90	6,017,138.90	6,017,138.90	6,017,138.90	6,017,138.90
	Retained earnings						
	Appropriated						
	Legal reserve	31	92,157,284.00	83,603,077.00	76,558,541.00	92,157,284.00	83,603,077.00
	Unappropriated		542,363,882.00	316,827,296.41	242,817,783.83	101,418,887.24	184,515,473.51
	Other components of shareholders' equity		450,129,695.19	501,446,686.09	440,257,329.98	-	-
	Total equity of the Company		2,574,089,398.91	2,109,026,766.22	1,896,218,937.22	1,683,014,708.96	1,475,268,257.23
	Non-controlling interests		700,177,627.86	363,901,649.73	295,035,705.33	-	-
	TOTAL SHAREHOLDERS' EQUITY		3,274,267,026.77	2,472,928,415.95	2,191,254,642.55	1,683,014,708.96	1,475,268,257.23
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,593,332,185.88	8,507,745,723.26	6,930,378,845.08	3,564,095,885.89	3,095,219,973.24

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
		2017			
Note	2018	(Restated)	2018	2017	
REVENUES					
Revenues from sales and services	6.1	779,638,127.84	710,288,039.64	419,658,450.37	444,926,538.57
Other income					
Government grant	33	207,630,872.00	220,588,936.00	-	-
Interest income	6.1	2,025,540.01	7,212,632.29	75,579,709.01	39,138,562.22
Dividend income		37,950.00	-	37,950.00	9,000.00
Gain in a bargaining purchase	15	130,981,853.71	-	-	-
Other	6.1	64,349,437.03	24,541,681.06	5,560,555.37	14,306,036.36
Total revenues		1,184,663,780.59	962,631,288.99	500,836,664.75	498,380,137.15
EXPENSES					
Cost of sales and services	6.1	571,099,617.13	510,136,554.48	326,191,259.41	332,066,499.71
Distribution costs		20,509,816.97	12,260,254.85	19,399,969.53	12,260,254.85
Administrative expenses		156,999,964.11	171,578,693.31	47,083,300.47	42,738,339.46
Finance cost		246,480,764.72	210,778,945.10	64,261,737.01	46,653,997.86
Total expenses		995,090,162.93	904,754,447.74	456,936,266.42	433,719,091.88
Share of profit on investment in associated companies	16	240,447,479.26	196,234,099.98	-	-
PROFIT BEFORE INCOME TAX		430,021,096.92	254,110,941.23	43,900,398.33	64,661,045.27
Income tax expenses	19.3.1	(21,330,794.24)	(22,749,090.44)	(9,758,777.50)	(13,073,707.57)
NET PROFIT FOR THE YEAR		408,690,302.68	231,361,850.79	34,141,620.83	51,587,337.70
OTHER COMPREHENSIVE INCOME (LOSS)					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods :</i>					
Currency conversion differences of foreign operation		(51,316,990.90)	61,189,356.11	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		357,373,311.78	292,551,206.90	34,141,620.83	51,587,337.70
Net profit attributable to :					
Owners of the Company		342,774,792.69	206,424,479.55		
Non-controlling interests		65,915,509.99	24,937,371.24		
Net profit for the year		408,690,302.68	231,361,850.79		
Comprehensive income attributable to :					
Owners of the Company		291,457,801.79	267,613,835.66		
Non-controlling interests		65,915,509.99	24,937,371.24		
Comprehensive income for the year		357,373,311.78	292,551,206.90		
BASIC EARNINGS PER SHARE (BAHT : SHARES)					
Equity holders of the parent company	35	<u>0.41</u>	<u>0.26</u>	<u>0.04</u>	<u>0.07</u>

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht													
Consolidated													
Owner of the Company													
	Note	Retained earnings				Other components of shareholders' equity				Total equity attributable to shareholders' equity	Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Share premium - common shares	Share premium - treasury shares	Appropriated	Currency conversion differences	Surplus (loss) from change in equity interest	Surplus from the edge of subsidiary share value	Total other components of shareholders' equity				
				Legal reserve	Unappropriated	foreign operation							
Beginning balance as at January 1, 2017 (Restated)		765,585,412.00	364,982,731.51	6,017,138.90	76,558,541.00	242,817,783.83	17,268,901.50	(27,011,571.52)	450,000,000.00	440,257,329.98	1,896,218,937.22	295,035,705.33	2,191,254,642.55
Transactions with owners, recorded directly in shareholders' equity													
<i>Contributions by and distributions to owners of the parent :</i>													
Sale of warrants	29, 32	15,776.00	119,066.31	-	-	-	-	-	-	-	134,842.31	-	134,842.31
Dividend paid	29, 32	70,429,582.00	-	-	-	(124,944,454.94)	-	-	-	-	(54,514,872.94)	-	(54,514,872.94)
Total Transactions with owners, recorded directly in shareholders' equity		70,445,358.00	119,066.31	-	-	(124,944,454.94)	-	-	-	-	(54,380,030.63)	-	(54,380,030.63)
<i>Changes in ownership interests in subsidiary :</i>													
Non - controlling interests in subsidiary increase(decreased)													
Investments in subsidiaries		-	-	-	-	-	-	-	-	-	-	43,954,977.40	43,954,977.40
dividend payment of a subsidiary		-	-	-	-	-	-	-	-	-	-	(26,404.24)	(26,404.24)
Reverse retained earning from disposal of investment		-	-	-	-	(425,976.03)	-	-	-	-	(425,976.03)	-	(425,976.03)
Total Transactions with owners, recorded directly in shareholders' equity		70,445,358.00	119,066.31	-	-	(125,370,430.97)	-	-	-	-	(54,806,006.66)	43,928,573.16	(10,877,433.50)
Comprehensive income (loss) for the year													
Profit		-	-	-	-	207,185,477.65	-	-	-	-	207,185,477.65	26,205,701.41	233,391,179.06
Other comprehensive income		-	-	-	-	-	60,178,844.52	-	-	60,178,844.52	60,178,844.52	-	60,178,844.52
Total comprehensive income for the year		-	-	-	-	207,185,477.65	60,178,844.52	-	-	60,178,844.52	267,364,322.17	26,205,701.41	293,570,023.58
Legal reserve	31	-	-	-	7,044,536.00	(7,044,536.00)	-	-	-	-	-	-	-
Ending balance as at December 31, 2017		836,030,770.00	365,101,797.82	6,017,138.90	83,603,077.00	317,588,294.51	77,447,746.02	(27,011,571.52)	450,000,000.00	500,436,174.50	2,108,777,252.73	365,169,979.90	2,473,947,232.63
Cumulative effect of correction of significant errors for :	3	-	-	-	-	(760,998.10)	1,010,511.59	-	-	1,010,511.59	249,513.49	(1,268,330.17)	(1,018,816.68)
Beginning balance as at January 1, 2018 (After restated)		836,030,770.00	365,101,797.82	6,017,138.90	83,603,077.00	316,827,296.41	78,458,257.61	(27,011,571.52)	450,000,000.00	501,446,686.09	2,109,026,766.22	363,901,649.73	2,472,928,415.95
Transactions with owners, recorded directly in shareholders' equity													
<i>Contributions by and distributions to owners of the parent :</i>													
Sale of Right Offering	29, 32	85,542,070.00	196,746,761.00	-	-	-	-	-	-	-	282,288,831.00	-	282,288,831.00
Dividend paid	29, 32	-	-	-	-	(108,684,000.10)	-	-	-	-	(108,684,000.10)	-	(108,684,000.10)
<i>Changes in interest in the company</i>													
Non - controlling interests in subsidiary increase(decreased)													
Investments in company		-	-	-	-	-	-	-	-	-	-	98,774,777.90	98,774,777.90
Total Transactions with owners, recorded directly in shareholders' equity		85,542,070.00	196,746,761.00	-	-	(108,684,000.10)	-	-	-	-	173,604,830.90	98,774,777.90	272,379,608.80
<i>Changes in ownership interests in subsidiary :</i>													
Non - controlling interests in subsidiary increased (decreased)													
Investments in subsidiary		-	-	-	-	-	-	-	-	-	-	177,697,202.41	177,697,202.41
Dividend payment of a subsidiary		-	-	-	-	-	-	-	-	-	-	(111,512.17)	(111,512.17)
Total Transactions with owners, recorded directly in shareholders' equity		85,542,070.00	196,746,761.00	-	-	(108,684,000.10)	-	-	-	-	173,604,830.90	276,360,468.14	449,965,299.04
Comprehensive income (loss) for the year													
Profit		-	-	-	-	342,774,792.69	-	-	-	-	342,774,792.69	65,915,509.99	408,690,302.68
Other comprehensive income		-	-	-	-	-	(51,316,990.90)	-	-	(51,316,990.90)	(51,316,990.90)	-	(51,316,990.90)
Total comprehensive income for the year		-	-	-	-	342,774,792.69	(51,316,990.90)	-	-	(51,316,990.90)	291,457,801.79	65,915,509.99	357,373,311.78
Legal reserve	31	-	-	-	8,554,207.00	(8,554,207.00)	-	-	-	-	-	-	-
Ending balance as at December 31, 2018		921,572,840.00	561,848,558.82	6,017,138.90	92,157,284.00	542,363,882.00	27,141,266.71	(27,011,571.52)	450,000,000.00	450,129,695.19	2,574,089,398.91	706,177,627.86	3,280,267,026.77

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht						
Separate						
Note	Issued and paid-up share capital	Share premium - common shares	Share premium - treasury shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Beginning balance as at January 1, 2017	765,585,412.00	364,982,731.51	6,017,138.90	76,558,541.00	264,917,126.75	1,478,060,950.16
Transactions with owner, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent :</i>						
Sale of warrants	29, 32	15,776.00	119,066.31	-	-	134,842.31
Dividend paid	29, 32	70,429,582.00	-	-	(124,944,454.94)	(54,514,872.94)
Total Transactions with owners, recorded directly in shareholders' equity		70,445,358.00	119,066.31	-	(124,944,454.94)	(54,380,030.63)
Comprehensive income for the year		-	-	-	51,587,337.70	51,587,337.70
Legal reserve	31	-	-	7,044,536.00	(7,044,536.00)	-
Ending balance as at December 31, 2017		836,030,770.00	365,101,797.82	6,017,138.90	83,603,077.00	1,475,268,257.23
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent :</i>						
Sale of Right Offering	29, 32	85,542,070.00	196,746,761.00	-	-	282,288,831.00
Dividend paid	29, 32	-	-	-	(108,684,000.10)	(108,684,000.10)
Total Transactions with owners, recorded directly in shareholders' equity		85,542,070.00	196,746,761.00	-	(108,684,000.10)	173,604,830.90
Comprehensive income for the year		-	-	-	34,141,620.83	34,141,620.83
Legal reserve	31	-	-	8,554,207.00	(8,554,207.00)	-
Ending balance as at December 31, 2018		921,572,840.00	561,848,558.82	6,017,138.90	92,157,284.00	1,683,014,708.96

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
		2017			
Note	2018	(Restated)	2018	2017	
CASH FLOWS FROM OPERATING ACTIVITIES					
	430,021,096.92	254,110,941.23	43,900,398.33	64,661,045.27	
Profit before income tax					
Reconciliation of net profit to net cash					
Provided by (used in) operating activities :					
Depreciation	17 143,237,668.54	145,850,055.28	26,702,533.10	24,753,509.42	
Amortization of intangible assets	18 20,122,908.61	19,132,464.34	-	-	
Doubtful debt	9 7,158,357.23	2,519,457.05	7,158,357.23	2,519,457.05	
Allowance for obsolete inventory (reversal)	-	(102,019.43)	-	(102,019.43)	
Provision for impairment of plant and equipment (reverse)	17 (302,411.24)	(656,529.12)	(302,411.24)	(656,529.12)	
Written-off assets to expenses	17 8,574,572.90	1,492,079.05	-	-	
Loss (gain) on disposal of temporary investments	31,743.57	(10,168,560.11)	(28,035.60)	(3,475,058.20)	
Unrealized loss (gain) of temporary investments value	(122,755.10)	39.55	(122,759.65)	-	
Unrealized loss (gain) on investments incremental value	77,645.00	(50,250.00)	77,645.00	(50,250.00)	
Loss (gain) from disposal of fixed assets	(2,427,567.64)	(3,751,509.99)	(2,427,547.16)	(3,751,509.99)	
Unrealized loss (gain) from exchange rate	13,270,117.29	1,739,647.68	(337,099.58)	177,913.04	
Gain in a bargaining purchase	15 (130,981,853.71)	-	-	-	
Gain from disposal of investment in indirect subsidiary	-	(1,307,384.10)	-	-	
Share of loss on investment in associated companies	14 (240,447,479.26)	(196,234,099.98)	-	-	
Provision for employee benefits	27 12,691,049.00	4,180,583.00	3,769,015.00	3,430,236.00	
Estimated demolition	17 -	1,235,000.00	-	-	
Reversal of accrued dividends as other income	-	-	-	(1,355,150.40)	
Interest income	(2,025,540.01)	(6,284,842.87)	(75,579,709.01)	(39,138,562.22)	
Interest expenses	241,770,628.31	187,936,143.88	64,261,737.01	42,778,686.86	
Profit provided by operating activities before					
 changes in operating assets and liabilities					
	500,648,180.41	399,641,215.46	67,072,123.43	89,791,768.28	
Decrease (increase) in operating assets :-					
Trade accounts and other current receivable	(149,286,801.79)	(112,341,365.73)	234,060,365.37	(205,841,266.17)	
Inventories	(18,077.30)	(27,909,721.92)	1,165,629.60	(28,516,935.90)	
Construction in Progress - finance lease	(6,275,420.59)	(101,040,489.05)	-	-	
Construction in Progress - Installation service contract	712,320.00	(712,320.00)	-	-	
Other current assets	(103,358,218.26)	51,787,354.93	(11,283.17)	333,079.70	
Other non-current assets	2,665,047.65	(86,856,522.27)	228,141.30	2,873,738.70	
Increase (decrease) in operating liabilities :-					
Trade accounts and other current payable	28,537,303.32	22,639,381.37	5,756,288.84	(2,524,593.75)	
Other current liabilities	(7,686,511.77)	6,808,961.65	(1,691,903.60)	2,279,642.31	
Other non-current liabilities	-	-	63,000.00	-	
Provisions for employee benefit	27 (1,988,070.00)	(298,000.00)	(1,191,070.00)	(298,000.00)	
Cash provided by (used in) operating activities					
	263,949,751.67	151,718,494.44	305,451,291.77	(141,902,566.83)	
Income tax paid	(39,471,770.46)	(20,316,980.84)	(12,778,800.34)	(17,057,365.04)	
Net cash provided by (used in) operating activities					
	224,477,981.21	131,401,513.60	292,672,491.43	(158,959,931.87)	

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
		2017			
Note	2018	(Restated)	2018	2017	
CASH FLOWS FROM INVESTING ACTIVITIES					
	Cash paid for investment in indirect associated companies	(4,716,000.00)	-	-	-
15	Cash paid for investment in subsidiary	(415,368,793.24)	-	(407,500,000.00)	-
	Cash paid for investment in indirect subsidiary	-	(2,364,205,011.34)	-	-
6.2	Short-term loan to subsidiary	-	-	(363,853,388.23)	(1,681,690,872.79)
6.2	Cash received from short-term loans to subsidiary	-	-	283,500,000.00	411,613,281.39
6.2	Short-term loan to related party	(200,000.00)	-	-	-
6.2	Receipt of short-term loans to related party	200,000.00	-	-	-
6.2	Cash received for long-term loans from related parties	66,404,981.35	-	-	-
10	Long-term loans to employees	(3,138,000.00)	(2,344,865.82)	(3,138,000.00)	(2,314,865.82)
10	Cash received from long-term loans to employees	2,964,042.39	3,202,553.09	2,951,693.75	3,167,516.17
	Cash received from disposal of temporary investments	241,999,251.05	5,072,744,400.48	185,715,484.85	2,767,200,858.74
	Cash paid for purchase of temporary investments	(473,715,245.23)	(3,147,399,699.44)	(437,100,000.00)	(2,178,939,999.97)
	Cash received from disposal of assets	9,721,253.00	9,354,022.63	9,220,505.00	7,815,000.00
17	Cash paid for purchase of fixed assets	(806,762,085.04)	(749,542,377.62)	(3,104,603.20)	(27,686,452.60)
18	Cash paid for intangible assets	(11,084,301.53)	(185,296,847.37)	-	-
	Cash received from disposal of investment in indirect subsidiary	-	17,968,519.66	-	-
	Cash paid for deposit of acquisition	-	-	-	-
	Cash paid for financial lease	-	(33,424.92)	-	-
	Deposit at banks held on collateral decrease	10,599,824.33	-	-	-
	Interest received	2,141,274.11	6,429,526.42	74,353,353.77	38,947,180.67
	Net cash provided by (used in) investing activities	(1,380,953,798.81)	(1,339,123,204.23)	(658,954,954.06)	(661,888,354.21)
CASH FLOWS FROM FINANCING ACTIVITIES					
	Overdraft and short-term loans from financial institutions	27,994,176.63	154,465,893.49	(217,412,143.21)	202,895,176.33
6.2	Cash received from short-term loans from related person	-	30,000,000.00	-	30,000,000.00
6.2	Cash paid for short - term loans from related person	(30,000,000.00)	-	(30,000,000.00)	-
24	Cash paid for short-term loans from other party	(48,956,549.28)	-	-	-
	Cash received for long-term loans from other company	-	28,195,200.00	-	-
22	Cash received from discounted bill of exchange	1,275,000,000.00	1,080,000,000.00	1,275,000,000.00	1,080,000,000.00
22	Cash paid for discounted bill of exchange	(1,195,000,000.00)	(1,190,000,000.00)	(1,195,000,000.00)	(1,190,000,000.00)
26	Cash received from debenture	-	815,400,000.00	-	815,400,000.00
26	Cash paid for debenture	(56,700,000.00)	-	-	-
25	Cash received from long-term loans from financial institutions	1,418,440,494.28	1,022,287,900.00	436,748,000.00	15,000,000.00
25	Cash paid for long-term loans from financial institutions	(234,589,406.72)	(852,718,786.02)	(14,850,000.00)	(40,200,000.00)
	Dividend paid	(108,462,602.43)	(126,201,825.10)	(108,458,994.43)	(124,808,423.64)
29	Cash received from increase in share capital	282,288,831.00	70,564,424.31	282,288,831.00	70,564,424.31
	Proceeds from paid-up shares of a subsidiary from non-controlling interests	177,585,690.25	4,417,788.05	-	-
	Interest paid	(267,410,096.66)	(170,431,034.51)	(64,211,369.21)	(40,743,326.66)
	Net cash provided by (used in) financing activities	1,240,190,537.07	865,979,560.22	364,104,324.15	818,107,850.34
	Currency conversion differences	(51,316,990.90)	61,189,356.11	-	-
	Cash received from investment in subsidiary	134,042,258.48	151,245.50	-	-
	Net increase in cash and cash equivalents increase (decrease)	166,439,987.05	(280,401,528.80)	(2,178,138.48)	(2,740,435.74)
7	Cash and cash equivalents as at beginning balance	159,060,091.75	439,461,620.55	6,559,536.91	9,299,972.65
7	Cash and cash equivalents as at ending balance	325,500,078.80	159,060,091.75	4,381,398.43	6,559,536.91

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Con't)

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated		Separate	
		2017			
Note	2018	(Restated)	2018	2017	
Supplemental disclosures of cash flows information (Unit : Million Baht)					
1.	Cash paid the period for				
	Capitalized borrowing cost to its fixed assets	17	5.68	-	-
2.	Non-cash items				
	Purchase of fixed assets on credit	17	-	16.53	16.53
3.	Unutilized credit facilities for future working capital		1,422.33	1,097.11	335.94
4.	Increased stock dividend	29	-	70.43	70.43

Notes to the financial statements are an integral part of these financial statements.

EASTERN PRINTING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

The Company's was established as juristic person in accordance with the Public Company Act on August 13, 1993. The Head Office is located at 51/29, 51/61, Soi Viphavadee Rangsit 66 (Siamsamakee), Talad Bangkhen, Laksi, Bangkok, Thailand. The Company is engaged in printing business and investment in solar power energy business.

The subsidiaries in corporate in Note 2.2 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of financial statements

The statutory financial statements are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Thailand Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No.1 (Revised 2017) subject: "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, No.2, B.E. 2559" dated October 11, 2016 under the Accounting Act B.E. 2543. which is effective for the preparation of financial statements of the Public Company Limited for the accounting period commencing on or after January 1, 2017.

The consolidated and separate financial statements are presented in Thai Baht, which is the Company and its subsidiaries' functional currency unless otherwise stated.

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiaries and interest in associates as follows :

	Operation		Percentage of Holdings	
	Type of business	Location	2018	2017
Subsidiary held by Company :				
Eastern Power Group Public Company Limited	Investment in other companies and solar power energy	Thai	75.00	75.00
WPS (Thailand) Co., Ltd.	Printing business	Thai	84.50	-

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiaries and interest in associates as follows :

	Operation		Percentage of Holdings	
	Type of business	Location	2018	2017
Indirect subsidiaries held by Subsidiary :				
RPV Energy Co., Ltd.	Investment in other companies and solar power energy	Thai	99.99	99.99
Solar Power Management (Thailand) Co., Ltd.	Investment in other companies and development in energy project in oversea	Thai	99.99	99.99
EpcO Energy Co., Ltd.	Investment in development in energy project in oversea	Thai	99.99	99.99
That Siri Co., Ltd.	Investment in other companies and cogen power energy	Thai	99.99	99.99
STC Energy Co., Ltd.	Investment in other companies and cogen power energy	Thai	99.99	99.99
APEX Energy Solution Co., Ltd.	Investment in other companies and cogen power energy	Thai	81.25	81.25
EpcO Engineering Co., Ltd.	Maintenance and installation service contract in Solar power project	Thai	75.00	75.00
Indirect subsidiaries held by indirect Subsidiary :				
EpcO Green Power Plus Co., Ltd.	Solar power energy and installation service and rental power plants system	Thai	99.99	99.99
JKR Energy Co., Ltd.	Solar power energy	Thai	99.99	99.99
Aquatist Energy Co., Ltd.	Investment in other companies and solar power energy	Thai	99.99	99.99
Lopburi Solar Co., Ltd.	Solar power energy	Thai	99.99	99.99
Prachin Solar Co., Ltd.*	Solar power energy	Thai	48.39	48.39
Alternative Energies Kabushiki Kaisha (Jpn Co.)	Investment in other companies and development in energy project in Japan	Japan	98.00	98.00
Kurihara Godo Kaisha (Jpn Co.)	Development in energy project in Japan	Japan	98.00	98.00
AE Power Godo Kaisha (Jpn Co.)	Development in energy project in Japan	Japan	98.00	98.00
Higashi Nihon Mega Solar 3 Godo Kaisha (Jpn Co.)	Development in energy project in Japan	Japan	98.00	98.00
Kyotamba Solar Godo Kaisha (Jpn Co.)*	Development in energy project in Japan	Japan	-	-
Phu Khanh Solar Power Joint Stock Company	Development in energy project in Vietnam	Vietnam	65.44	-
Associates held by direct Subsidiary and indirect associate:				
PPTC Co., Ltd.**	Cogen power energy	Thai	49.50	49.50
Associates held by indirect Subsidiaries and indirect associate :				
SSUT Co., Ltd.***	Cogen power energy	Thai	40.00	40.00
Associates held by indirect Subsidiaries :				
TAC Energy Co., Ltd.****	Investment in other companies and cogen power energy	Thai	50.00	50.00

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiary and associates as follows : (Con't)

* The Company and its subsidiary participates in controlling power, thus it is considered as subsidiary under the definition specified in Thai Accounting Standard.

** An associate company in Eastern Power Group Plc and TAC Energy Co., Ltd.

*** An associate company in That Siri Co., Ltd. and TAC Energy Co., Ltd.

**** Eastern Power Group Plc does not have control because it indirectly holds shares through 2 subsidiaries (STC Energy Co., Ltd and APEX Energy Solution Co., Ltd.) and have 2 representative as authorized director from 4 authorized directors (See Note 2.2.1.1.3 to the financial statement).

2.2.1.1 Details of significant change in the group's structure

2018

Company :

2.2.1.1.1 At the Board of Directors' Meeting No. 13/2018 held on December 12, 2018, it was approved the Company to enter into a share purchase agreement to acquire WPS (Thailand) Co.,Ltd. ("WPS") shares from its existing shareholder of 42,250,000 shares at the price of Baht 9.645 per share valuing Baht 407.50 million accounting for 84.50% of its authorized share capital.

Direct subsidiary : Eastern Power Group Plc. "EP"

2.2.1.1.2 At the Board of Director's meeting of EP No.7/2018 held on September 19, 2018, it was approved SPM-TH, EP's subsidiary, to enter into a share purchase agreement to acquire Phu Khanh Solar Power Joint Stock Company's ("PKS") 15,280 shares at par value of VND 100,000 per share. PKS has gradually called to pay for its authorized capital of 5,000,000 shares as follows :

Payment Date	Paid – up capital (shares)	Number of shares invested (shares)	Investment Value (Baht)	Percentage of shareholding at the payment dat (%)
08/10/2561	17,000	15,280	2,171,057.73	89.88
08/11/2561	815,255	815,255	115,473,195.69	99.79
21/11/2561	773,323	773,323	109,594,883.71	99.89
29/11/2561	465,800	465,800	65,960,000.00	99.92
20/12/2561	1,550,557	300,557	42,263,811.79	65.44
Balance as at December 31, 2018	3,621,935	2,370,215	335,462,948.92	

At the Board of Directors' meeting of EP No.8/2018 held on October 31, 2018, it was approved SPM-TH to enter into a Joint Investment Agreement in PKS project with Communication and System Solution Plc., ("CSS") on December 17, 2018, with SPM-TH holding 64.99% and CSS holding 25% of PKS's authorized share capital which SPM-TH has entered into shares Transfer Agreement to transfer its shares to CSS in accordance with the Joint Investment Agreement on December 20, 2018.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiary and associates as follows: (Con't)

2.2.1.1 Details of significant change in the group's structure (Con't)

2018 (Con't)

Direct subsidiary : *Eastern Power Group Plc. "EP"* (Con't)

On December 8, 2018, SPM-TH has paid up for the outstanding shares of 879,765 shares totaling Baht 121.26 million which complied with the percentage of investment registered to the Department of Planning and Investment of Vietnam.

2017

Direct subsidiary : *Eastern Power Group Plc. "EP"*

2.2.1.1.3 At the Board of Directors' Meeting of EP, No. 1/2017 held on February 8, 2017, and the Extraordinary shareholders' meeting No. 1/2017 held on February 24, 2017, it was approved as follows;

- A Approve EP to enter into a purchase agreement of That Siri Co., Ltd.'s shares to acquire additional 3,099,998 shares from the existing shareholders value of Bath 509.42 million. After the acquisition, the percentage of shareholding in this company was 99.99% and the indirect shareholding in SSUT Co., Ltd. was 20% of its authorized share capital. EP has fully paid for the share price on January 11, 2017.
- B Approve EP to enter into a purchase agreement of STC Energy Co.,Ltd.'s 78,447,600 shares at Bath 16.433 per share value of Bath 1,289.13 million, accounted for 99.99% of its authorized share capital in order to indirectly hold 39.60% of TAC Energy Co.,Ltd.'s share capital, to indirectly hold an addition of 15.84% of SSUT Energy Co.,Ltd.'s share capital and to indirectly hold 19.80% of PPTC Co.,Ltd.'s share capital. EP has fully paid for the share price on April 26, 2017.
- C Approve EP to enter into purchase agreement of APEX Energy Solution Co.,Ltd.'s 20,602,400 shares at Bath 16.433 per share value of Bath 338.56 Million, accounted for 81.25% of its authorized share capital in order to indirectly hold 10.40% of TAC Energy Co.,Ltd.'s share capital and to indirect hold additional 4.16% of SSUT Energy Co., Ltd.'s shares capital and to indirectly hold 5.20% of PPTC Co.,Ltd.'s share capital. EP has fully paid for the share price on April 3, 2017.
- D Approve EP to enter into purchase agreement of PPTC Co.,Ltd.'s 3,635,800 shares at Bath 142.33 per share value of Bath 517.49 Million, After the acquisition, EP's percentage of shareholding in this company was 24.50% and the indirect shareholding through TAC Energy Co.,Ltd (TAC) was 25.00% of the authorized share capital. EP has fully paid for the share price on September 28, 2017.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiary and associates as follows: (Con't)

2.2.1.1 Details of significant change in the group's structure (Con't)

2.2.1.1.3 At the Board of Directors' Meeting of EP, No. 1/2017 held on February 8, 2017, and the Extraordinary shareholders' meeting No. 1/2017 held on February 24, 2017, it was approved as follows; (Con't)

After the acquisition of shares as described in Note 2.2.1.1.3 to the financial statement, the percentage of shareholding of EP in such subsidiaries and such associated companies are as follows:

Company	Status	Percentage of Shareholding (%)
That Siri Co., Ltd.	Subsidiary	99.99
STC Energy Co., Ltd.	Subsidiary	99.99
APEX Energy Solution Co., Ltd.	Subsidiary	81.25
TAC Energy Co., Ltd.	Indirect associate company	50.00
PPTC Co., Ltd.	Direct and indirect associate company	49.50
SSUT Energy Co., Ltd.	Indirect associate company	40.00

2.2.1.1.4 The Board of Directors' Meeting of the EP No. 4/2017, held on May 15, 2017, it was approved as follows;

- A Approve EP to purchase 19,999,997 shares of EPCO Energy Co., Ltd. from Epco Green Power Plus Co.,Ltd. at par value of Baht 199.99 million proportionate to its shareholding at 99.99% of its authorized share capital in order to restructure the shareholding for the transparency of the business operation. The Company has fully paid the acquired shares on May 31, 2017.
- B Approve Solar Power Management (Thailand) Co., Ltd. "SPM-TH" to dispose investment in total common shares of Solar Power Management Co., Ltd. (HK Co.) "SPM-HK" of 4,007,500 shares at the price of 1.05 Hong Kong dollars totaling 4.21 million Hong Kong dollars in order to restructure its management to be in line with the group's administration. SPM-TH has disposed such investment on September 26, 2017.

2.2.1.1.5 At the Board of Directors' meeting of EP NO. 9/2017 held on November 14, 2017, it was approved to restructure its shareholding as EP is plan to be listed in the Stock Exchange of Thailand (SET), the Company shall restructure its shareholding structure to be in compliance with SET's regulation whereby it shall have core company in the group. As a result, it was approved RPV Energy Co., Ltd. (RPV) to be the core company and approved to dispose total investment in common shares of the following companies to RPV. The details are as follows.-

- A To dispose all investment in common share of JKR Energy Co., Ltd. Totaling 1,249,880 shares at Baht 130.38 per share amounting to Baht 162.98 million.
- B To dispose all investment in common share of Aquatist Energy Co., Ltd. Totaling 19,999,998 shares at Baht 10.45 per share amounting to Baht 209.08 million.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.1 The consolidated financial statements include the financial statements of Eastern Printing Public Company Limited, its subsidiary and associates as follows: (Con't)

2.2.1.1 Details of significant change in the group's structure (Con't)

C To dispose all investment in common share of Epco Green Power Plus Co., Ltd. Totaling 9,999,997 shares at Baht 8.54 per share amounting to Baht 85.38 million.

The total investment in common shares as described in Note 2.2.1.1.5 are amounting to Baht 457.43 million which the Board of Directors of EP has approved RPV to increase its authorized share capital by the amount not less than three companies' share prices acquired from EP and at the Board of Directors' meeting of RPV No. 5/2017 held on November 14, 2017, it was approved RPV to increase its registered share capital by issuing 4,570,000 common shares at par value of Baht 100.00 per shares amounting to Baht 457 million. The increase capital was allocated to EP which EP has fully paid up the share capital on December 25, 2017 resulting in change in percentage of shareholding in EP of RPV from 99.96% to 99.99% of its registered share capital and RPV has registered the increase of its capital to the Ministry of Commerce on December 26, 2017.

2.2.1.1.6 At the Board of Directors' meeting of EP No. 10/2017 held on December 15, 2017, it was approved Alternative Energies Kabushiki Kaisha (Jpn Co.) (AEKK) to increase its registered share capital by issuing 2,400 common shares at par value of JPY 10,000 per shares amounting to JPY 24 million. This increase in share capital was allocated to Solar Power Management (Thailand) Co., Ltd. (SPM-TH) in total which SPM-TH has fully paid up the share capital on December 15, 2017, resulting in change in percentage of shareholding of SPM-TH in AEKK from 50% to 98% of its registered share capital.

Indirect subsidiary : *Alternative Energies Kabushiki Kaisha (Jpn Co.) "AEKK"*

2.2.1.1.7 On January 19, 2017, AEKK has entered into a purchase agreement of Higashi Nihon Mega Solar 3 Godo Kaisha's (GK4) shares at 100% of its authorized share capital amounting to Yen 50,000 from the existing shareholders at par value under the investment in solar power plant plan of the group. AEKK has fully paid for the acquisition on the agreement date.

2.2.2 Subsidiary is all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

2.2.3 Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity.

2.2.4 The financial statement of this company has been consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of such control ceases.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.5 Investment in associate is accounted for using the equity method and is recognized initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

2.2.6 The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

2.2.7 Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiaries, any non-controlling interests and the other components of equity related to the subsidiaries. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiaries, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.2.8 Non-controlling interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

2.2.9 The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

2.2.9.1 Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

2.2.9.2 A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Con't)

2.2 Basis of preparation of consolidated financial statements (Con't)

2.2.9 The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control. (Con't)

2.2.9.3 Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

2.2.10 The financial statements of the subsidiaries, associates are prepared for the same reporting period as the parent company.

2.2.11 The financial statements of the subsidiaries, associates are prepared based on the same significant accounting policies as the parent company for the same accounting items or similar accounting events.

2.2.12 The financial statements of all foreign entities are prepared in their respective functional currencies. Where the functional currency is not Baht, the financial statements are converted into Baht using the exchange rate prevailing on the reporting date in respect of assets and liabilities and at the average buying and selling rate approximates at the transaction date in respect of revenues and expenses. The resultant differences are shown as "Currency conversion differences" in other comprehensive income, and cumulative amount is presented in other components of equity. On disposal of foreign entities, cumulative exchange differences are recognized in part of the gain or loss on the disposal.

2.2.13 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.

Unrealized gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Principles of separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method less impairment losses, have been prepared solely for the benefit of the public.

3. CORRECTION OF AN ERROR

The subsidiary in Japan corrected error in recording a loan from a company account. On purchasing Higashi Nihon Mega Solar 3 G.K. ("GK4") in January 2017, the subsidiary incorrectly offset a loan of Yen 96 million from Nishi Nihon Mega Solar 5 G.K. ("NNMS5 G.K.") to GK4 against the FIT purchased. During the first quarter of 2018, NNMS5 G.K. had requested the subsidiary for a repayment of the loan including interest incurred at a rate of 14% per annum. The subsidiary in Japan thereby discovered that it did not record this loan.

3. CORRECTION OF AN ERROR (Con't)

The error has been corrected by increasing intangible assets and loans payable by Yen 96 million and recording the related interest expense and accrued interest in July 2017. The abovementioned error correction affected Consolidated financial statements for the year ended December 31, 2017

Statements of financial position

Intangible assets - net increase	29,144,640.00	Baht
Trade accounts and other current payable (increase)	(1,968,256.68)	Baht
Current portion of Long-term loans from other companies (increase)	(28,195,200.00)	Baht

Consolidated statements of comprehensive income

Finance cost increase	2,029,328.27	Baht
Currency conversion differences of foreign operation (increase)	(1,010,511.59)	Baht
Comprehensive income attributable		
Owners of the Company (increase)	249,513.49	Baht
Non - controlling interests (decrease)	(1,268,330.17)	Baht

4. ADOPTION OF NEW ACCOUNTING STANDARDS

4.1 New Financial Reporting Standards effective in the current year

In current year, the Company and its subsidiaries have applied the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), and Interpretations (TSIC and TFRIC) as announced by the Thailand Federation of Accounting Professions as follows:-

Thai Accounting Standards

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.1 New Financial Reporting Standards effective in the current year (Con't)

Thai Accounting Standards (Con't)

TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture

Thai Financial Reporting Standards

TFRS 2 (Revised 2017)	Share-based payment
TFRS 3 (Revised 2017)	Business Combinations
TFRS 4 (Revised 2017)	Insurance Contracts
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2017)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

Interpretations

TSIC 10 (Revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2017)	Operating Leases - Incentives
TSIC 25 (Revised 2017)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2017)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.1 New Financial Reporting Standards effective in the current year (Con't)

Interpretations (Con't)

TFRIC 7 (Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2017)	Service Concession Arrangements
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 14 (Revised 2017)	TAS 19 (Revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 20 (Revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2017)	Levies

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards 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 financial statements of the Company and its subsidiaries.

4.2 New Thai Accounting Standards announce during the year not yet adopted

In current year, the Thailand Federation of Accounting Professions has issued Notification regarding the revised and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) and Interpretations (TSIC and TFRIC) which were announced and these have been published in the Royal Gazette. The Company and its subsidiaries have not applied such standards before the effective period as follows:

4.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2018)	Presentation of Financial Statements
TAS 2 (Revised 2018)	Inventories
TAS 7 (Revised 2018)	Statement of Cash Flows
TAS 8 (Revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2018)	Events after the Reporting Period
TAS 12 (Revised 2018)	Income Taxes
TAS 16 (Revised 2018)	Property, Plant and Equipment
TAS 17 (Revised 2018)	Leases
TAS 19 (Revised 2018)	Employee Benefits

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

4.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019 (Con't)

Thai Accounting Standards ("TAS") (Con't)

TAS 20 (Revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2018)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2018)	Borrowing Costs
TAS 24 (Revised 2018)	Related Party Disclosures
TAS 26 (Revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2018)	Separate Financial Statements
TAS 28 (Revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2018)	Earnings per Share
TAS 34 (Revised 2018)	Interim Financial Reporting
TAS 36 (Revised 2018)	Impairment of Assets
TAS 37 (Revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2018)	Intangible Assets
TAS 40 (Revised 2018)	Investment Property
TAS 41 (Revised 2018)	Agriculture

Thai Financial Reporting Standards

TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 2 (Revised 2018)	Share-based payment
TFRS 3 (Revised 2018)	Business Combinations
TFRS 4 (Revised 2018)	Insurance Contracts
TFRS 5 (Revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2018)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2018)	Operating Segments
TFRS 10 (Revised 2018)	Consolidated Financial Statements
TFRS 11 (Revised 2018)	Joint Arrangements
TFRS 12 (Revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contract with Customers

Interpretations

TSIC 10 (Revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2018)	Operating Leases - Incentives
TSIC 25 (Revised 2018)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

4.2.1 Effective for the financial statements for fiscal years beginning on or after January 1, 2019 (Con't)

Interpretations (Con't)

TSIC 27 (Revised 2018)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2018)	Disclosure - Service Concession Arrangements
TSIC 32 (Revised 2018)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standards Interpretations

TFRIC 1 (Revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2018)	Applying the Restatement Approach under TAS 29 (Revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2018)	Service Concession Arrangements
TFRIC 14 (Revised 2018)	TAS 19 (Revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 20 (Revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2018)	Levies

4.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020

Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standard

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Interpretations

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

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

4.2.2 Effective for the financial statements for fiscal years beginning on or after January 1, 2020

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TFRS 15 Revenue from Contracts with Customers

This standard is established a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. 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. It replaces existing revenue recognition standards as follows:

Thai Accounting Standards

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue

Interpretations

TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services
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Interpretation Thai Financial Report Standards

TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers

Newly Thai Financial Reporting Standard TFRS 15 has no impact to the Company and its subsidiaries.

4. ADOPTION OF NEW ACCOUNTING STANDARDS (Con't)

4.2 New Thai Accounting Standards announce during the year not yet adopted (Con't)

The set of TFRSs related to financial instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled as follows.

Thai Accounting Standards

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

The management of the Company and its subsidiaries are still evaluating the possible impact on the financial statements in the year in which Interpretation will be applied.

5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Recognition of revenues and expenses

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow into the enterprise and the amount of the revenue can be measured reliably.

Sales of goods are recognized when goods are delivered and significant risks and rewards of ownership are transferred to customers. No revenue is recognised if there is continuing management involvement with the goods.

Service revenue is recognized when services have been rendered taking into account the stage of completion.

Contract revenue is recognized by the percentage of work complete by reference to the stage of completion of the contract activity at the end of the reporting date.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.1 Recognition of revenues and expenses (Con't)

Revenue from installation is recognized by completion progress of installation or services except those installation or service are minority portions and included in sale, in this case company shall recognize revenue from installation when sale completed.

Revenues from distribute electricity is recognized according when electricity is delivered to and accepted by the customer.

Government grants are recognized when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received. The Company and its subsidiaries has selected to present as the other income in profit or loss for the grants related to income and present as deferred income in the financial position for the grants related to assets.

Government grants are recognized as income on a systematic basic over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

Gain (loss) on investments and derivatives are recognized as income or expense on the transaction date.

Interest income is recognized on a time proportion basis that takes into account of the effective yield on the assets.

Dividend income is recognized when the right to receive dividend is established.

Deferred cost of the rendering of services represent costs incurred relating to services and will be recognized as cost of the rendering of services for which it is held.

Interest expenses and similar costs are charged in profit or loss in the period in which they are incurred.

Other income and expenses are recognized on an accrual basis.

5.2 Cash and cash equivalent

Cash and cash equivalent consist of cash on hand, bank deposits with financial institution with an original maturities of 3 month or less, which are not restricted to any use and all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and not subject to withdrawal restrictions.

Time deposits with maturity exceed three-month period but less than twelve-month period are recorded as current investment.

5.3 Deposit at bank held as collateral

Cash at bank that have restricted in use are presented separately as "Deposit at bank held as collateral" under non-current assets in the statement of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.4 Trade accounts and other receivable and allowance for doubtful accounts

Trade accounts and other receivable are stated at the net realizable value.

The Company and its subsidiaries provide allowance of of doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may be incurred incollection of receivables. The allowance is generally based on collection experiences, the analysis of debtaging and its current financial position.

5.5 Inventories

Inventories are valued at the lower of cost or net realizable value, cost are using first-in first-out method is charged to vessel costs of goods sold whenever consumed.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost to complete and to make the sale.

Allowance for diminution in inventory value is provided, where necessary, for slow-moving and deteriorated inventories based on current condition of the inventory and for the cost higher than net realizable value.

5.6 Investments

5.6.1 Investment in subsidiaries

Investments in the subsidiaries in the separate financial statement are measured at cost net of impairment losses (if any).

5.6.2 Investment in associated

Investments in associated companies included in the consolidated financial statements are accounted for by equity method.

5.6.3 Temporary investment in securities for sales

Temporary investment in marketable equity securities and open-end funds which are intended to be held for sale are presented at fair value. Unrealized gain or loss from adjusting the fair value of securities for sale are recognized as income or expense in the profit or loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

Cost of investment sold during the year is calculated by the weighted-average method.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.7 Property Plant and Equipment

Property is presented at cost amount net allowance for impairment loss (if any).

Plant and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of land, premises and equipment have different useful lives, they are accounted for as separate items (major components) of lands, premises and equipment.

Decommissioning costs are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated on a straight-line basis over the expected period of the decommissioning.

Expenditure for additions, replacement and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

5.8 Depreciation

The depreciation for all assets is computed by reference to their costs after deducting residual value, on the straight-line method over the assets useful life at the following rates:-

Buildings	5 - 20 years
Machineries and equipments	5 - 23 years
Power plants, substation and transmission system and operating and maintenance equipment	10 - 25 years
Factory tools	5 years
Furniture, fixtures and equipments	5 years
Vehicles	5 - 7 years

No depreciation is provided for land and provided on assets under construction and installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of position as an intangible asset. Goodwill on acquisitions of subsidiaries is included in investments in subsidiaries and is tested for impairment as part of the overall balance in the separate financial statements.

Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

5.11 Right to use transmission line and amortization

Deferred right to use transmission line is presented at cost net amortization and allowance of impairment loss (if any).

Amortization is calculating on a straight-line over the period of power purchase agreements of 25 years from the date that they have future economic benefits.

Amortization is included in determining earnings in profit or loss.

5.12 Intangible assets and amortization

Intangible assets that are acquired by the Company and have finite useful lives are presented at historical cost net of accumulated amortization and net allowance for impairment (if any).

Intangible assets with finite lives are amortized on a systematic basis by the straight-line method, over the economic useful life from the date that they are available for use and tested for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization is computed by the straight-line method over the asset economic useful life as the following rate:-

Right from solar power purchase agreement	20 and 25 years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.13 Employee benefits

5.13.1 Short-term employee benefits

Short-term employee benefit obligations, which include salary, wages, bonuses, contributions to the social security fund and provident fund, are measured on an undiscounted basis and are recognized as expenses when incurred.

5.13.2 Post-employment benefits

5.13.2.1 Defined contribution plan

The Company operates a provident fund, being a defined contribution plan, the asset for which is held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Group.

The Company's contributions to the provident fund are charged in profit or loss in the year to which they relate.

5.13.2.2 Defined benefit plan

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in comprehensive income or loss.

5.14 Debentures

Debentures are initially recorded at cost by calculating from the fair value of the money received, which comprised of the fund received net by the direct costs from the issuances of debentures such as the management fee, debenture holder's representatives trustee appointment fee and the fee for financial advisor for debenture issuances. Such costs are amortized as expenses using the straight-line method, which is not significantly differ from the effective rate method. The said expenses would be recorded over various periods throughout the periods of debentures according to each period's outstanding value of debentures. Interest bearing liabilities are presented at cost and expenses related to the occurrence of liabilities are recorded as expenses for the year.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.15 Provision

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.16 Share capital - Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

5.17 Treasury stock

Treasury stock is stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

5.18 Dividend

Dividend to the Company's shareholders is recognised as a liability in the consolidated and company financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

5.19 Translation in Foreign currencies

Transactions in foreign currencies are converted into Baht as the functional currency at the rates of exchange on the transactions date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into Baht at the exchange rate on that date. Gain or losses on exchange rates are recognized as income or expense for the reporting period.

5.20 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax :

The Company and its subsidiaries provide income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.20 Income tax (Con't)

Deferred tax :

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Earnings per share

Basic Earnings per share

Basic earnings per share is determined by dividing the net income for the year by the number of weighted-average common shares issued and paid-up during the year, adjusted for own shares held (if any).

Basic Earnings per share

Diluted earnings per share are calculated by net income for the years attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares.

5.22 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.22 Related party transactions (Con't)

They also include associates companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5.23 Impairment

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiaries estimates the asset's recoverable amount.

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

5.24 Leases

5.24.1 Where is the lessor

Operating lease :

The Company and its subsidiaries present assets for lease under operating lease contract in the statement of financial position according to the nature of the assets. Income from operating lease is recognized as income over the lease term.

5.24.2 Where is the lessee

Operating lease :

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on straight-line method over the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.24 Leases (Con't)

5.24.2 Where is the lessee (Con't)

Finance lease :

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in profit or loss.

5.25 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

5.26 Financial Instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, investments, trade accounts and other current receivable, and loans financial liabilities carried on the statement of financial position include, trade accounts and other current payable and loans. The particular recognition methods adopted are disclosed in the individual policy associated with each items.

The Company and its subsidiaries are a party to financial instruments that reduce its exposure to fluctuations in interest rates. These instruments, which are interest rate swap contracts, are not recognised in the financial statements on inception.

Interest rate swap contracts :

Interest rate cap contracts are entered into to protect against higher interest rates. Any payment to be received from the contracts will be recognised in profit or loss on the settlement date. The premium paid for the interest rate cap is amortised on a straight line method over the period of the contract.

Foreign currency collar :

Foreign currency collar contracts are entered into to protect the Group from movements in exchange rates by limiting the rate at which a foreign currency liability will be settled. Any payment to be received from the contracts will be recognised in profit or loss on the settlement date.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.27 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities (Unadjust)

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.28 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, thus, the actual results may differ from carrying amounts of assets and liabilities based on the estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Significant accounting judgments and estimates are as follow :

5.28.1 Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.28.2 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.28 Significant accounting judgments and estimates (Con't)

5.28.3 Allowance for obsolescence and diminution

Allowance for obsolescence and diminution in value of inventories are intended to adjust the value of inventories for probable losses. The management uses judgment to establish allowances for estimated losses for each outstanding inventories. The allowances for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

5.28.4 Impairment of investments

The Company and its subsidiaries treat investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

5.28.5 Property plant and equipment and depreciation

In calculating depreciation on building and equipment, the management estimates useful lives and residual values of the Company's building and equipment and reviews estimated useful lives and salvage values if there are any changes.

5.28.6 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment analysis, requires management to make subjective judgments concerning estimates of how the acquired asset will perform in the future using a discounted cash flow analysis. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

5.28.7 Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

5.28.8 Impairment of assets

The management is required to review assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.28.9 Provision for employee benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

5. SIGNIFICANT ACCOUNTING POLICIES (Con't)

5.28 Significant accounting judgments and estimates (Con't)

5.28.10 Lease

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.28.11 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation and believes that no loss will result and therefore no contingent liabilities are recorded as at the end of reporting date. However, actual results could differ from the estimates.

6. RELATED PARTY TRANSACTIONS

The Company has certain transactions with subsidiaries, associates and related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

Relationship of related parties other than subsidiaries and associate as disclosed in Note 2.2.1 to the financial statement consisted of :

Person and related company	Relationship	Operation		Percentage of Holdings (%)	
		Type of business	Location	2018	2017
Aqua Corporation Public Company Limited	1	Rental space for advertising signage and investment in other companies	Thai	-	-
Shonan Build Service Co., Ltd. (Jpn Co.)	2	Building service	Japan	-	-
Seikosha Co., Ltd. (Jpn Co.)	3	Building service	Japan	-	-
Glombox Co., Ltd.	4	Printing and advertising agent	Thai	-	-
Manager Media Group Plc.	5	Production and distribution of newspapers and publications	Thai	-	-
Thansettakij Multimedia Co., Ltd.	5	All product and service advertisement on printing media and daily newspaper sale	Thai	-	-
Spring news Co.,Ltd.	5	Advertisement Media	Thai	-	-
News network Corporation Plc.	5	Computer Software and equipment service, development and maintenance	Thai	-	-
Director					

6. RELATED PARTY TRANSACTIONS (Con't)

The nature of relationship between the Company and its related parties are as follows :

1. A major shareholder and having management in common
2. A shareholder in a subsidiary [Alternative Energies Kabushi Kaisha (Jpn Co.)]
3. A parent company in Shonan Build Service Co., Ltd.
4. A director of this company is a closed member of the Company's director
5. A director of management in common

6.1 The significant transactions with related companies are as follows.-

		Unit : Baht			
		For the year ended December 31,			
Pricing policies		Consolidated		Separate	
		2018	2017	2018	2017
Subsidiaries					
Sales and services income	1, 2	-	-	1,554,019.16	-
Interest income	4	-	-	75,238,273.57	33,936,423.37
Rental income	3	-	-	360,000.00	360,000.00
Other income	3	-	-	-	4,694,570.58
Sale Cost	1	-	-	180,737.35	-
Indirect subsidiaries					
Sales income and services income	1	-	-	-	1,058,400.00
Rental income	3	-	-	252,000.00	252,000.00
Other income	3	-	-	-	36,173.96
Associated					
Sales income	1	-	-	-	90,150.00
Person and related companies					
Sales and services income	1, 2	16,332,177.90	19,222,895.10	16,332,177.90	19,222,895.10
Rental income	3	97,500.00	58,500.00	97,500.00	58,500.00
Sales cost	1	243,049.31	4,000.00	243,049.31	4,000.00

Pricing policies

1. Selling price is lower than selling price for general customer group by approximately 1% to 5%.
2. Selling price is lower than selling price for prime customer group by approximately 3% to 10%, based on risk-free on debt collection consideration
3. Mutually agreed rate
4. As stipulated in promissory note (at rate 5.5% - 6% per annum in 2018 and 2017)

6. RELATED PARTY TRANSACTIONS (Con't)

6.1 The significant transactions with related companies are as follows.- (Con't)

Management benefit expenses

The Company and its subsidiaries had salaries, bonuses, social security contributions, contributions to provident fund, other welfare, meeting allowances for directors and executives and retirement benefit recognized to their directors and management as expenses as follows.-

	Unit : Baht			
	For the year ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Short-term benefits	29,153,844.25	24,141,253.86	15,092,845.00	13,940,759.00
Post-employment benefits	1,346,005.00	1,183,906.00	699,337.00	635,817.00
Total	30,504,849.25	25,325,159.86	15,792,182.00	14,576,576.00

6.2 The outstanding balance of account with related companies are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Trade account receivable				
Subsidiaries	-	-	333,640.98	-
Indirect associate	-	96,460.50	-	96,460.50
Person and Related companies	16,511,977.54	16,312,660.03	16,511,977.54	16,312,660.03
<u>Less</u> Allowance for doubtful debt	(12,464,005.35)	(12,464,005.35)	(12,464,005.35)	(12,464,005.35)
Net	4,047,972.19	3,945,115.18	4,381,613.17	3,945,115.18
Other account receivable				
Subsidiaries	-	-	9,977,736.79	4,064,439.15
Indirect subsidiary	-	-	21,000.00	21,000.00
Indirect associated	150,355.00	47,807.20	-	-
Person and related company	2,171,057.73	1,202,680.00	-	-
Total	2,321,392.73	1,250,487.20	9,998,736.79	4,085,439.15
Trade payable				
Subsidiary	-	-	193,388.96	-
Other current payable				
Related company	20,000.00	20,000.00	20,000.00	20,000.00
Other non-current liability				
Indirect subsidiary	-	-	63,000.00	63,000.00

6. RELATED PARTY TRANSACTIONS (Con't)

6.2 The outstanding balance of account with related companies are as follows.- (Con't)

Short-term loans to person and related parties

The movement of short-term loans to person and related parties is as follows.-

	Unit : Baht			
	Consolidated			
	Movement for the year			
	Jan 1, 2018	Increase	(Decrease)	Dec 31, 2018
Director	-	200,000.00	(200,000.00)	-

The abovementioned loans were granted to director of indirect subsidiary in respect of loan agreement due within 6 months from the agreement date bearing interest at rate of 7.75% per annum.

	Unit : Baht			
	Separate			
	Movement for the year			
	Jan 1, 2018	Increase	(Decrease)	Dec 31, 2018
Subsidiary	1,270,077,591.40	363,853,388.23	(283,500,000.00)	1,350,430,979.63

	Unit : Baht			
	Separate			
	Movement for the year			
	Jan 1, 2017	Increase	(Decrease)	Dec 31, 2017
Subsidiary	-	1,681,690,872.79	(411,613,281.39)	1,270,077,591.40

The abovementioned loans were granted to subsidiary without collateral by issuing on demand promissory notes bearing interest at rate of 5.5% - 6% per annum.

Current portion of Long-term loans to indirect associated

The movement of current portion of long-term loans to related indirect associated are as follows:

	Unit : Baht			
	Consolidated			
	Movement for the year			
	Jan 1, 2018	Increase	(Decrease)	Dec 31, 2018
Indirect associate	75,776,000.00	-	(66,404,981.35)	9,371,018.65

6. RELATED PARTY TRANSACTIONS (Con't)

6.2 The outstanding balance of account with related companies are as follows.- (Con't)

Current portion of Long-term loans to indirect associated (Con't)

The movement of current portion of long-term loans to related indirect associated are as follows: (Con't)

	Unit : Baht			
	Consolidated			
	Movement for the year			
	Jan 1, 2017	Increase	Decrease	Dec 31, 2017
Indirect associate	-	75,776,000.00	-	75,776,000.00

The abovementioned loan was granted to two indirect associated companies proportionate to its shareholding for purchase of land in respect of loan agreement due within 3 years from the agreement date (due in 2017). The loan was an unsecured and on an interest-free basis.

Short-term loans from person related parties

The movement of short-term loans from person and related parties is as follows.-

	Unit : Baht			
	Consolidated/Separate			
	Movement for the period			
	Jan 1, 2018	Increase	(Decrease)	Dec 31, 2018
Director	30,000,000.00	-	30,000,000.00	-

	Unit : Baht			
	Consolidated/Separate			
	Movement for the period			
	Jan 1, 2017	Increase	(Decrease)	Dec 31, 2017
Director	-	30,000,000.00	-	30,000,000.00

The abovementioned loans from director of the Company without collateral by issuing on demand promissory notes and on an interest-free basis.

6. RELATED PARTY TRANSACTIONS (Con't)

6.3 Other

The Company and related company had guaranteed credit facilities from financial institutions among one another as follows.-

	Unit : Million Yen		Unit : Million Baht	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Credit facilities guaranteed by the Company for direct subsidiary	4,115.00	810.00	1,278.00	858.00
Credit facilities guaranteed by the Company for indirect subsidiaries	-	-	592.50	853.40
Credit facilities guaranteed by the Company and indirect subsidiary for indirect subsidiary	-	-	-	414.00
Credit facilities guaranteed by direct subsidiary for indirect subsidiaries	-	-	927.40	-
Credit facilities guaranteed by direct subsidiary and indirect subsidiary for indirect subsidiary	-	-	554.00	156.50

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Cash	944,713.67	416,433.22	83,000.00	83,000.00
Post dated cheques	3,332,625.10	4,634,433.29	3,332,625.10	4,634,433.29
Bank				
- Current account	3,512,179.70	11,015,371.67	415,672.28	341,967.38
- Saving account	317,692,822.43	142,992,853.57	550,101.05	1,500,136.24
- Fixed deposits 3 month	17,737.90	1,000.00	-	-
Total	325,500,078.80	159,060,091.75	4,381,398.43	6,559,536.91

8. TEMPORARY INVESTMENTS

Temporary investments consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Temporary investments in				
opened-funds	252,160,568.15	4,423,991.81	251,535,310.40	-
Fixed deposits	6,720,222.51	22,586,306.00	-	-
Total	258,880,790.66	27,010,297.81	251,535,310.40	-

The temporary investments are investments in opened - funds for short - term profit - taking purpose.

In 2018 and 2017, its subsidiaries had investments in fixed deposits for period 3 to 12 months at rate of 0.9 - 1.55% and 0.9% - 2% per annum respectively.

9. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE - NET

Trade accounts and other current receivable - net consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Trade accounts receivable</u>				
Trade accounts receivable - Subsidiary	-	-	330,640.98	-
- Indirect associates	-	96,460.50	-	96,460.50
- Person and related companies	16,511,977.54	16,312,660.03	16,511,977.54	16,312,660.03
- Other company	302,831,253.07	245,544,214.29	138,299,980.36	181,353,653.44
<u>Less</u> Allowance for doubtful account	(53,663,394.65)	(23,875,397.65)	(31,033,754.88)	(23,875,397.65)
Total	265,709,835.96	238,077,937.17	124,111,844.00	173,887,376.32

The temporary investments in opened - end fund are investment of its subsidiary for short-term profit-taking purpose.

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Other current receivable</u>				
Other receivable - Subsidiaries	-	-	8,560,000.00	3,873,057.60
- Indirect subsidiaries	-	-	21,000.00	21,000.00
- Indirect associate	150,335.00	-	-	-
- Related companies	2,171,057.73	1,202,680.00	-	-
- Other company *	4,954,779.83	230,337,474.01	96,305.04	197,257,989.12
Prepaid expense	385,469,432.00	5,913,756.26	4,172,439.82	3,161,537.42
Advance payments - Indirect associate	-	47,807.20	-	-
- Other company	519,613.54	559,151.00	160,800.00	140,151.00
Accrued interest - Subsidiary	-	-	1,417,736.79	191,381.55
- Other Company	259,661.35	440,676.85	-	-
Other current receivable	393,524,879.45	238,501,545.32	14,428,281.65	204,645,116.69
Trade accounts and other current receivable - net	659,234,715.41	476,579,482.49	138,540,125.65	378,532,493.01

* 2017

Other current receivable - other company was receivable from the seller for the compensation for not being able to find new solar power plants with capacity not less than 12 Magawatt to sell to the plaintiff or the plaintiff's subsidiary within December 15, 2017 as proposed by the plaintiff in order to negotiate to end the court case as described in Note 42 to the financial statement amounting to JPY 690 million (Baht 197.26 million). The Company gradually received compensation amount in full in January and February 2018.

9. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE - NET (Con't)

Trade accounts and other current receivable consist of.- (Con't)

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Account receivables not yet due	193,838,762.38	162,693,598.59	71,639,014.93	98,503,037.74
Account receivables over due				
Under or equal to 3 months	32,028,190.73	25,349,123.49	13,751,630.16	25,349,123.49
Over 3 months to 6 months	9,356,976.75	25,688,817.37	8,193,336.60	25,688,817.37
Over 6 months to 12 months	21,528,296.00	20,753,035.44	21,360,302.40	20,753,035.44
Over 12 months	62,591,004.75	27,468,759.93	40,201,314.79	27,468,759.93
Total	319,343,230.61	261,953,334.82	155,145,598.88	197,762,773.97
<u>Less</u> Allowance for doubtful account	<u>(53,633,394.65)</u>	<u>(23,875,397.65)</u>	<u>(31,033,754.88)</u>	<u>(23,875,397.65)</u>
Net	265,709,835.96	238,077,937.17	124,111,844.00	173,887,376.32

The details of significant allowance for allowance for doubtful account are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	23,875,397.65	21,355,940.60	23,875,397.65	21,355,940.60
Increase from business combination	22,599,639.77	-	-	-
<u>Add</u> Increase during the year	<u>7,158,357.23</u>	<u>2,519,457.05</u>	<u>7,158,357.23</u>	<u>2,519,457.05</u>
Ending balance	<u>53,633,394.65</u>	<u>23,875,397.65</u>	<u>31,033,754.88</u>	<u>23,875,397.65</u>

10. LONG-TERM LOANS TO EMPLOYEES - NET

The movement of long-term loan to employees - net are as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	4,096,028.68	4,953,715.95	4,083,680.04	4,936,330.39
<u>Add</u> Increase during the year	<u>3,138,000.00</u>	<u>2,344,865.82</u>	<u>3,138,000.00</u>	<u>2,314,865.82</u>
<u>Less</u> Received during the year	<u>(2,964,042.39)</u>	<u>(3,202,553.09)</u>	<u>(2,951,693.75)</u>	<u>(3,167,516.17)</u>
Ending balance for the year	4,269,986.29	4,096,028.68	4,269,986.29	4,083,680.04
<u>Less</u> Current portion	<u>(2,139,411.94)</u>	<u>(2,180,754.03)</u>	<u>(2,139,411.94)</u>	<u>(2,168,405.39)</u>
Net	2,130,574.35	1,915,274.65	2,130,574.35	1,915,274.65

The above long-term loan, the Company and subsidiaries has granted loans to employees in respect of loan agreements. The loans were charged with interest at MLR+1.5% (interest rate 7.75 - 8.15% in 2018 and 7.75% - 8.25% in 2017) and were secured by personal guarantor of another employee.

11. INVENTORIES - NET

Inventories - net consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Raw materials	68,924,027.80	63,537,252.29	47,158,349.21	63,537,252.29
Raw materials-in-transit	26,958,010.59	12,791,139.92	29,769,885.50	12,791,139.92
Work-in-process	7,621,738.77	7,725,041.55	4,066,553.48	7,725,041.55
Supplies	9,386,794.42	2,349,959.84	1,577,658.97	2,349,959.84
Spare parts	6,057,166.80	246,219.41	205,328.66	246,219.41
Finished goods	2,811,874.91	2,525,637.29	5,231,844.88	2,525,637.29
Total	127,427,670.11	89,175,250.30	88,009,620.70	89,175,250.30
<u>Less</u> Allowance for diminution in value of inventories	(8,121,437.38)	(657,980.57)	(657,980.57)	(657,980.57)
Total Inventories - Net	119,306,232.73	88,517,269.73	87,351,640.13	88,517,269.73

The details of significant for allowance for obsolete in value of inventories are as follows,-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	657,980.57	760,000.00	657,980.57	760,000.00
Increase from business combination	7,463,456.81	-	-	-
<u>Less</u> reversal for the year	-	(102,019.43)	-	(102,019.43)
Ending balance for the year	8,121,437.38	657,980.57	657,980.57	657,980.57

12. CONSTRUCTION IN PROGRESS - FINANCE LEASES

Construction in Progress - finance lease was solar cells and related equipment under installation under finance lease agreement which a indirect subsidiary had with 5 company other companies. In 2018 and 2 companies In 2017.

13. OTHER CURRENT ASSETS

Other current assets consist of :

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Revenue Department Receivable	95,348,553.99	18,112,130.80	-	-
Deposits and Insurance	36,843,947.28	16,007,513.08	-	-
Prepaid expenses	6,020,497.45	-	10,000.00	32,381.07
Other	2,498,496.84	1,036,621.50	162,761.83	129,097.59
Total	140,711,495.56	35,156,265.38	172,761.83	161,478.66

14. DEPOSITS AT BANKS HELD AS COLLATERALS

Deposits in banks as collateral consist of :

Type of deposits	Collateral for	Interest rate (per annum)	Unit : Baht	
			Consolidate	
			2018	2017
Saving account	Indirect subsidiaries's credit facilities	0.125 - 1.1	28,852,871.69	42,866,000.00
3 - 6 months fixed account	Indirect associated letter of guarantee	0.8 - 1	88,500,974.64	85,087,670.66
12 months fixed account	Indirect subsidiaries's letter of guarantee	0.9	726,000.00	726,000.00
Total			118,079,846.33	128,679,670.66

15. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consist of:

	Unit : Million Baht							
	As at Dec 31, 2018 and 2017				Separate			
	Paid-up share capital (Million Baht)		Investment ownership (%)		Cost method		Dividend during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
Eastern Power Group Plc.	1,200.00	1,200.00	75.00	75.00	1,049.96	1,049.96	-	-
WPS (Thailand) Co., Ltd.	500.00	500.00	84.50	-	407.50	-	-	-
Total					1,457.46	1,049.96	-	-

The movement of Investment in Subsidiary during the year ended December 31, 2018 and 2017 are as follows.-

	Unit : Baht	
	Separate	
	2018	2017
Beginning balance	1,049,960,920.00	1,049,960,920.00
Purchase invesment	407,500,000.00	-
Ending balance	1,457,460,920.00	1,049,960,920.00

Investments in direct subsidiary during the year

At the Board of Directors' meeting of the Company No. 13/2561 held on December 12, 2018 it was resolved to the Company has acquired at 42,250,000 shares of WPS (Thailand) Co., Ltd. at Baht 9.645 per share amounting to Baht 407.50 million from its existing shareholder accounting for 84.50% of its authorized shares capital.

15. INVESTMENTS IN SUBSIDIARY (Con't)

Fair value amounts of the assets acquisition and the liability of That Siri Co., Ltd. as at the acquisition date are as follow:

WPS (Thailand) Company Limited

	Unit : Thousand Baht		
	Book Value	Revised Fair Value	Recognition
Cash and cash equivalents	1,069	-	1,069
Trade accounts and other current receivable	15,192	-	15,192
Trade accounts receivable – related companies	211,628	-	211,628
Inventories	20,930	-	20,930
Other current assets	8,675	-	8,675
Property, Plant and Equipment	443,868	101,565	545,433
Other non-current assets	11,858	-	11,858
Overdraft and short-term loans from financial institutions	(68,061)	-	(68,061)
Trade accounts and other current payable	(38,783)	-	(38,783)
Trade accounts payable – related companies	(1,830)	-	(1,830)
Deferred tax liabilities	(19,219)	(20,313)	(39,532)
Provisions for employee benefit	(8,033)	-	(8,033)
Other non-current liabilities	(21,289)	-	(21,289)
Fair value of assets acquisition and liabilities assumed - net	556,005	81,252	637,257
Controlling interest (percent)			84.50
Net book value			538,482
Purchase price			407,500
Gain in a bargaining purchase*			130,982

* Presented to others income in the comprehensive income

16. INVESTMENTS IN ASSOCIATE COMPANIES

Investments in associate companies consist of.-

	Unit : Million Baht							
	As at Dec 31, 2018 and 2017				Consolidated			
	Register share capital and paid-up (Million Baht)		Investment ownership (%)		Equity Method		Share of profit (loss) for the year	
	2018	2017	2018	2017	2018	2017	2018	2017
<u>Held by direct subsidiary and indirect associated company</u>								
PPTC Co.,Ltd.	1,484.00	1,484.00	49.50	49.50	571.57	527.32	44.25	9.83
<u>Held by indirect subsidiaries</u>								
TAC Energy Co.,Ltd.	1,990.00	1,981.00	50.00	50.00	1,902.70	1,778.49	119.49	112.46
<u>Held by indirect subsidiary and indirect associated company</u>								
SSUT Co.,Ltd.	2,919.00	2,919.00	40.00	40.00	1,127.74	1,051.03	76.71	73.94
					3,602.01	3,356.84	240.45	196.23

17. PROPERTY, PLANT AND EQUIPMENT - NET

Property plant and equipment consist of:-

	Unit : Baht									
	Consolidated									
	Land	Buildings Improvement	Machineries and equipments	Power plants, substation & transmission system and operating & maintenance equipment	Factory tools	Furniture, fixtures and equipment	Vehicles	Machineries under installation	Solar farm in progress	Total
Cost										
As at January 1, 2017	254,218,301.67	178,574,949.61	598,485,702.00	2,190,911,661.35	35,601,021.67	30,629,412.31	1,964,727.55	2,426,600.00	234,365,433.63	3,527,177,809.79
Acquired during the year	35,380,022.10	4,843,443.50	27,426,551.13	10,032,233.67	530,956.53	844,289.00	-	13,945,614.27	680,996,174.38	773,999,284.58
Disposal during the year	-	-	(40,831,508.00)	(1,539,022.63)	-	-	-	-	-	(42,370,530.63)
Transferred in/out during the year	-	14,340,128.45	12,210,589.68	168,550,555.30	16,522,020.81	-	-	(13,652,187.91)	(197,971,106.33)	-
Transferred of asset type	-	-	-	607,213.98	-	-	-	-	(8,537,517.36)	(7,930,303.38)
Transferred of expense	-	-	-	(587,969.51)	-	-	-	-	(904,109.54)	(1,492,079.05)
As at December 31, 2017	289,598,323.77	197,758,521.56	597,291,334.81	2,367,974,672.16	52,653,999.01	31,473,701.31	1,964,727.55	2,720,026.36	707,948,874.78	4,249,384,181.31
Accumulated depreciation										
As at January 1, 2017	-	139,314,556.49	443,717,403.27	226,312,435.83	16,684,113.25	29,444,094.19	917,084.20	-	-	856,389,687.23
Depreciation for the year	-	4,807,195.38	21,133,197.37	116,074,742.76	3,039,385.55	607,948.83	187,585.39	-	-	145,850,055.28
Depreciation - disposals	-	-	(36,768,017.99)	-	-	-	-	-	-	(36,768,017.99)
As at December 31, 2017	-	144,121,751.87	428,082,582.65	342,387,178.59	19,723,498.80	30,052,043.02	1,104,669.59	-	-	955,471,724.52
Provision for impairment										
As at January 1, 2017	-	-	1,954,928.75	-	-	-	-	-	-	1,954,928.75
Reversal	-	-	(656,529.12)	-	-	-	-	-	-	(656,529.12)
As at December 31, 2017	-	-	1,298,399.63	-	-	-	-	-	-	1,298,399.63
Net Book Value										
As at January 1, 2017	254,218,301.67	39,260,393.12	152,813,369.98	1,964,599,225.52	18,916,908.42	1,185,318.12	1,047,643.35	2,426,600.00	234,365,433.63	2,668,833,193.81
As at December 31, 2017	289,598,323.77	53,636,769.69	167,910,352.53	2,025,587,493.57	32,930,500.21	1,421,658.29	860,057.96	2,720,026.36	707,948,874.78	3,282,614,057.16

17. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Unit : Baht

	Consolidated									
	Land and land improvement	Buildings Improvement	Machineries and equipments	Power plants, substation & transmission system and operating & maintenance equipment	Factory tools	Furniture, fixtures and equipment	Vehicles	Machineries under installation	Solar farm in progress	Total
Cost										
As at January 1, 2018	289,598,323.77	197,758,521.56	597,291,334.81	2,367,974,672.16	52,653,999.01	31,473,701.31	1,964,727.55	2,720,026.36	707,948,874.78	4,249,384,181.31
Acquired during the year	-	-	-	16,593,597.90	124,661.50	824,233.72	648,403.63	2,297,224.04	780,598,916.23	801,087,037.02
Borrowing costs during the year	-	-	-	4,776,978.98	-	-	-	-	898,069.04	5,675,048.02
Disposals/write off during the year	(345,228.00)	-	(36,867,381.35)	(8,256,494.66)	-	-	-	-	(612,633.69)	(46,081,737.70)
Increase from business combination	169,174,134.30	506,189,002.55	802,934,412.64	-	-	4,957,841.32	1,908,942.09	-	-	1,485,164,332.90
Transferred in/out during the year	-	58,500.00	4,917,275.40	852,666,391.61	-	-	-	(4,975,775.40)	(852,666,391.61)	-
Transferred of asset type	-	-	-	(7,347,992.49)	-	-	-	-	-	(7,347,992.49)
As at December 31, 2018	458,427,230.07	704,006,024.11	1,368,275,641.50	3,226,407,153.50	52,778,660.51	37,255,776.35	4,522,073.27	41,475.00	636,166,834.75	6,487,880,869.06
Accumulated depreciation										
As at January 1, 2018	-	144,121,751.87	428,082,582.65	342,387,178.59	19,723,498.80	30,052,043.02	1,104,669.59	-	-	965,471,724.52
Depreciation for the year	7,694.28	5,847,120.52	24,580,373.53	109,530,990.08	2,436,813.74	628,852.45	205,823.94	-	-	143,237,668.54
Depreciation - disposals/write off	-	-	(30,074,423.51)	(139,055.93)	-	-	-	-	-	(30,213,479.44)
Increase from business combination	6,343,477.36	317,698,829.51	613,003,164.14	-	-	4,117,071.17	1,549,518.63	-	-	942,712,060.81
Transferred of asset type	-	-	-	(25,383.34)	-	-	-	-	-	(25,383.34)
As at December 31, 2018	6,351,171.64	467,667,701.90	1,035,591,696.81	451,753,729.40	22,160,312.54	34,797,966.64	2,860,012.16	-	-	2,021,182,591.09
Provision for impairment										
As at January 1, 2018	-	-	1,298,399.63	-	-	-	-	-	-	1,298,399.63
Reversal	-	-	(302,411.24)	-	-	-	-	-	-	(302,411.24)
As at December 31, 2018	-	-	995,988.39	-	-	-	-	-	-	995,988.39
Net Book Value										
As at January 1, 2018	289,598,323.77	53,636,769.69	167,910,352.53	2,025,587,493.57	32,930,500.21	1,421,658.29	860,057.96	2,720,026.36	707,948,874.78	3,282,614,057.16
As at December 31, 2018	452,076,058.43	236,388,322.21	331,687,956.30	2,774,653,424.10	30,618,347.97	2,457,809.71	1,662,061.11	41,475.00	636,166,834.75	4,465,702,289.58

Depreciation for the year end December 31, consist of :

	Unit : Baht	
	2018	2017
Cost of sales	142,094,395.68	144,819,060.85
Administrative expense	1,143,272.86	1,030,994.43
Total	143,237,668.54	145,850,055.28

17. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Unit : Baht

	Separate								
	Land	Buildings Improvement	Machineries and equipments	Factory tools	Furniture, fixtures and equipment	Vehicles	Power transmission system & equipment and tool for power generation system	Machineries under installation	Total
Cost									
As at January 1, 2017	97,002,972.90	144,496,544.23	598,485,702.00	10,352,950.16	29,829,509.18	400,501.00	-	2,426,600.00	882,994,779.47
Acquired in during the year	-	795,000.00	27,426,551.13	496,201.38	506,804.40	-	1,058,400.00	13,945,614.27	44,228,571.18
Disposal during the year	-	-	(40,831,508.00)	-	-	-	-	-	(40,831,508.00)
Transferred in/out during the year	-	1,441,598.23	12,210,589.68	-	-	-	-	(13,652,187.91)	-
As at December 31, 2017	97,002,972.90	146,733,142.46	597,291,334.81	10,849,151.54	30,336,313.58	400,501.00	1,058,400.00	2,720,026.36	886,391,842.65
Accumulated depreciation									
As at January 1, 2017	-	134,371,355.14	443,717,403.27	9,855,161.32	28,926,755.04	400,500.00	-	-	617,271,174.77
Depreciation for the year	-	2,909,555.77	21,133,197.37	269,738.04	405,238.30	-	35,779.94	-	24,753,509.42
Depreciation - disposals	-	-	(36,768,017.99)	-	-	-	-	-	(36,768,017.99)
As at December 31, 2017	-	137,280,910.91	428,082,582.65	10,124,899.36	29,331,993.34	400,500.00	35,779.94	-	605,256,666.20
Provision for impairment									
As at January 1, 2017	-	-	1,954,928.75	-	-	-	-	-	1,954,928.75
Reversal	-	-	(656,529.12)	-	-	-	-	-	(656,529.12)
As at December 31, 2017	-	-	1,298,399.63	-	-	-	-	-	1,298,399.63
Net Book Value									
As at January 1, 2017	97,002,972.90	10,125,189.09	152,813,369.98	497,788.84	902,754.14	1.00	-	2,426,600.00	263,768,675.95
As at December 31, 2017	97,002,972.90	9,452,231.55	167,910,352.53	724,252.18	1,004,320.24	1.00	1,022,620.06	2,720,026.36	279,836,776.82

17. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

	Unit : Baht								
	Separate								
	Land	Buildings Improvement	Machineries and equipments	Factory tools	Furniture, fixtures and equipment	Vehicles	Power transmission system & equipment and tool for power generation system	Machineries under installation	Total
Cost									
As at January 1, 2018	97,002,972.90	146,733,142.46	597,291,334.81	10,849,151.54	30,336,313.58	400,501.00	1,058,400.00	2,720,026.36	886,391,842.65
Acquired in during the year	-	-	-	95,147.48	712,231.68	-	-	2,297,224.04	3,104,603.20
Disposal during the year	-	-	(36,867,381.35)	-	-	-	-	-	(36,867,381.35)
Transferred in/out during the year	-	58,500.00	4,917,275.40	-	-	-	-	(4,975,775.40)	-
As at December 31, 2018	97,002,972.90	146,791,642.46	565,341,228.86	10,944,299.02	31,048,545.26	400,501.00	1,058,400.00	41,475.00	852,629,064.50
Accumulated depreciation									
As at January 1, 2018	-	137,280,910.91	428,082,582.65	10,124,899.36	29,331,993.34	400,500.00	35,779.94	-	605,256,666.20
Depreciation for the year	-	3,043,362.86	22,899,624.86	242,102.09	464,138.46	-	53,304.83	-	26,702,533.10
Depreciation - disposals	-	-	(30,074,423.51)	-	-	-	-	-	(30,074,423.51)
As at December 31, 2018	-	140,324,273.77	420,907,784.00	10,367,001.45	29,796,131.80	400,500.00	89,084.77	-	601,884,775.79
Provision for impairment									
As at January 1, 2018	-	-	1,298,399.63	-	-	-	-	-	1,298,399.63
Reversal	-	-	(302,411.24)	-	-	-	-	-	(302,411.24)
As at December 31, 2018	-	-	995,988.39	-	-	-	-	-	995,988.39
Net Book Value									
As at January 1, 2018	97,002,972.90	9,452,231.55	167,910,352.53	724,252.18	1,004,320.24	1.00	1,022,620.06	2,720,026.36	279,836,776.82
As at December 31, 2018	97,002,972.90	6,467,368.69	143,437,456.47	577,297.57	1,252,413.46	1.00	969,315.23	41,475.00	249,748,300.32
Depreciation for the year end December 31, consist of :									
							Unit : Baht		
							2018	2017	
Cost of sales							26,007,480.96	24,083,732.96	
Administrative expense							695,052.14	669,776.46	
Total							26,702,533.10	24,753,509.42	

17. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

As at December 31, 2018 and 2017, the Company and its subsidiaries had mortgaged its certain land and building and part of machinery and equipment at cost value of Baht 2,043.36 million and Baht 2,277.17 million respectively and net book value of Baht 1,231.03 million and Baht 1,540.20 million respectively for the consolidated financial statements (cost value of Baht 679.13 million and Baht 637.08 million respectively and net book value of Baht 189.10 million and Baht 200.23 million respectively for the separate financial statements) with commercial banks as a collateral for its loans as described in Note 25 and 40 to the financial statements.

For the year 2018, the borrowing costs of Baht 5.68 million, in the consolidated financial statements, incurred from borrowings for the solar power plants projects of the indirect subsidiaries. Borrowing cost of loan was calculated from actual loan incurred in the year, the capitalization LIBOR rate+2.5% per annum.

As at December 31, 2018 and 2017, indirect subsidiary solar cells at carrying cost value in the consolidated financial statements amount of Baht 69.08 million and Baht 68.88 million respectively and the net book value in the consolidated financial statements amount of Baht 54.34 million and Baht 57.59 million respectively were assets built on leased spaces. At the expiry date of the lease agreements, the lessors had rights to acquire the assets or to have the subsidiary dismantle the solar cells. The subsidiary did not recognize the provision for the dismantling value in the consolidated financial statements because the subsidiary's management expected that the lessor shall not dismantle the solar cells.

As at December 31, 2018 and 2017 Solar farm of indirect subsidiary at cost value in the consolidated financial statement amount of Baht 203.70 million and Baht 203.86 million respectively and net book value in the consolidated financial statements of Baht 185.40 million and Baht 195.17 million respectively were assets built on leased spaces. At the expiry date of the lease agreements, the indirect subsidiary shall demolish all construction and reinstate the area back to lessor. In 2017 indirect subsidiary recorded estimate demolition amount of Baht 1.24 million in the consolidated financial statements.

18. INTANGIBLE ASSETS - NET

The movements of the intangible assets - net were summarised below :

	Unit : Baht		
	Consolidated		
	Right of sales of electricity from solar power	Rights to use transmission lines	Total
<u>Cost</u>			
As at January 1, 2017	506,338,174.55	9,490,486.21	515,828,660.76
Acquisition during the year	124,584,282.04	60,712,565.33	185,296,847.37
As at December 31, 2017	630,922,456.59	70,203,051.54	701,125,508.13
<u>Accumulated amortization</u>			
As at January 1, 2017	37,592,017.40	713,882.67	38,305,900.07
Amortized during the year	18,570,296.74	562,167.60	19,132,464.34
As at December 31, 2017	56,162,314.14	1,276,050.27	57,438,364.41
<u>Net Book Value - Net</u>			
As at January 1, 2017	468,746,157.15	8,776,603.54	477,522,760.69
As at December 31, 2017 (Restated)	574,760,142.45	68,927,001.27	643,687,143.72
<u>Cost</u>			
As at January 1, 2018	630,922,456.59	70,203,051.54	701,125,508.13
Acquisition during the year	-	11,084,301.53	11,084,301.53
As at December 31, 2018	630,922,456.59	81,287,353.07	712,209,809.66
<u>Accumulated amortization</u>			
As at January 1, 2018	56,162,314.14	1,276,050.27	57,438,364.41
Amortized during the year	19,056,610.95	1,066,297.66	20,122,908.61
As at December 31, 2018	75,218,925.09	2,342,347.93	77,561,273.02
<u>Net Book Value - Net</u>			
As at January 1, 2018 (Revised)	574,760,142.45	68,927,001.27	643,687,143.72
As at December 31, 2018	555,703,531.50	78,945,005.14	634,648,536.64

18. INTANGIBLE ASSETS - NET (Con't)

Indirect subsidiaries :

Right of saler of electricity from Solar power :

Right of saler of electricity from Solar power were right in the FIT licenses in Solar farm project in Japan for 4 projects respectively amounting to JPY 1,251.80 million (Baht 380.38 million) under construction as described in Note 43.2 to 43.4 to the financial statements.

Right to use transmission lines :

Right to use transmission lines in Thailand was derived from the agreements between 3 indirect subsidiaries and the Provincial Electricity Authority and the Metropolitan Electricity Authority which the indirect subsidiaries shall invest in the installation of transmission lines for the distributions of electricity. The transmission lines shall be the assets of the Provincial Electricity Authority and the Metropolitan Electricity Authority as stipulated in the agreements. The subsidiaries shall start to amortize the rights at the commencement of their first commercial operation.

Right to use transmission lines in Japan was incurred from payment for right of 2 projects amounting to JPY 182.41 million (Baht 55.45 million) as described in Note 43.2 to the financial statements.

19. DEFERRED TAX ASSETS AND LIABILITIES

19.1 Deffered tax assets and liabilities are as below :

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Deferred tax assets	14,088,263.37	6,206,570.60	6,176,329.84	5,704,624.62
Deferred tax liabilities	(57,946,568.43)	(7,358.00)	-	(7,358.00)
Net	(43,858,305.06)	6,199,212.60	6,176,329.84	5,697,266.62

19. DEFERRED TAX ASSETS (Con't)

19.2 Movements in deferred tax assets and liabilities during the year are as follows:

	Unit : Baht			
	Consolidated			
			(Expense)	
			Revenue	
		Increase from	for year ended	
		business	period in profit	
	Jan 1, 2018	combination	or loss	Dec 31, 2018
<u>Deferred tax assets</u>				
Trade account receivable	-	-	4,520,000.00	4,520,000.00
Inventories	131,596.11	-	1,493,000.00	1,624,596.11
Long-term investment	-	-	8,171.00	8,171.00
Property, plant and equipment	271,725.80	-	(271,725.80)	-
Employees benefit obligations	5,803,248.69	-	2,132,247.57	7,935,496.26
Total	6,206,570.60	-	7,881,692.77	14,088,263.37
<u>Deferred tax liabilities</u>				
Long-term investment	(7,358.00)	-	7,358.00	-
Property, plant and equipment	-	(20,312,974.08)	(37,633,594.35)	(57,946,568.43)
Total	(7,358.00)	(20,312,974.08)	(37,633,594.35)	(57,946,568.43)
Net	6,199,212.60	(20,312,974.08)	(29,744,543.58)	(43,858,305.06)
Unit : Baht				
Consolidated				
(Expense)				
Revenue				
for year ended				
period in profit or				
	Jan 1, 2017		loss	Dec 31, 2017
<u>Deferred tax assets</u>				
Inventories	152,000.00		(20,403.89)	131,596.11
Long-term investment	2,692.00		(2,692.00)	-
Property, plant and equipment	390,985.75		(119,259.95)	271,725.80
Employees benefit obligations	5,096,006.19		707,242.50	5,803,248.69
Total	5,641,683.94		564,886.66	6,206,570.60
<u>Deferred tax liabilities</u>				
Long-term investment	-		(7,358.00)	(7,358.00)
Temporary investments	(804,656.80)		804,656.80	-
Total	(804,656.80)		797,298.80	(7,358.00)
Net	4,837,027.14		1,362,185.46	6,199,212.60

19. DEFERRED TAX ASSETS AND LIABILITIES (Con't)

19.2 Movements in deferred tax assets and liabilities during the year are as follows: (Con't)

	Unit : Baht		
	Consolidated		
		(Expense)	Revenue
		for year ended	
		period in profit or	
	Jan 1, 2017	loss	Dec 31, 2017
<u>Deferred tax assets</u>			
Inventories	152,000.00	(20,403.89)	131,596.11
Long-term investment	2,692.00	(2,692.00)	-
Property, plant and equipment	390,985.75	(128,300.83)	262,684.92
Employees benefit obligations	4,683,896.39	626,447.20	5,310,343.59
Total	5,229,574.14	475,050.48	5,704,624.62
<u>Deferred tax liabilities</u>			
Long-term investments	-	(7,358.00)	(7,358.00)
Temporary investments	(622,270.45)	622,270.45	-
Total	(622,270.45)	614,912.45	(7,358.00)
Net	4,607,303.69	1,089,962.93	5,697,266.62
Unit : Baht			
Separate			
		(Expense)	Revenue
		for year ended	
		period in profit or	
	Jan 1, 2018	loss	Dec 31, 2018
<u>Deferred tax assets</u>			
Inventories	131,596.11	-	131,596.11
Long-term investment	-	8,171.00	8,171.00
Property, plant and equipment	262,684.92	(52,054.78)	210,630.14
Employees benefit obligations	5,310,343.59	515,589.00	5,825,932.59
Total	5,704,624.62	471,705.22	6,176,329.84
<u>Deferred tax liabilities</u>			
Long-term investments	(7,358.00)	7,358.00	-
Net	5,697,266.62	479,063.22	6,176,329.84

19. DEFERRED TAX ASSETS (Con't)

19.3 Income tax (revenue) expenses for the year are as follows :

19.3.1 Income tax expenses reconized in profit or loss

	Unit : Baht			
	For the year ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Current income tax :</u>				
Corporate income tax (revenue)				
expense charge for the year	(28,726,723.42)	24,111,275.90	10,237,840.72	14,163,670.50
<u>Deffered tax :</u>				
Deferred tax (revenue) expense				
relating to the original and reversal of				
temporary differences	50,057,517.66	(1,362,185.46)	(479,063.22)	(1,089,962.93)
Income tax expense	21,330,794.24	22,749,090.44	9,758,777.50	13,073,707.57

19.4 Reconciliation for effective tax rate

	Unit : Baht			
	Consolidated			
	For the year end December 31,			
	2018		2017 (Revised)	
Tax rate	Tax amount	Tax rate	Tax amount	
(%)	(Baht)	(%)	(Baht)	
Profit before income tax	430,021,096.91		254,110,941.23	
Profit before income tax for expenses	257,776,097.89		255,329,739.96	
<u>Less</u> Profit (Loss) excepted from tax	(257,020,922.13)		(204,293,683.64)	
Net	755,175.76		51,036,056.32	
Tax expenses	20%	151,035.15	20%	10,207,211.26
Tax effect of expenses that are not				
deductible for tax purposes:		21,179,759.09		12,271,879.18
Tax expense (effective rate)	-	21,330,794.24	43%	22,749,090.44

19. DEFERRED TAX ASSETS (Con't)

19.4 Reconciliation for effective tax rate (Con't)

	Unit : Baht			
	Separate			
	For the year end December 31,			
	2018		2017	
	Tax rate	Tax amount	Tax rate	Tax amount
	(%)	(Baht)	(%)	(Baht)
Profit before income tax		43,900,398.33		64,661,045.27
Tax expenses	20%	8,780,079.66	20%	12,932,209.05
Tax effect of expenses that are not deductible for tax purposes:		978,697.84		141,498.52
Tax expense (effective rate)	22%	9,758,777.50	20%	13,073,707.57

As at December 31, 2018 and 2017, some subsidiaries had temporary difference from carried forward loss of Baht 238.87 million and Baht 142.62 million respectively (the tax benefit ended in 2023 and 2022 respectively). The subsidiaries have not recognized deferred tax asset from this item as it was not probable that the subsidiaries would have sufficient profit to use the tax benefit.

19.5 Tax rate

Current income tax :

The Company and its subsidiaries calculated income tax from net profit for the year at the rate 20% of net profit for the year after adjust non taxable expenses and revenue in accordance with the Revenue Code.

The main adjustment items are allowance for doubtful accounts, allowance for obsolete diminution in value of inventories, Provision for impairment, provision for employee benefits and expenses were not in compliance with the Revenue Code.

Corporate income tax of the overseas subsidiaries has been calculated by applying the applicable statutory rates of the relevant countries.

The subsidiaries are no corporate income tax was payable because subsidiaries had tax losses brought forward from previous years of BOI segment more than net profit of Non-BOI segment.

Deferred tax :

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

20. OTHER NON-CURRENT ASSETS

Other non-current assets consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Prepaid withholding tax	78,092,092.83	69,232,779.26	13,484,980.45	11,174,218.20
Prepaid expenses	64,312,763.27	8,880,499.90	-	-
Deposits	11,406,580.65	43,090,100.48	50,556.07	48,500.00
Others	2,748,391.85	2,748,391.86	2,748,391.85	2,748,391.85
<u>Less Allowance for other assets</u>	<u>(2,600,000.00)</u>	<u>(2,600,000.00)</u>	<u>(2,600,000.00)</u>	<u>(2,600,000.00)</u>
Total	<u>153,959,828.60</u>	<u>121,351,771.50</u>	<u>13,683,928.37</u>	<u>11,371,110.05</u>

21. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short term loans from financial institutions consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Bank overdrafts	352,658.37	7,515,529.07	102,915.94	7,515,529.07
Other trust receipt	80,637,869.75	133,485,348.83	56,056,327.65	116,392,957.31
Promissory note	240,056,949.18	150,000,000.00	-	150,000,000.00
Total	<u>321,047,477.30</u>	<u>291,000,877.90</u>	<u>56,159,243.59</u>	<u>273,908,486.38</u>

As at December 31, 2018 and 2017, Interest rate on short-term loan from financial institutions consist of.-

1. Bank Overdrafts interest rate 7.12% per annum.
2. Other trust receipts rate 2.5 - 4.73% and 2.35 - 4.09% per annum respectively.
3. Promissory Note rate 3.2 - 5.8125% and 3.25 - 3.85% per annum respectively.

The above credit facilities are secured by the mortgage of the Company's land and building and certain machinery and equipment see Notes 40 to the financial statements and the company is restricted to certain covenants pertaining in the loan agreement.

22. DISCOUNTED BILLS OF EXCHANGE

During the year 2018, the Company has issued 27 bills of exchange at discounted (B/E) to two financial institution with face value of Baht 1,275 million and repaid during the year amounting Baht 1,195 million bearing interest at the rate of 3.45 per annum. As at December 31, 2018, outstanding 13 bills of exchange at discounted with face value of Baht 460 million with were due in February to May 2019.

22. DISCOUNTED BILLS OF EXCHANGE (Con't)

During the year 2017, the Company has issued 15 bills of exchange at discounted (B/E) to a financial institution with face value of Baht 1,080 million and repaid during the year amounting Baht 1,190 million bearing interest at the rate of 3.45 per annum. As at December 31, 2017, outstanding 9 bills of exchange at discounted with face value of Baht 380 million with were due in February to April 2018.

23. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE

Trade accounts and other current payable consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017 (Restated)	2018	2017
<u>Trade accounts payable</u>				
Trade accounts payable - Subsidiary company	-	-	193,388.96	-
- Other companies	68,089,021.74	21,336,684.68	16,751,332.07	13,540,395.09
<u>Other current payable</u>				
Other current payable - Related companies	20,000.00	20,000.00	20,000.00	20,000.00
- Other companies	141,016,679.36	139,850,055.92	6,924,549.92	3,360,343.21
Accrued expenses	12,206,223.02	8,914,593.87	3,247,523.04	4,389,386.85
Advance receivable	41,320.00	38,700.00	31,320.00	38,700.00
Accrued interest	26,506,434.09	19,698,879.64	2,112,371.48	2,062,003.68
Total	<u>247,879,678.21</u>	<u>189,858,914.11</u>	<u>29,280,485.47</u>	<u>23,410,828.83</u>

24. SHORT-TERM LOANS FROM RELATED PERSONS AND OTHER COMPANY

	Unit : Baht	
	Consolidated	
	2019	2018
Beginning balance	128,896,286.53	-
Increase from business combination	-	128,896,286.53
<u>Less Paid during the years</u>	<u>(48,956,549.28)</u>	<u>-</u>
Total	<u>79,939,737.25</u>	<u>128,896,286.53</u>

Short-term loans from related persons and other companies of indirect subsidiaries were loans from former director and former shareholders of 3 indirect subsidiaries. The loans were granted without collateral by issuing on demand promissory notes and on an interest-free basis.

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions - net are as follows :

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	1,638,770,653.98	1,469,201,540.00	11,250,000.00	36,450,000.00
<u>Add</u> Increase during the years	1,418,440,494.28	1,022,287,900.00	436,748,000.00	15,000,000.00
<u>Add</u> Gain from exchange rate	12,717,608.39	-	-	-
<u>Less</u> Paid during the years	(234,589,406.72)	(852,718,786.02)	(14,850,000.00)	(40,200,000.00)
Total	2,835,339,349.93	1,638,770,653.98	433,148,000.00	11,250,000.00
<u>Less</u> Current portion	(332,824,973.31)	(226,159,174.80)	(71,200,000.00)	(8,250,000.00)
Net	2,502,514,376.62	1,412,611,479.18	361,948,000.00	3,000,000.00

The Company, its direct subsidiaries and its indirect subsidiaries has entered into long-term loan agreements with four financial institution described in to Note 40 to the financial statements.

The details of the loans are as follows :

The Company :

Loan facilities (Baht million)	Objective	Drawdown Condition	Interest rate (Per annum)	Repayment	Final Payment
150	Working capital	Drawdown within March 31, 2013	THBFIX+1.24	Period 1 - 24 : Baht 2 million per month Period 25 - 59 : Baht 2.85 million per month Final : outstanding payment	within 2018
96	For Machinery	1). Jan 2017, amounting to Baht 30 million 2). June 2017, amounting to Baht 66 million	MLR-1	Period 1 - 60 : Baht 0.50 million per month Period 61 onward : Baht 1.10 million per month	within 5 years from the first drawdown
422.5	For purchase common share of WPS	Drawdown within December 31, 2018 (Drawdown loans 407.50 million)	THBFIX+1.97	Repaid within 84 installments of 5 million baht (except for the last installment, agreed to pay equal to the outstanding balance) with first pay ment commencing from January 31,2019	within December 31, 2025
<hr/>					
668.5					

The Collaterals pledged for loans from financial institution as at December 31, 2018 are as follows.-

- 1) Share Pledge of subsidiary
- 2) Land and building mortgage all of company
- 3) Machinery mortgage some of company

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

The details of the loans are as follows : (Con't)

The Company : (Con't)

The Company shall comply with certain conditions and restrictions stipulated under loan agreements as the following.-

- 1) Maintain debt to equity ratio not over 2 : 1 and credit facilities of long-term loans Baht 422.50 million, In 2019 Conditions precedent to Maintain debt to equity ratio not over 3 : 1
- 2) Maintain DSCR not over 1.50 : 1

Direct Subsidiaries : Eastern Power Group Plc. "EP"

Loan facilities	Objective	Drawdown Condition	Interest rate	Repayment
No.1				
A. Baht 300 million	For payments of solar power plants	Within 18 month commencing from the date of loan A or B first withdrawal	LIBOR+2.5	Within 3.6 year
B. Yen 3,305 million				commencing from the date of loan A or B first withdrawal

Loan facilities	Objective	Drawdown Condition	Interest rate	Repayment
No.2				
A. Baht 632 million	For payments of solar power plants	Within 12 month commencing from the date of loan A or B first withdrawal	LIBOR+2.5	Within 3 year
B. Yen 465 million				commencing from the date of loan A or B first withdrawal

The Collaterals pledged for loans from financial institution as at December 31, 2018 are as follows.-

- 1) Pledge shares of 4 indirect subsidiaries
- 2) The Company guaranteed loan at full

The Subsidiary shall comply with certain conditions and restrictions stipulated under loan agreements as the following.-

- 1) Shall not grant loan or credit facility or guarantee or taking responsibility of other party
- 2) Shall not decrease authorized share capital
- 3) Shall not pay either interim or annual dividend, except
 - 3.1) Before the end of year 2021, the borrower has no default / breach of contract and can maintain the ratio under the conditions specified in Clause
 - 3.2) After the period ended as of in 3.1;
 - (a) The borrower has no default / breach of contract.
 - (b) The ratio can be maintained in accordance with the conditions specified in Clause 4.
 - (c) The borrower is listed on the Stock Exchange of Thailand or Market for Alternative Investment
- 4) Maintain debt to equity ratio not over 3.6 : 1

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

The details of the loans are as follows : (Con't)

Direct Subsidiaries : Eastern Power Group Plc. "EP" (Con't)

The Subsidiary shall comply with certain conditions and restrictions stipulated under loan agreements as the following.- (Con't)

- 5) Shall transfer the total receipt of income from sales of electricity from the solar power plant entitled by the borrower to the bank account received for electricity sales income. The borrower shall be eligible to withdraw cash from the account only if the borrower does not default on its loan.

Indirect Subsidiaries :

Loan facilities (Baht million)	Objective	Drawdown Condition	Interest rate (Per annum)	Repayment	Final Payment
<u>RPV Energy Co.,Ltd.</u>					
305.45	For payments of solar power plants	1) One drawdown	THBFIX + 2.5	Monthly installment with first payment commencing from December 2014	within 2022
80.00	For investment plans in Thailand and Vietnam	1) One drawdown	THBFIX + 2.5	Monthly installment, the first installment of Baht 1.42 million and additional payment every installment until the last installment of Baht 3.76 million, totaling 45 installment. With first payment commencing from February, 2019	within 2022
<hr/>					
385.45					
<u>JKR Energy Co., Ltd.</u>					
305.45	For payments of solar power plants	1) One drawdown	THBFIX + 2.5	Monthly installment with first payment commencing from December 2014	within 2022
80.00	For investment plans in Thailand and Vietnam	1) One drawdown	THBFIX + 2.5	Monthly installment, the first installment of Baht 1.42 million and additional payment every installment until the last installment of Baht 3.76 million, totaling 45 installment. With first payment commencing from February, 2019	within 2022
<hr/>					
385.45					

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (Con't)

The details of the loans are as follows : (Con't)

Indirect Subsidiaries : (Con't)

Loan facilities (Baht million)	Objective	Drawdown Condition	Interest rate (Per annum)	Repayment	Final Payment
<u>Lopburi Solar Co.,Ltd.</u>					
414.00	For payments of solar power plants	1). June 6, 2014, amounting to Baht 204.80 million 2). June 26, 2014, amounting to Baht 204.20 million	FIX3M + 2.50	Monthly installment with first payment commencing from December 2014	within 2021
140.00	For investment plans in Thailand and Vietnam	1) One drawdown	THBFIX + 2.5	Monthly installment with first payment commencing from Jan 31, 2020	within 2024
<u>554.00</u>					
<u>Prachin Solar Co.,Ltd.</u>					
156.50	For payments of solar power plants	Drawdown in May 26, 2017	5.85, THBFIX +3.15	Monthly installment with first payment commencing from May 31, 2017	within 2029
<u>EpcO Green Power Plus Co.,Ltd.</u>					
60.00	For Machinnery	Drawdown within July 31, 2015	MLR-2	Monthly installment commencing from May 2015 of Baht 0.77 million per month	within 2019
47.00	For Machinnery (King Pack Project)	1). Jun 30, 2017 amounting to Baht 42.72 million	MLR-0.75	Monthly installment commencing from May 2017 of Baht 0.67 million per month	within 2023
22.00	For Machinnery (Klint Pack Project)	Drawdown within October 31, 2018 or other period extended by the bank as deems appropriate.	MLR-0.75	Monthly installment commencing from the final withdrawal of Baht 0.32 million per month	within 2023
22.00	For Machinnery (Sangroong Project)	Drawdown within August 31, 2018 or other period extended by the bank as deems appropriate.	MLR-0.75	Monthly installment commencing from the final withdrawal of Baht 0.32 million per month	within 2024
<u>151.00</u>					

25. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (Con't)

The details of the loans are as follows : (Con't)

Indirect Subsidiaries : (Con't)

Loan facilities (Baht million)	Objective	Drawdown Condition	Interest rate (Per annum)	Repayment	Final Payment
<u>Kyotamba Solar Godo Kaisha (Jpn Co.)</u>					
799.42 (2,700 Yen million)	For repayment of outstanding loan	Within October 2017	LIBOR+1.6	Repaid in February and August commencing from February 28, 2018	within 2035

The Collaterals pledged for loans from financial institution as at December 31, 2018 are as follows.-

- 1) Registering business security contract for new machine as collateral within 90 days from the date of loan withdrawal
- 2) Transferring receipt of income from finance lease project to the bank within 90 days from the agreement date
- 3) Giving the Company's right to claim from every debtor
- 4) Transferring the indirect subsidiary's rights in benefit stipulated in the loan agreement
- 5) The Company, direct subsidiary and indirect subsidiary guaranteed loan at full
- 6) Pledge all shares of direct subsidiary and indirect subsidiary
- 7) Land mortgage all of indirect subsidiaries
- 8) Machinery mortgage all of indirect subsidiaries
- 9) Pledge of account some of indirect subsidiaries
- 10) Leasehold right (land leased from Co-op)

The Indirect subsidiary shall comply with certain conditions and restrictions stipulated under loan agreements as the following.-

- 1) Maintain Debt to equity ratio not over 3 : 1 and 4 : 1
- 2) Maintain DSCR not over 1.1 - 1.2 : 1

26. DEBENTURES

The Company :

26.1 At the Annual General Meeting of Shareholders for the year 2016 held on April 29, 2016, it was resolved to issue and offer to sell the debenture in order to raise fund for investment, restructure source of fun and/or use for its working capital. The outstanding at any time shall not exceed Baht 2,000 million. The debentures may be offered on a revolving basis so long as the total outstanding amount of the debentures does not exceed Baht 2,000 million.

On June 8, 2017, the company has issued and offered to sell 3 sets of debenture of 815,400 units at face value Baht 1,000 per unit amounting to Baht 815.40 million as follows.-

Type of debenture	Value (Million Baht)	Interest Rate (%)	Due date
Debentures No.1/2017, 1 st set	328.00	5.00	June 7, 2019
Debentures No.1/2017, 2 nd set	283.30	5.20	June 8, 2020
Debentures No.1/2017, 3 rd set	204.10	5.35	June 8, 2021
Total	<u>815.40</u>		

Direct subsidiary : Eastern Power Group Plc. "EP"

26.2 On April 5, 2016, the subsidiary has issued and offered to sell 3 sets of debenture of 918,700 units at par value Baht 1,000 amounting to Baht 918.70 million which was approved by the Extraordinary Shareholders' meeting of EP No. 1/2015 held on December 29, 2015, to issue debentures not exceed Baht 2,000 million as follows.-

Type of debenture	Value (Million Baht)	Interest rate (%)	Due date
Amortizing Debenture No.1/2016, 1 st set	113.40	4.15	April 5, 2019
Debentures No.1/2016, 2 nd set	308.50	4.65	April 5, 2020
Debentures No.1/2016, 3 rd set	496.80	5.10	April 5, 2021
Total	<u>918.70</u>		

26.3 On September 29, 2016, the subsidiary has issued and offered to sell 3 sets of debenture of 1,500,000 units at par value Baht 1,000 amounting to Baht 1,500 million which was approved by the Extraordinary Shareholders' meeting of EP No. 2/2016, held on August 8, 2016, to extend the limit of debenture issuance from Baht 2,000 million to Baht 2,500 million as follows.-

Type of debenture	Value (Million Baht)	Interest rate (%)	Due date
Amortizing Debenture No.2/2016, 1 st set	500.00	4.20	September 23, 2019
Debentures No.2/2016, 2 nd set	500.00	4.50	September 23, 2020
Debentures No.2/2016, 3 rd set	500.00	4.80	September 23, 2021
Total	<u>1,500.00</u>		

26. DEBENTURES

Direct subsidiary : Eastern Power Group Plc. "EP" (Con't)

The Company and the subsidiary shall comply with certain covenant including to maintain their Debt to Equity Ratio not to exceed 3.25 : 1

Movement of debenture - net are as follows :

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	3,234,100,000.00	3,234,100,000.00	815,400,000.00	815,400,000.00
<u>Less Redeemed durin the year</u>	<u>(56,700,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	3,177,400,000.00	3,234,100,000.00	815,400,000.00	815,400,000.00
<u>Less Current portion</u>	<u>(884,700,000.00)</u>	<u>-</u>	<u>(328,000,000.00)</u>	<u>-</u>
Net	<u>2,292,700,000.00</u>	<u>3,234,100,000.00</u>	<u>487,400,000.00</u>	<u>815,400,000.00</u>

27. EMPLOYEE BENEFIT OBLIGATIONS - NET

The Company and its subsidiaries operates post-employment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

Change in present value of employee obligations as follows.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Opening balance as at January 1,	29,362,614.00	25,480,031.00	26,551,718.00	23,419,482.00
Increase from business combination	7,431,622.00	-	-	-
Current service cost	1,027,963.00	3,465,333.00	3,024,165.00	2,776,990.00
Interest cost	4,231,464.00	715,250.00	744,850.00	653,246.00
Employee benefits paid during the years	(1,988,070.00)	(298,000.00)	(1,191,070.00)	(298,000.00)
Ending balance as at December 31,	40,065,593.00	29,362,614.00	29,129,663.00	26,551,718.00
<u>Less Current portion</u>	<u>(2,565,653.00)</u>	<u>(196,507.00)</u>	<u>(2,013,726.00)</u>	<u>(82,049.00)</u>
Net	<u>37,499,940.00</u>	<u>29,166,107.00</u>	<u>27,115,937.00</u>	<u>26,469,669.00</u>

27. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)

The expense is recognised in the following line items in the profit or loss.-

	For the year ended December 31,			
	Consolidated		Separate	
	2018	2017	2018	2017
Profit or loss				
Cost of goods sold and service	2,977,590.00	2,326,756.00	2,451,194.00	2,229,120.00
Administrative expense	935,832.00	669,921.00	618,484.00	565,299.00
Management's remuneration	1,346,005.00	1,183,906.00	699,337.00	635,817.00
Total	5,259,427.00	4,180,583.00	3,769,015.00	3,430,236.00

Principal actuarial assumptions at the reporting date are as follows.-

	Consolidated	Separate
	2018/2017	2018/2017
*Discount rate (%)	2.80 - 3.49	2.80
Salary increase rate (%)	4.40 - 5.00	4.40
** Employee turnover rate (%)	0 - 28	0 - 28
*** Mortality rate	TMO2008	TMO2008
Retirement Age (year)	60	60

* Market yield from government's bond for legal severance payments plan

* Upon the length of service

** Reference from TMO 2008 : Thai Mortality Ordinary Table of 2008

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.-

Effect on the employee benefits obligations as at December 31, 2018 and 2017 are as follows:

	Unit : Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
Discount rate				
1% increase	(3,338,423.00)	(2,475,964.00)	(2,278,386.00)	(2,198,977.00)
1% decrease	3,794,039.00	2,807,910.00	2,566,245.00	2,487,146.00
Salary increase rate				
1% increase	4,738,275.00	3,192,102.00	3,278,365.00	2,829,671.00
1% decrease	(4,189,263.00)	(2,843,262.00)	(2,921,716.00)	(2,527,649.00)
Employee turnover rate				
1% increase	(2,763,892.00)	(2,632,511.00)	(2,417,641.00)	(2,337,723.00)
1% decrease	1,720,433.00	1,711,026.00	1,462,434.00	1,483,322.00

27. EMPLOYEE BENEFIT OBLIGATIONS - NET (Con't)

Sensitivity analysis (Con't)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The work of the newly issued law in 2019

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary has additional liabilities provision for employee benefits obligations as at December 31, 2018 of Baht 12.20 million for the consolidated financial statements and Baht 8.93 million for the separate financial statements.

The Company and its subsidiary will reflect the effect of the change by recognizing past services costs as expenses in profit and loss of the year in which the law is effective

28. PROVISION FOR LIABILITIES FROM COMMITMENT

During the year 2003, the Company's rehabilitation administrator passed a resolution to estimate the contingent liability from being a guarantor for the principal of Baht 200 million on the promissory notes issued by Manager Media Group Public Company Limited to a local bank. The contingent liability was recorded as an expense in full since the related company failed to meet the obligations in the rehabilitation plan. On February 17, 2004, the court ordered to approve the second rehabilitation plan of the related company and on June 28, 2007, the related company is processing under the rehabilitation plan at present.

During the year 2005, Manager Media Group Public Company Limited repaid part of its debt to such bank by issuing its common shares for the debt conversion to the capital and for conversion of convertible debenture and its registrar had already sent the share certificates to such bank, in accordance with the second rehabilitation plan mentioned above. The remaining balance of liabilities of such company to the bank amounted to Baht 46.21 million. The Company had not charged any fee to the related company for the guarantee.

On November 18, 2008, the Civil Court, Bankruptcy Department, ordered to hold Manager Media Group Public Company Limited's assets under absolute receivership under the Bankruptcy Act. However, the Company's liability as the guarantor continues to exist under the Company's rehabilitation plan, which the Company perform this debt by converting it into common shares at Baht 4.- each the time. At present, the Company has decreased its common shares to a proportion of 3 shares to 1 share a Baht 1.- each, but the Company did not adjust its provision for liabilities from this commitment as it has not been requested by the bank to perform the debt on behalf of Manager Media Group Public Company Limited at present.

28. PROVISION FOR LIABILITIES FROM COMMITMENT (Con't)

On December 16, 2010, the Civil Court, Bankruptcy Department, has ordered Manager Media Group Public Company Limited to be bankrupted in accordance with the report of the official receiver as a result of the resolution of the first meeting of the creditors.

29. SHARE CAPITAL

The Movements of share capital during the year ended December 31, 2018 and 2017 were summarized below.-

	Consolidated / Separate					
	2018			2017		
	Common Share (Share)	Unit : Baht		Common Share (Share)	Unit : Baht	
	Share Capital	Share Premium		Share Capital	Share Premium	
Authorized						
Beginning balance	937,716,283	937,716,283.00	-	861,283,589	861,283,589.00	-
Increase share capital						
- Increase of new share	104,503,846	104,503,846.00	-	-	-	-
- for support the stock dividend.	-	-	-	70,434,430	70,434,430.00	-
- for support warrants to buy common shares	104,503,846	104,503,846.00	-	6,000,000	6,000,000.00	-
Reducion of share	(101,685,513)	(101,685,513.00)	-	(1,736)	(1,736.00)	-
Ending balance	<u>1,045,038,462</u>	<u>1,045,038,462.00</u>	<u>-</u>	<u>937,716,283</u>	<u>937,716,283.00</u>	<u>-</u>
Issued and paid-up						
Beginning balance	836,030,770	836,030,770.00	371,118,936.72	765,585,412	765,585,412.00	370,999,870.41
Increase of new share	85,542,070	85,542,070.00	196,746,761.00	-	-	-
Dividend share	-	-	-	70,429,582	70,429,582.00	-
Warrants to buy common shares	-	-	-	15,776	15,776.00	119,066.31
Ending balance	<u>921,572,840</u>	<u>921,572,840.00</u>	<u>567,865,697.72</u>	<u>836,030,770</u>	<u>836,030,770.00</u>	<u>371,118,936.72</u>

In 2018

- 29.1 At the Annual General Meeting of Shareholders of 2018, held on April 25, 2018 it was resolved as the following :
- 29.1.1 To Decrease its authorized share capital 3,112 shares resulted in numbers of shares decreased from 937,716,283 share to 937,713,171 share at the par value of Baht 1 per share cause of remaining from pay dividend. The Company has registered the decrease of shares with the Ministry of Commerce on November 12, 2018.
- 29.1.2 To Decrease its authorized share capital 101,682,401 shares resulted in numbers of shares decreased from 937,713,171 share to 836,030,770 share at the par value of Baht 1 per share cause canceled of the EPCO-W2 warrants matured on November 30, 2018. The Company has registered the decrease of shares with the Ministry of Commerce on November 12, 2018.

29. SHARE CAPITAL (Con't)

In 2018 (Con't)

29.1 At the Annual General Meeting of Shareholders of 2018, held on April 25, 2018 it was resolved as the following : (Con't)

29.1.3 At the Extraordinary Shareholders' Meeting of the Company No. 1/2017, held on October 31, 2018 it was resolved to increase its authorized shared capital 209,007,692 share resulted in numbers of shares increased from 836,030,770 share to 1,045,038,462 share at the par value of Baht 1 per share 23.1.3 to support the offering of new ordinary shares to existing shareholders at a ratio of 8 existing shares for 1 new share at the price of Baht per share and support the right purchase common share of the Company (EPCO-W3) of not more than 104,503,846 units in proportion to the shares held by existing shareholders. Holding shares that are entitled to subscribe at the rate of 1 new ordinary share per 1 unit of warrant without charge. The warrants can be exercised to purchase one unit of the new shares for 1 old share at a price of Baht 5. The term of the warrants does not exceed 2 years from the date of issuance and offering of warrants.

In 2017

29.2 At the Annual General Meeting of Shareholders of 2017, held on April 27, 2017, it was resolved to increase its authorized shared capital of 35,623,416 share resulted in numbers of shares increased from 861,283,589 share to 896,907,005 share at the par value of Baht 1 per share to accommodate share dividend payment as described in the Note 32 to the financial statement. The Company has registered the increase of shares with the Ministry of Commerce on May 17, 2017.

29.3 At the Extraordinary Shareholders' Meeting of the Company No. 1/2017, held on September 28, 2017 it was resolved as the following :

29.3.1 To decrease the authorized share capital remaining from pay dividend amounting to 1,736 shares at Baht 1 per shares to decrease its authorized share capital from Baht 896,907,005.00 to Baht 896,905,269.00. The Company has registered the decrease of shares with the Ministry of Commerce on October 10, 2017.

29.3.2 To increase its authorized share capital 40,811,014 shares at Baht 1 per shares to accommodate share dividend payment amounting 39,811,014 shares as describe in the Note 32 to the financial statement and support the right purchase common share of the Company (EPCO-W2) amounted of 1,000,000 shares. To increase its authorized share capital from Baht 896,905,269.00 to Baht 937,716,283.00. The Company has registered the increase of share with the Ministry of Commerce on October 11, 2017.

30. SHARE PREMIUM

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

31. LEGAL RESERVE

The Company and subsidiary :

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

As at December 31, 2018 and 2017, the Company appropriated legal reserve amounting to Baht 8.55 million and Baht 7.04 million respectively.

At present, the Company has fully been set aside of the legal reserve.

Indirect Subsidiary :

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiaries (incorporated under Thai Laws) is required to set aside a legal reserve equal to at least 5% of its income each time the Company pays out a dividend, until such reserve reaches 10% of its authorize share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

32. DIVIDEND PAYMENT

Dividends declared in the year ended December 31, 2018 and 2017 as the following.-

The Company :

Dividend	Approved by	Dividend per share (Baht per share)	Dividend paid (Million Baht)	Dividend payment (Date)
<u>Year 2018</u>				
Interim dividend from operation from July to December 2017	Annual General Shareholder's Meeting of 2018, held on April 25, 2018	0.08	66.88	May 23, 2018
Interim dividend from operation from January to June 2018	Board of Director meeting No 8/2018 held on August 14, 2018	0.05	41.80	Sep 12, 2018
Total			<u>108.68</u>	
<u>Year 2017</u>				
Interim dividend from operation from July to December 2016	Annual General Shareholder's Meeting of 2017, held on April 27, 2017	0.04	61.25	May 24, 2017
Interim dividend from operation from January to June 2017	Extraordinary Shareholder's Meeting No. 1/2017 held on September 28, 2017	0.08	63.70	Oct 27, 2017
Total			<u>124.95</u>	

32. DIVIDEND PAYMENT (Con't)

Dividends declared in the year ended December 31, 2018 and 2017 as the following.- (Con't)

The Company : (Con't)

In 2018

- 32.1 At the Annual General Meeting of Shareholders of 2018, held April 25, 2018, it was resolved to payment additional dividend from operating results since January to December 2017, at the rate of Baht 0.16 per share, totaling Baht 130.58 million, payable in cash at the rate of Baht 0.11 per share, in the amount of Baht 90.77 million and will pay the newly issued ordinary shares to the existing shareholder at the rate of Baht 0.05 per share, totaling Baht 39.81 million (20 existing shares for 1 shares dividend, if any shareholder has fraction of shares after the allocation of stock dividend. Dividend payment in cash instead of dividend payment at the rate of 0.05 Baht per share)

In 2017

- 32.2 At the Annual General Meeting of Shareholders of 2017, held April 27,2017, it was resolved to payment additional dividend from operating results since July to December 2016, at the rate of Baht 0.02 per share, totaling Baht 61.25 million, payable in cash at the rate of Baht 0.02 per share, in the amount of Baht 30.62 million and will pay the newly issued ordinary shares to the existing shareholder at the rate of Baht 0.04 per share, totaling Baht 30.62 million (25 existing shares for 1 shares dividend, if any shareholder has fraction of shares after the allocation of stock dividend. Dividend payment in cash instead of dividend payment at the rate of 0.04 Baht per share)
- 32.3 At the Extraordinary Shareholders' Meeting of the Company No. 1/2017, held on September 28, 2017, it was resolved to payment additional dividend from operating results since January to June 2016 at the rate of Baht 0.08 per share, totaling Baht 63.70 million, payable in cash at the rate of Baht 0.03 per share, in the amount of Baht 23.89 million and will pay the newly issued ordinary shares to the existing shareholder at the rate of Baht 0.05 per share, totaling Baht 39.81 million (20 existing shares for 1 shares dividend, if any shareholder has fraction of shares after the allocation of stock dividend. Dividend payment in cash instead of dividend payment at the rate of 0.05 Baht per share)

33. GOVERNMENT GRANT

Government grant are revenues subsidy for adders derived from a subsidy granted in the form of adders of tree indirect subsidiaries from the Provincial Electricity Authority for sales of electricity from solar power at the rate of Baht 8 per kilowatt over ten-year period starting from the effective date of purchasing commercial electric. The subsidiaries have accounted for the subsidy as revenues upon delivery and acceptance by customers.

34. EXPENSES BY NATURE

Significant expenses classified by nature to consist of.-

	Unit : Baht			
	Consolidated		Separate	
	2018	2017 (Restated)	2018	2017
Changes in inventories of finished good and work in process	952,280.48	5,647,193.36	952,280.48	5,647,193.36
Raw material and consumables used	198,462,280.97	196,369,688.91	198,419,916.03	196,369,688.91
Employee benefits	128,321,887.15	120,527,801.35	95,281,216.22	97,481,148.75
Depreciation and amortization	163,360,577.15	164,982,519.59	26,702,533.10	24,753,509.42
Impairment loss of assets	(302,411.24)	(656,529.12)	(302,411.24)	(656,529.12)
Solar farm expenses	28,638,301.19	26,922,027.97	-	-
Utilities cost	12,918,922.83	12,839,806.35	11,503,349.47	12,002,419.50
Remuneration of Directors	30,504,849.25	25,325,159.86	15,792,182.00	14,576,576.00
Finance cost	246,482,307.69	210,778,945.10	64,261,737.01	46,653,997.86

35. BASIC EARNINGS PER SHARE

Basis earnings per share for the year is calculated by dividing the net income attributable to common shareholders (excluding other comprehensive income) by the weighted - average number of common shares which are held by third parties during the period as follows:

	For the year ended December 31,			
	Consolidated		Separate	
	2018	2017 (Restated)	2018	2017
Net profit attributable to ordinary shareholders of the Company (basis) (Baht)	342,774,792.69	206,424,479.55	34,141,620.83	51,587,377.70
Number of weighted average common shares (Share)	840,718,007	791,029,679	840,718,007	791,029,679
Basic earnings per share (Baht : share)	0.41	0.26	0.04	0.07

36. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION

The Company and 5 indirect subsidiaries have been granted investment promotion certificates from the Board of Investments in accordance with Investment Promotion Act, B.E. 2520. For the production of sterile paper packaging type 6.13.1, to improve production efficiency for Alternative Energy and for the operating of solar power energy business as follows:

1. Exemption of import duty for machinery used in the production which must be imported within the granted period.
2. Exemption of corporate income tax for the net profit from the promoted business for a period of 8 years from the date that generating income from the promoted business of production of solar power energy.
3. Exemption of corporate income tax for the net profit from the promoted business at the rate of 50% of normal rate for a period of 5 year from the promoted period. The details are as follows :

Certificate no.	Approved date	Company's Name of Promotional Activities	The First Date
1214(1)/2555	May 31, 2011	RPV Energy Co., Ltd	October 15, 2012
1215(1)/2555	May 10, 2011	JKR Energy Co., Ltd	October 15, 2012
1515(1)/2556	April 9, 2013	Lopburi Solar Co., Ltd	February 4, 2014
1310(1)/2557	March 13, 2014	Epco Green Power Plus Co., Ltd	September 18, 2014
1311(1)/2557	March 13, 2014	Epco Green Power Plus Co., Ltd	September 18, 2014
1312(1)/2557	March 13, 2014	Epco Green Power Plus Co., Ltd	September 18, 2014
1313(1)/2557	March 13, 2014	Epco Green Power Plus Co., Ltd	September 18, 2014
1314(1)/2557	March 13, 2014	Epco Green Power Plus Co., Ltd	September 18, 2014
1396(8)/2557	March 28, 2014	Epco Green Power Plus Co., Ltd	April 28, 2015
1397(8)/2557	March 28, 2014	Epco Green Power Plus Co., Ltd	April 30, 2015
1398(8)/2557	March 28, 2014	Epco Green Power Plus Co., Ltd	June 10, 2015

4. Exemption of corporate income tax for the net profit from the promoted business not exceed 100% of total investment excluded land price and working capital for a period of 8 years from the date that generating income from the promoted business of solar energy as following:

Certificate no.	Approved date	Company's Name of Promotional Activities	The First Date
59-1568-1-00-1-0	November 24, 2016	Prachin Solar Co., Ltd.	February 1, 2017

5. Exemption of corporate income tax for the net profit from the promoted business not exceed 100% of total investment excluded land price and working capital for a period of 3 years from the date that generating income from the promoted business of production of sterile paper packaging type 6.13.1 as following:

Certificate no.	Approved date	Company's Name of Promotional Activities	The First Date
59-0967-1-00-1-0	June 20, 2016	Eastern Printing Plc.	August 2017

36. RIGHTS AND PRIVILEGES FROM THE INVESTMENT PROMOTION (Con't)

6. Exemption of corporate income tax for the net profit from the promoted business not exceed 50% of the amount of investment to improve production efficiency excluding land price and working capital for a period of 3 years effective from the date of generating income from the promoted business as following:

Certificate no.	Approved date	Company's Name of Promotional Activities	The First Date
60-0503-1-04-1-0	March 27, 2017	Eastern Printing Plc.	June 2017

Results of the Company and its subsidiaries's operations under promoted business are classified under promoted and non-promoted business as follows:

Unit : Thousands baht

	Consolidated					
	For the year ended December 31, 2018			For the year ended December 31, 2017		
				(Restated)		
	Non-Promoted Business		Total	Non-Promoted Business		Total
	Promoted Business	Promoted Business	Total	Promoted Business	Promoted Business	Total
Revenues	357,409	827,255	1,184,664	366,982	595,649	962,631
Cost and expenses	(100,388)	(675,586)	(775,974)	(162,680)	(568,589)	(731,269)
Net Profit	257,021	151,669	408,690	204,302	27,060	231,362

The classification of results of the Company's operations was applied with 2 bases as following. -

1. Costs and expenses identifiable to each category were directly charged to each of them.
2. Costs and expenses unidentifiable to each category were allocated to each of them based on the proportion of their revenues.

37. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 (1987). The Company and its employees contributed to the fund monthly at the rate of 3 - 5 percent of their basic salary. The fund, which is managed by Krung Thai Asset Management Pcl and will be paid to employees upon termination in accordance with the fund rules.

For the year ended December 31, 2018 and 2017 the Company and its subsidiaries contributed to the fund in consolidated financial statement amounting to Baht 2.70 million and Baht 2.89 million respectively, the separate financial statement amounting to Baht 2.10 million and Baht 2.38 million respectively.

38. OPERATING SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

Segment information is presented in respect of the Company and its subsidiaries' operating segments. The primary format, business segments, is based on the Company and its subsidiaries' management and the internal reporting structure provided to the chief operating decision maker.

Segment assets and revenues include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments:

Segment 1 : Printing

Segment 2 : Solar power plants

Segment 3 : Holding other companies' shares

Segment 4 : Maintenance solar farm

Geographic segments :

In presenting classification of geographical segments, revenue is based on the geographic location of customers.

The Company and its subsidiaries operate businesses in Thailand and overseas with significant segments as follows.-

<u>Segment</u>	<u>The main scope of performance</u>
Thailand	Contractor print, generate electricity with solar and holding other Companies' shares
Japan	Solar farm operator and holding other companies' shares
Hong Kong	Holding other companies' shares

38. OPERATING SEGMENT (Con't)

38.1 Total asset, revenue and results, based on business segments in the consolidated financial statement are as follows.-

	Unit : Thousands Baht					
	Consolidated					
	For the year ended December 31, 2018					
	Segment 2	Segment 2	Segment 3	Segment 4	Elimination	Total
Sales income	427,888	283,835	-	80,607	(12,692)	779,638
Operating profit	125,601	226,804	-	14,295	(3,926)	362,774
Other income						
Government grant	-	207,631	-	-	-	207,631
Interest income	75,580	6,150	46,577	2,497	(128,778)	2,026
Dividend income	38	72,273	138,252	-	(210,624)	38
Gain in a bargain purchase	-	-	-	-	130,982	130,982
Others	22,732	9,914	28,495	153	3,055	64,349
Depreciation and amortization	(29,157)	(129,484)	(341)	(73)	(4,306)	(163,361)
Share of profit on investment in associated companies	-	-	-	-	240,447	240,447
Expenses - net	(67,336)	(39,446)	(72,241)	(5,896)	16,535	(168,384)
Finance cost	(64,517)	(79,622)	(223,112)	(8,092)	128,862	(246,481)
Income tax revenue (expenses)	(20,931)	(186)	100	(314)	-	(21,331)
Profit for segment	42,010	274,133	(82,270)	2,570	172,247	408,690
Income of non-controlling interest						(65,915)
Net profit attributable to shareholders of the parent company						342,775
<u>Segment total assets</u>						
Property, plant and equipment and intangible assets allocated	696,181	4,122,559	31,589	146	249,876	5,100,351
Other assets						5,498,981
Total assets as at December 31, 2018						10,599,332

38. OPERATING SEGMENT (Con't)

38.1 Total asset, revenue and results, based on business segments in the consolidated financial statement are as follows.- (Con't)

	Unit : Thousands Baht					
	Consolidated					
	For the year ended December 31, 2017					
	Segment 2	Segment 2	Segment 3	Segment 4	Elimination	Total
Sales income	444,926	264,646	-	12,804	(12,088)	710,288
Operating profit	136,944	214,163	-	3,888	9,107	364,102
Other income						
Government grant	-	220,589	-	-	-	220,589
Interest income	39,139	3,548	71,474	118	(107,066)	7,213
Dividend income	-	-	191,749	-	(191,749)	-
Others	14,315	43,040	37,085	22	(69,920)	24,542
Depreciation and amortization	(24,753)	(131,237)	(357)	(159)	(8,476)	(164,982)
Share of profit on investment in associated companies	-	-	-	-	196,234	196,234
Expenses - net	(54,329)	(45,157)	(140,543)	(2,145)	59,367	(182,807)
Finance cost	(46,654)	(88,257)	(187,153)	-	111,285	(210,779)
Income tax revenue (expenses)	(13,074)	(9,605)	203	(274)	-	(22,750)
Profit for segment	51,588	207,084	(27,542)	1,450	(1,218)	231,362
Income of non-controlling interest						(24,937)
Net profit attributable to shareholders of the parent company						206,424
<u>Segment total assets</u>						
Property, plant and equipment and intangible assets allocated	279,837	3,456,021	32,267	182	157,994	3,926,301
Other assets						4,581,444
Total assets as at December 31, 2017						8,507,745

38. OPERATING SEGMENT INFORMATION (Con't)

38.2 Asset, revenue and results, based on geographical segment

Revenues and operating results of the geographic segments in the consolidated financial statements for the year ended December 31, 2018 and 2017 as follows.-

	Unit : Baht	
	Consolidated	
	2018	2017
Thailand	1,034,544,124.59	808,632,254.58
Japan	149,583,089.93	153,999,034.41
Vietnam	538,109.04	-
Total	1,184,665,323.56	962,631,288.99

Non - current assets by geographical segment in consolidated financial statement as at December 31, 2018 and 2017 as follows.-

	Unit : Baht	
	Consolidated	
	2018	2017 (Restated)
Thailand	5,993,496,012.66	5,307,675,114.69
Japan	2,896,902,653.68	2,234,037,638.33
Vietnam	86,473,866.15	-
Total	8,976,872,532.49	7,541,712,753.02

For the year ended December 31, 2018 and 2017. The Company and its subsidiaries had transactions with 3 major customers respectively with the value more than 10% of total revenue as follows.-

	Unit : Baht			
	For the year ended December 31			
	Consolidated		Separate	
	2018	2017	2018	2017
Printing	125.42	113.12	125.42	113.12
Solar power plants	451.73	461.03	-	-
Total income	577.15	574.15	125.42	113.12

39. FINANCIAL INSTRUMENT

The Company and its subsidiaries complied with the Thai Accounting Standard No. 107 "Presentations and Disclosure of Financial Instruments" as a guidance to disclose about the financial instruments as follows.

The related accounting policies are disclosed in the Note 5.26 to the financial statements.

39.1 Financial risk management

The Company and its subsidiaries are exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiaries did not speculate or engage in the trading of any derivative financial instrument.

39.2 Credit risk

The Company and its subsidiaries are exposed to credit risk from non performance of contractual obligations by counter parties resulting in a financial loss to the Company and its subsidiaries. To prevent the risk, the Company and its subsidiaries have credits control and regularly review debtors' financial status.

The Company and its subsidiaries do not expect significant losses from non performance contractual obligation as their customers are diverse.

For the financial assets, the carrying amount of assets recorded in the statement of financial position, next of an allowance for doubtful accounts, represents the company and its subsidiaries maximum exposure to credit risk.

39.3 Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its deposits with financial institutions, bank overdrafts and short-terms and long-term loans charged with interest and financial lease. However, since interest rates of the majority of these financial assets and liabilities vary according to market rates or are fixed and closed to market rates, the Company and its subsidiaries management deemed their interest risk at low level. The Company and its subsidiaries thus do not use derivative financial instruments to hedge such risk. However, The subsidiaries have entered in long-term loans interest rate swap agreement in order to manage their risk.

39. FINANCIAL INSTRUMENT (Con't)

39.3 Interest rate risk (Con't)

Financial assets and financial liabilities of the Company and its subsidiaries had interest rate risk as follows.-

	Unit : Thousand baht						
	Consolidated						
	Fixed interest rates			Floating	Non-	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 5 years	interest rate	interest bearing			
As at December 31, 2018							
Financial assets							
Cash and cash equivalents	17	-	-	317,693	7,790	325,500	0.001 - 0.5
Temporary investments	-	-	-	6,720	252,161	258,881	0.9 - 1.55
Trade accounts and other current receivable	-	-	-	-	659,235	659,235	-
Deposit at bank held as collateral	89,227	-	-	28,853	-	118,080	0.125 - 1.1
Long-term investments	-	-	-	-	344	344	-
Loan to related parties	-	-	-	-	9,371	9,371	-
Loans to employees	-	-	-	4,270	-	4,270	MLR + 1.5
Financial liabilities							
Short-term loans from financial institutions	320,695	-	-	352	-	321,047	MOR, 3 - 5.8125
Bill of exchange	460,000	-	-	-	-	460,000	3.45
Trade accounts and other current payable	-	-	-	-	247,880	247,880	-
Short - term loans from other parties	-	-	-	-	79,940	79,940	-
Long-term loans from financial institutions	-	-	-	2,835,339	-	2,835,339	*
Long-term loans from other party	28,508	-	-	-	-	28,508	14
Debenture	-	3,177,400	-	-	-	3,177,400	4.15-5.35

* THFIX+1.97, THFIX+2.5, THFIX+3.15, MLR-0.75, MLR-1, MLR-2, LIBOR+1.6, LIBOR+2.5, TIBOR+1.7

39. FINANCIAL INSTRUMENT (Con't)

39.3 Interest rate risk (Con't)

Financial assets and financial liabilities of the Company and its subsidiaries had interest rate risk as follows.- (Con't)

	Unit : Thousand baht						
	Consolidated						
	Fixed interest rates			Floating	Non-	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	interest bearing		
As at December 31, 2017							
Financial assets							
Cash and cash equivalents	-	-	-	142,994	16,066	159,060	0.1 - 1
Temporary investments	-	-	-	22,586	4,424	27,010	0.9 - 2
Trade accounts and other current receivable	-	-	-	-	476,579	476,579	-
Deposit at bank held as collateral	128,680	-	-	-	-	128,680	0.8 - 1.1
Long-term investments	-	-	-	-	422	422	-
Loan to related parties	-	-	-	-	75,776	75,776	-
Loans to employees	-	-	-	4,096	-	4,096	MLR+1.5
Financial liabilities							
Short-term loans from financial institutions	150,000	-	-	141,001	-	291,001	MOR,2.35-7.21
Bill of exchange	380,000	-	-	-	-	380,000	3.45
Trade accounts and other current payable	-	-	-	-	189,859	189,859	-
Short - term loans from other parties	-	-	-	-	128,896	128,896	-
Short - term loans from related parties	-	-	-	-	30,000	30,000	-
Long-term loans from financial institutions	-	-	-	1,638,771	-	1,638,771	THFIX+1.24, MLR-2, MLR-1, FIX+2.5, TIBOR+1.7
Long-term loans from other party	28,195	-	-	-	-	28,195	14
Debenture	-	3,234,100	-	-	-	3,234,100	4.15-5.35

39. FINANCIAL INSTRUMENT (Con't)

39.3 Interest rate risk (Con't)

Financial assets and financial liabilities of the Company and its subsidiaries had interest rate risk as follows.- (Con't)

	Unit : Thousand baht						
	Separate						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2018							
Financial assets							
Cash and cash equivalents	-	-	-	550	3,831	4,381	0.1 - 0.375
Temporary investments	-	-	-	-	252	252	-
Trade accounts and other current receivable	-	-	-	-	138,540	138,540	-
Short - term loan to related parties	1,350,4 30	-	-	-	-	1,350,430	5.5
Long-term investments	-	-	-	-	344	344	-
Loans to employees	-	-	-	4,270	-	4,270	MLR+1.5
Financial liabilities							
Short-term loans from financial institutions	-	-	-	56,159	-	56,159	MOR,3-7.12
Bill of exchange	-	-	-	460,000	-	460,000	3.45
Trade accounts and other current payable	-	-	-	-	29,281	29,281	-
Long-term loans from financial institutions	-	-	-	433,148	-	433,148	THFIX+1.24, MLR-1.97, MLR-1
Debenture	-	815,400	-	-	-	815,400	5 - 5.35
As at December 31, 2017							
Financial assets							
Cash and cash equivalents	-	-	-	1,500	5,060	6,560	0.10 - 0.5
Trade accounts and other current receivable	-	-	-	-	378,532	378,532	-
Short-term loan to subsidiary	1,270,0 78	-	-	-	-	1,270,078	5.5
Long-term investments	-	-	-	-	422	422	-
Loans to employees	-	-	-	4,084	-	4,084	MLR+1.5

39. FINANCIAL INSTRUMENT (Con't)

39.3 Interest rate risk (Con't)

Unit : Thousand baht

	Separate						Interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
As at December 31, 2017 (Con't)							
Financial liabilities							
Short-term loans from financial institutions	-	-	-	273,908	-	273,908	MOR,2.35-7.12
Bill of exchange	-	-	-	380,000	-	380,000	3.45
Trade accounts and other current payable	-	-	-	-	23,411	23,411	-
Short-term loans from related parties	-	-	-	-	30,000	30,000	-
Long-term loans from financial institutions	-	-	-	11,250	-	11,250	THFIX+1.24, MLR-2, MLR-1
Debenture	-	815,400	-	-	-	815,400	5 - 5.35

39.4 Currency risk

The Company and its subsidiaries had significant foreign assets and liabilities which were not hedge foreign exchange risk. However, the Company and its subsidiaries' management believe that they will not against have any significant impact on the Company and its subsidiaries' financial statements as follows

Liabilities which were hedged against foreign exchange risk as follows.-

	Consolidated		Separate	
	2018	2017	2018	2017
Liabilities				
Trust receipts payable				
US Dollars	2,211,471.37	2,510,877.30	1,713,418.57	1,988,647.30

Liabilities which were not hedged against foreign exchange risk as follows.-

	Consolidated		Separate	
	2018	2017	2018	2017
Liabilities				
Trust receipts payable				
US Dollars	4,032,540.07	-	-	-
Euro	-	350,000.00	-	350,000.00

39. FINANCIAL INSTRUMENT (Con't)

39.5 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the incurrence of a financial loss. The Company has a policy to maintain liquidity risk which may occur. The Company and its subsidiaries has sufficient credit lines to fund its operations that are provided by many commercial banks. This mitigates the risk.

39.6 Fair value of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as trade in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique.

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

39.6.1 The Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows.-

	Unit : Baht			
	Consolidate			
	Level 1	Level 2	Level 3	Total
<u>As at December 31, 2018</u>				
Financial assets measured at fair value				
Current :				
Held for sale securities	252,379,510.85	-	-	252,379,510.85
<u>As at December 31, 2017</u>				
Financial assets measured at fair value				
Current :				
Held for sale securities	4,845,841.81	-	-	4,845,841.81

39. FINANCIAL INSTRUMENT (Con't)

39.6 Fair value of financial instruments (Con't)

Unit : Baht				
Separate				
	Level 1	Level 2	Level 3	Total
<u>As at December 31, 2018</u>				
Financial assets measured at fair value				
Current :				
Held for sale securities	251,879,515.40	-	-	251,879,515.40
<u>As at December 31, 2017</u>				
Financial assets measured at fair value				
Non-current:				
Held for sale securities	421,850.00	-	-	421,850.00

During the current period, there were no transfers within the fair value hierarchy.

40. CREDIT FACILITIES

The Company was credit facilities with commercial banks as follows.-

Unit : Million Baht				
	Consolidated		Separate	
	2018	2017	2018	2017
Bank overdraft	57.00	37.00	37.00	37.00
Letter of guarantee	20.73	10.73	10.00	10.00
Letters of credit / Trust receipts	196.00	141.00	156.00	141.00
Promissory note	200.00	150.00	150.00	150.00
Long-term loans	3,556.40	1,720.70	746.00	165.00
Stand by Letter of Credit	141.62	141.62	54.00	54.00
Combined Credit Limit	1,737.00	958.00	100.00	100.00
Total	5,908.75	3,159.05	1,253.00	657.00

The above credit facilities are secured by the mortgage of the Company's and indirect subsidiaries land and building and certain machinery and equipment (see. Note 17 to the financial statements). subsidiaries, directors of the Company, pledge shares of indirect subsidiaries held by subsidiaries and directors. In addition, the Company is restricted to certain covenants pertaining in the loan agreements.

41. COMMITMENTS AND CONTINGENT LIABILITLES

41.1 As at December 31, 2018 and 2017, an indirect subsidiary in Japan and an indirect subsidiary in Vietnam were in possession of commitments from future payment for the construction of solar power plant agreements as follows.-

	Consolidated	
	2018	2017
Payment for the construction of solar power plant agreement in Japan (Unit : Million JPY)	1,506.43	5,913.88
Payment for the construction of solar power plant agreement in Vietnam (Unit : Million VND)	92,426.40	-
Payment for the construction of solar power plant agreement in Vietnam (Unit : Million USD)	72.51	-

41.2 As at December 31, 2018 and 2017, two indirect subsidiaries were in possession of commitments from future payment for Installation of solar system amounting to Baht 10.89 million and Baht 4.60 million respectively.

41.3 As at December 31, 2018 and 2017, an indirect subsidiary was in possession of commitments from future payment for development in solar power project on the ground amounting to Baht 75.90 million and Baht 79.20 million respectively.

41.4 Four indirect subsidiaries in Thailand have entered into Power Purchase Agreements with the Electricity Generating Authority of Thailand under the solar power project for the capacity of 20 Megawatt. The agreement term was 5 years and automatically extended for a period of 5 years subject by to the provision either party giving of written notice to the counterparties another issue for a period of 25 years.

41.5 An indirect subsidiary in Thailand has entered into a Solar PV Rooftop Power Purchase Agreement with Metropolitan Electricity Authority ("MEA") for 8 projects with total capacity of 1,509.20 Kilowatts. The agreement term was 25 years.

41.6 An indirect subsidiary in Japan has entered into a management service agreement for solar power plant with the capacity of 12,009.8 Kilowatts. Under the agreement, the indirect subsidiary shall pay the management fee at Yen 10 million for a period of 20 years commencing from the COD date and shall automatically extend the 1 year period until the party will terminate the agreement in writing.

41.7 Indirect subsidiaries had entered into rental agreements shall pay rental and service fee in the future as follows.-

	Consolidated	
	2018	2017
Security agreements (Unit : Baht)	-	172,500.00
Rental agreements (Unit : Baht)	2,320,700.00	3,304,700.00
Insurance premiums of inverter (Unit : USD)	144,000.00	-

41. COMMITMENTS AND CONTINGENT LIABILITIES (Con't)

41.8 The Company and indirect subsidiaries had contingent liability in respect of with commercial banks as follows.-

	Unit : Million Baht			
	Consolidated		Separate	
	2018	2017	2018	2017
<u>Letters of credit</u>				
The Company	36.16	10.21	36.16	10.21
Indirect subsidiaries	9.07	3.97	-	-
Total	45.23	14.18	36.16	10.21
<u>Letters of guarantee</u>				
The Company	81.54	81.42	81.54	81.42
Indirect subsidiaries	98.80	87.75	-	-
Total	180.34	169.17	81.54	81.42

41.9 The Company and its subsidiaries were in possession of commitments in respect guaranteeing credit facilities among each other as described in Note 6.3 to the financial statements.

42. LITIGATIONS

The Company :

On May 9, 2016, the Company received a plaint to the Central Court of Intellectual Property and International together with 7 individuals. The Company was charged as the first co-defendant for wrongful act of trade secret whereby the plaintiff accused its employee of disclosure of its trade secret to the Company and claimed for damage amounting to Baht 753.97 million with interest at the rate of 7.5% per annum from the sue date.

Indirect subsidiary :

On May 9, 2016, three indirect subsidiaries in Japan [Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK"), AE Power Godo Kaisha (Jpn Co.) ("GK2"), and Kyotamba Solar Godo Kaisha (Jpn Co.) ("GK3")] received plaints to the Court of Tokyo, Japan with 2 individuals which the Companies were charged as co-defendant for wrongful act of trade secret whereby the plaintiff accused its employee of disclosure of its trade secrets to the Company and claimed for damage amounting to Yen 974.72 million.

The Company had negotiated to end the litigation cases both in Thailand and in Japan and succeeded in settling the case in which the plaintiffs, companies in Thailand and in Japan did not wish to take further proceeding with the Company and the subsidiary in Japan and they had filed a petition to withdraw the cases from courts on July 15, 2016 and July 21, 2016 respectively. The plaintiff and the defendant agreed to support each other operation. Therefore, the Project Development Agreement for PV Solar Project was constructed between subsidiary of plaintiff and GK3 dated July 8, 2016, for the development of Kyotamba Mizuho 12.0008 MWp Solar Plant (capacity of 9.99 MWp) value of Yen 250 million in which the Company has fully paid on September 28, 2016.

42. LITIGATIONS (Con't)

Indirect subsidiary : (Con't)

An additional substantial information ever been disclose before by the Company's Chairman in writing that besides the abovementioned agreement, the Company has committed to find other power plan in Japan with a capacity at least 12 Megawatt to sell to the plaintiff or its subsidiary within December 15, 2017. If the Company could not succeed, the Company shall pay compensation to the plaintiff a sum of JPY 690 million or approximately Baht 197.26 million. During the negotiation process, the Company has assigned the seller who was also liable in the lawsuit for this task. The seller agreed to find the other power plants to sell to the plaintiff and agreed to be liable for any damage that may occur.

On August 20, 2016, 2 indirect subsidiaries in Japan [Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK") and (AE Power Godo Kaisha (Jpn Co.) ("GK2"))] entered into memorandum of understanding [MOU] with the seller of [Green Energy Godo Kaisha (Jpn Co.) ("GE")] project claiming for the loss from the abovementioned lawsuits amounting to Yen 270 million. During the year 31, 2017, the indirect subsidiary has received the claim of Yen 200.74 million and after the reporting period has fully paid, the Company has been paid in full amount on January 23, 2018.

On January 5, 2017, 2 indirect subsidiaries in Japan have entered into additional Memorandum of Understanding (MOU) with the seller (GE), whereby GE shall find other solar power plant projects with capacity not less than 12 Magawatt to sell to the plaintiff or the plaintiff's subsidiary within December 15, 2017. If the seller did not succeed, it shall pay compensation to the plaintiff amounting of JPY 690 million or approximately Baht 197.26 million. When it reached the dateline, GE was not able to find other solar plant to sell to the plaintiff and was obliged to pay compensation to the plaintiff. However, on December 29, 2017, the Company has paid for the compensation and of the reporting period, the Company received the compensation from GE at full amount in January and February 2018 (see Note 9 to the financial statements).

43. OTHER INFORMATION

The Company :

- 43.1 At the Company's Board of Directors' Meeting No. 6/2017, held on June 28, 2017, it was approve the Company to entered into the Equity contribution and Shareholders Support Agreement as "The New Major Sponsor" and Eastern Power Group Plc. ("EP") as "The New Shareholders" an addition to the Loan Facility Agreement of PPTC Co.,Ltd. ("PPTC") at 49.50% whereby the shall be an additional agreement under the third amended facility agreement.

At the Company's Board of Directors Meeting No. 8/2017 held on September 11, 2017, it was approve to enter into Sponsor Undertaking Agreement as the project sponsor to support the loan agreement of indirect subsidiary company Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK").

43. OTHER INFORMATION (Con't)

Direct subsidiary : Eastern Power Group Plc. "EP"

The Investment in Electricity Generating Projects

43.2 Kurihara Project, capacity 23 megawatt

On December 26, 2013, two indirect subsidiaries in Japan [Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK") and Kurihara Godo Kaisha (Jpn Co.) ("GK1")] has entered into a Solar Farm Development Agreement with a company in Japan 2 solar power plants with capacity of 13 Megawatts and 10 Megawatts respectively, with key agreement is that AEKK will have to sign a share purchase agreement of AE Power Godo Kaisha ("GK2") from the existing shareholders. The abovementioned development of solar farms are operated by GK1 and GK2.

On January 9, 2014, indirect subsidiary [EpcO Energy Co., Ltd., ("EPCO-E")] has entered into a joint investment agreements (Tokumei Kumiai Agreement "TK Agreement") with GK1 to develop a Kurihara Phase 2 Project (10 Megawatt). On May 15, 2014, EPCO-E has entered into a joint investment agreements (Tokumei Kumiai Agreement "TK Agreement") with GK2 to develop a Kurihara Phase 1 Project (13 Megawatt). Under the terms, EPCO-E agrees to pay contributions to construction of two Solar Power generation projects. In returns, EPCO-E shall receive 97% of all profits and losses over the lives of the project.

GK1 and GK2 have accepted the Fit for Solar power energy amounting to Yen 287.43 million. (Baht 90.65 million) included the construction of grid connection from the Electricity Authority of Japan (Tohoku Electricity Power Company) amounting to Yen 220.46 million (Baht 66.53 million).

At present, Kurihara Phase 2 Project is under construction while Kurihara Phase 1 Project has been completed and commenced its commercial operation distributing its electricity to the Kansai Electric Power Co., Inc. on October 1, 2018.

43.3 Kyotamba Project, capacity 9.99 megawatt

On September 11, 2015 two indirect subsidiaries in Japan [Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK") and AE Power Godo Kaisha (Jpn Co.) ("GK2")] have entered into a Project Development, Real Estate Sale & Purchase and FIT Transfer Agreement with a company in Japan to develop Kyotamba mizuho 12.008 MWp Solar Plant (Capacity of 9.99 Megawatt) value of Yen 750 million. The agreement included land, licenses and construction cost of Grid Connection which AEKK and GK 2 received the land and construction cost under the agreement in the first quarter of 2016.

On April 1, 2016, indirect subsidiary EPCO-E has entered into a TK Agreement with GK3 to develop Kyotamba Project (capacity 9.99 megawatt). Under joint investment agreements, EPCO-E agrees to pay contributions to construction of Solar Power generation projects. In returns, EPCO-E shall receive 97% of all profits and losses over the lives of the project.

The Solar plant was construction completely and has started the distributing electricity with the Kansai Electric Power Company Inc. on November 21, 2016.

On January 23, 2017, AEKK has transferred share of GK3 to Kyotamba Solar Holding Ippan Shadan Houjin under Execution of Unit Transfer Agreement to comply with structure of Japanese law.

43. OTHER INFORMATION (Con't)

The Investment in Electricity Generating Projects (Con't)

43.3 Kyotamba Project, capacity 9.99 megawatt (Con't)

On September 14, 2017, indirect subsidiary GK3 has entered into an agreement to appoint a Japan company as an asset manager of Solar Power generation projects as described in Note 41.7 to the financial statements.

In 2017, indirect subsidiary GK3 has hired legal advisor to review the TK Agreement and concluded that it is being invalid.

On October 18, 2017, the TK Agreement between EPCO-E with GK3 dated April 1, 2016 was terminated and replaced by a new TK Agreement dated October 20, 2017, whereby the main content is to change the percentage of profit distribution from 97 : 3 to 98 : 2 and the percentage of investor contribution from JPY 648.95 million (JPY 50 million was already paid on October 31, 2016) to JPY 931 million. EPCO-E shall redeem its contribution under the terminated agreement of JPY 50 million and pay contributions of JPY 931 million under the revised TK Agreement by October 20, 2017.

43.4 Shichikashuku Project, capacity 3.465 megawatt

The Board of Directors' Meeting of the EP No.7/2016, held on November 14, 2016, has approved in principle for EPCO-E, an indirect subsidiary of the Company to enter the transaction to acquire the assets of the company. The investment is acquisition of 2 solar power plants in Japan, Shichikashuku 1 - 2, with total capacity of 1.98 Megawatts and 1.485 Megawatts respectively. At the present, the TK Agreement has not yet been signed.

On January 19, 2017, an indirect subsidiary [Alternative Energies Kabushiki Kaisha (Jpn Co.) ("AEKK")] has entered into "Membership Interest Purchase Agreement" of Higashi Nihon Mega Solar 3 Godo Kaisha's (Jpn Co.) (GK4) from the existing shareholders amounting Yen 410.42 million, with GK4 has been granted the right to develop two solar power plant projects as mentioned above. The agreement included right in the FIT licenses in Solar farm and licenses construction amounting Yen 314.37 million (Baht 95.44 million) included land amounting Yen 96 million (Baht 95.44 million), for the land, GK4 has entered into a land purchase agreement with a company in Japan. The contract will be effective when the project is complete.

43.5 Small Power Producer (SPP) Co-Generation Combined Power Plant Project

Direct subsidiary : Eastern Power Group Plc. "EP"

On February 16, 2016, and June 29, 2016, EP has entered into 3 share purchase contracts of 3 companies total contract value of Baht 2,649.68 million in order to acquire 3 power plants of Small Power Producer (SPP) Co-Generation Combined Power Plant. The maximum electricity production capacity is approximately 360 megawatts and steam production capacity is 90 tons per hour. Under the purchase contract, EP is required to receive approval from its Board of Directors and Shareholders of the Company and EP.

By the Board directors' meeting of EP No. 5/2016 held on June 8, 2016, and the Extraordinary Shareholders' meeting of EP No. 2/2016 held on August 8, 2016, it was resolved to engage in the above transaction as follows:

43. OTHER INFORMATION (Con't)

The Investment in Electricity Generating Projects (Con't)

43.5 Small Power Producer (SPP) Co-Generation Combined Power Plant Project (Con't)

Direct subsidiary : Eastern Power Group Plc. "EP" (Con't)

Approved EP to enter into a sales purchase of shares contract with That Siri Co.,Ltd. to acquire additional 3,099,988 shares from the existing shareholders with the contract value of Baht 509.42 million. After the acquisition the subsidiary percentage of shareholding of such company was 99.99% of its authorized share capital and the percentage of shareholding of SSUT was 20% of the total authorized share capital. EP has fully paid for the share price on January 11, 2017.

As at December 31, 2016, EP has paid deposit for share subscription totaling Baht 300 million.

SSUT is power plant started to distribute electricity commercially at full capacity of 240 megawatts and generate steam at full capacity of 60 tons per hours to the Electricity Generating Authority of Thailand from December 3, 2016 and December 29, 2016 onward.

At the Board of Directors' Meeting No. 1/2017, held on February 8, 2017, and at the Extraordinary Shareholders' Meeting No. 1/2017, held on February 24, 2017, of EP, it was approved EP to purchase 78,447,600 shares of STC Energy Co.,Ltd. representing 100% of its authorized share capital and to purchase 20,602,400 shares of APEX Energy Solution Co., Ltd. representing 81.25% of its authorized share capital with the purpose of indirect holding 50% of TAC Energy Co., Ltd. (TAC) share capital, 25% of PPTC Co., Ltd. (PPTC) share capital and 20% of SSUT Co., Ltd. (SSUT) share capital. EP has fully paid for the share price on April 3, 2017 and April 26, 2017.

On September 28, 2017, EP has acquired additional shares of PPTC Co.,Ltd. from its existing share holder at 24.50% of its authorized share capital and has paid for the total share price.

43.6 Xuan Tho Project with total capacity of 99.216 Megawatt

At the Board of Directors' meeting of EP No.7/2018 held on September 19, 2018, it was approved Solar Power Management (Thailand) Co.,Ltd. ("SPM"), EP's subsidiary, to enter into a Share Purchase Agreement to acquire shares of Phu Khanh Solar Power Joint Stock Company ("PKS") as described in details in Note 2.2.1.1.2 in order to develop 2 solar farms in Socialist Republic of Vietnam with combined capacity of 99.216 megawatt which had Power Purchase Agreement with Electricity of Vietnam ("EVN") for 20 years at Feed in Tariff (FIT) rate and approved PKS to enter into a Construction Service Agreement value of VND 306,407.20 million (or approximately Baht 430.20 million) in order to obtain right to sell electricity and licenses.

At the Board of Directors' meeting of EP No.8/2018 held on October 31, 2018, it was approved SPM to enter into a Joint Investment Agreement in PKS Project with Communication and System Solution Co.,Ltd. ("CSS") as described in details in Note 2.2.1.1.2. In addition, it was approved PKS to enter into a EPC Contracts values a USD 77 million (or approximately Baht 2,511.34 million).

At present, the project is under construction and the project is expected to be completed by June 2019.

44. CAPITAL MANAGEMENT

The primary objectives of the Company and subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2018 and December 31, 2017, debt-to-equity ratio in the consolidated financial statements was 2.23 : 1 and 2.44 : 1 respectively, and in the separate financial statements was 1.12 : 1 and 1.10 : 1 respectively.

45. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting No. 1/2019 held on February 28, 2019, it was approved as following :

- 45.1 Approve the decrease of its authorized share capital of Baht 18,961,776 remaining from shares by allocation to the existing shareholders in proportion to the shareholding (Right offering : RO).
- 45.2 Approved to propose to the shareholders to pay dividend from the Company's operation from July to December 2018 and from retained earnings at the rate of Baht 0.10 per share amounting to Baht 92.16 million.

46. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 28, 2019.