

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of QTC Energy Public Company Limited

Opinion

I have audited the consolidated financial statements of QTC Energy Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and I have also audited the separate financial statements of QTC Energy Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2018, the separate statements of profit or loss and other comprehensive income, and statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and the consolidated financial performance and cash flows for the year then ended, and the separate financial position as at 31 December 2018, and the separate 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 and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is 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 matters

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 of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the area of focus
<p><i>Deferred tax assets</i></p> <p>As at 31 December 2018, the Group and the Company have deferred tax assets of Baht 15.95 million and Baht 13.27 million, respectively. The Group and the Company have not recognized a portion of deferred tax assets of Baht 135.07 million and Baht 72.30 million, respectively. The Group and the Company will recognise deferred tax assets on tax losses carried forwards only when it is that it can generate taxable profits to utilize tax losses carried forward.</p> <p>In calculating deferred tax assets recognised from tax losses carried forward, management is required to exercise judgment in relation to the future forecast on taxable income to be reliable which factors may be changed according to the economic and market conditions in the future.</p> <p>I have focused on this matter because the audit of such balances requires significant judgment since the outcome of management's forecasts is subject to uncertainties of future economic and market conditions.</p> <p>Refer to the note 20 to financial statements and significant accounting policies.</p>	<p>I determined the sufficiency and appropriateness of audit evidence by assessing the methodology that management used to estimate revenue, expenses and operating results in the future.</p> <p>I discussed with management to understand the business plans and the assumption used and evaluated the reasonableness of underlying assumptions that management applied in forecasting the business growth rate in normal situation including trend analysis in the marketing and same industry.</p> <p>I verified the mathematical accuracy of the business forecasts and tested the appropriateness of deferred tax calculation by comparing future tax benefit that the Group and the Company can utilise from the forecasted profits.</p> <p>I also considered the adequacy and appropriateness of disclosures in the notes to financial statements.</p>

Key audit matter	How my audit addressed the area of focus
<p><i>Impairment of investments in subsidiary and associated companies</i></p> <p>As at 31 December 2018, the Company has investments in subsidiary and associated companies - at cost of Baht 718.66 million and Baht 0.50 million, respectively, and allowance for impairment of investments in subsidiary and associated companies of Baht 150.36 million and Baht 0.50 million, respectively.</p> <p>The impairment test of investments in subsidiary and associated companies require significant judgment and assumption of management with complex consideration, specifically the assumption about the cash flows projection of business and the consideration of discount rate for determining of projected cash flows which may affect by changes in the economic condition, market situation and specific risk of assets.</p> <p>Refer to the notes 11 and 12 to financial statements and significant accounting policies.</p>	<p>I assessed the reasonableness of assumptions and methodology that management applied to estimate expected future cash flows by comparing with current and historical operations.</p> <p>I discussed with management the basis of assumptions used and future business plan, including reviewing underlying supporting documentation.</p> <p>I evaluated the reasonableness of the discount rate applied to calculate future cash flows and tested calculation for recoverable amount from the investments.</p> <p>I verified the mathematical accuracy of the model and inspecting inputs with supporting documents.</p> <p>I also considered the adequacy and appropriateness of disclosures in the notes to financial statements.</p>

Key audit matter	How my audit addressed the area of focus
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Key audit matter	How my audit addressed the area of focus
<p><i>Allowance for decline in value of inventories</i></p> <p>As at 31 December 2018, the Company has inventories amount of Baht 175.25 million, which comprises of raw material, work in process, and finished goods. The Company's finished goods are made by customers order and standard type for sale to general customers.</p> <p>Inventories are presented at the lower of cost or net realizable value. The estimation of allowance for decline in value of inventories involves the management judgment for considering the inventory turnover and deterioration of each category and the change in selling price which can be subjected to market situation.</p> <p>Refer to the notes 9 to financial statements and significant accounting policies.</p>	<p>I made an inquiry the management to obtain understanding the measurement of the net realizable value of inventories. I evaluated whether the measurement is appropriate and comply with the Company's accounting policy.</p> <p>I tested aging of inventories and evaluate the reasonableness of assumption used to set allowance for decline in value of inventories by management. I considered the movement of inventory and recalculated the amount of allowance for decline in value of inventories by the Company's accounting policy.</p> <p>I examined the calculation of estimated net realizable value of inventories by comparing, on the test basis, the carrying cost of inventories against expected net realizable value. The net realizable is calculated from the selling price subsequent date, or the selling price in the customer's purchase order less the estimated costs necessary to make the sale.</p> <p>I also considered the adequacy and appropriateness of disclosures in the notes to financial statements.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report 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 will 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

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 and the Company'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.
- 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 Company'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 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 or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance, 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 also 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.

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.

Mr. Narin Churamongkol

Certified Public Accountant

Registration No. 8593

Grant Thornton Limited

Bangkok

20 February 2019

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	118,789,123	90,992,895	69,693,599	44,810,154
Temporary investments	6	466,340,820	378,848,818	351,869,055	378,540,803
Trade accounts receivable and unbilled accrued income					
- general customers - net	7	255,756,389	280,966,609	229,036,321	256,722,328
- related company	7, 8	702,134	1,836,548	702,134	1,836,548
Other account receivable - general customers		1,139,513	-	211,251	-
- related companies	8	156,110	1,348,271	1,192,910	8,150,463
Inventories - net	9	175,253,030	151,149,702	175,253,030	151,149,702
Refundable value added tax		29,683,039	17,164,110	26,848,234	14,447,594
Prepaid expenses		4,121,881	3,987,129	4,056,796	3,810,688
Other current assets		13,105,404	8,778,163	12,793,312	7,872,760
Total current assets		1,065,047,443	935,072,245	871,656,642	867,341,040
NON-CURRENT ASSETS					
Restricted deposit at bank	10	21,306,698	21,118,629	-	-
Investments in					
- subsidiary companies - net	11	-	-	568,292,644	14,855,120
- associated companies - net	12	-	210,042,705	-	499,800
Loan to related companies - net	8	6,901,877	17,870,454	6,901,877	616,747,578
Property, plant and equipment - net	14	689,299,174	688,962,686	345,976,004	320,480,941
Computer software - net	15	4,188,378	5,502,708	4,020,429	5,325,282
Interconnection charge - net	16	4,255,477	4,584,904	-	-
Power purchase agreement - net	17	108,906,540	117,359,191	-	-
Goodwill - net	2	-	-	-	-
Deferred income tax asset - net	20	15,953,700	33,274,196	13,274,003	31,155,050
Other non current assets		3,125,718	3,479,218	2,836,455	3,193,967
Total non-current assets		853,937,562	1,102,194,691	941,301,412	992,257,738
TOTAL ASSETS		1,918,985,005	2,037,266,936	1,812,958,054	1,859,598,778

 Director
 (Mr. Poonphiphat Tantanasin)

 Director
 (Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from banks	18	202,082,000	320,554,278	202,082,000	320,554,278
Trade accounts payable		98,223,002	42,831,480	98,223,002	42,831,480
Other account payable - general suppliers		11,032,598	11,556,681	8,546,199	10,305,220
- related company	8	12,626	19,260	12,626	19,260
Current portion of :					
- Long-term loans from banks	19	75,240,000	66,840,000	8,400,000	-
- Liabilities under financial lease agreements		2,195,735	2,714,374	1,805,417	2,341,829
- Liabilities under employee benefits obligation	22	754,444	178,063	754,444	178,063
Accrued expenses	21	22,998,919	23,374,823	20,624,504	19,580,596
Advance from customers		16,420,630	14,583,175	16,420,630	14,583,175
Other current liabilities		11,397,521	10,592,625	9,486,814	8,877,463
Total current liabilities		440,357,475	493,244,759	366,355,636	419,271,364
NON-CURRENT LIABILITIES					
Long-term loans from banks - net	19	24,299,346	89,400,000	1,739,346	-
Liabilities under financial lease agreements - net		2,321,619	3,042,366	1,808,728	2,139,157
Liabilities under employee benefits obligation - net	22	10,362,603	9,493,289	10,088,642	9,362,346
Total non-current liabilities		36,983,568	101,935,655	13,636,716	11,501,503
TOTAL LIABILITIES		477,341,043	595,180,414	379,992,352	430,772,867

Director
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Director
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QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

Notes	Consolidated F/S		Separate F/S	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital : common share, Baht 1 par value				
Registered 429,240,725 shares	23	429,240,725	429,240,725	429,240,725
Issued and fully paid-up 341,092,567 shares				
(2017 : 341,088,220 shares)		341,088,220	341,092,557	341,088,220
Premium on common shares		1,136,533,588	1,136,572,101	1,136,533,588
Premium on common shares from business combination		42,294,921	-	-
Retained earnings (Deficits)				
- Appropriated for legal reserve	25	20,000,000	20,000,000	20,000,000
- Unappropriated		(98,929,218)	(64,698,956)	(68,795,897)
Other components of equity		(1,199,755)	-	-
Total equity of the Company's shareholders		1,439,521,583	1,432,965,702	1,428,825,911
Non - controlling interests in subsidiaries		2,122,379	-	-
Total shareholders' equity		1,441,643,962	1,432,965,702	1,428,825,911
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,918,985,005	1,812,958,054	1,859,598,778

 Director
 (Mr. Poonphiphat Tantanasin)

 Director
 (Mr. Ruangchai Kritsnakriengkrai)

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QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Income from sales and services					
Sales	8	937,286,010	882,111,143	794,807,652	846,048,282
Service income		20,764,087	19,419,944	20,764,087	19,419,944
Total income from sales and services	31	<u>958,050,097</u>	<u>901,531,087</u>	<u>815,571,739</u>	<u>865,468,226</u>
Cost of sales and services					
Cost of sales		(735,900,161)	(745,372,181)	(688,969,970)	(732,544,980)
Cost of services		(11,860,974)	(15,437,336)	(11,860,974)	(15,437,336)
Total cost of sales and services	31	<u>(747,761,135)</u>	<u>(760,809,517)</u>	<u>(700,830,944)</u>	<u>(747,982,316)</u>
Gross profit		210,288,962	140,721,570	114,740,795	117,485,910
Gain on exchange rate		4,854,937	2,789,411	4,854,937	1,145,324
Other income	8	15,442,941	10,487,706	19,051,241	17,089,212
Profit before expenses	20	<u>230,586,840</u>	<u>153,998,687</u>	<u>138,646,973</u>	<u>135,720,446</u>
Loss from sale of investment in indirect associated company	12	(19,695,061)	-	-	-
Selling expenses	28	(47,869,659)	(49,484,473)	(47,869,659)	(49,484,472)
Administrative expenses	8, 28	(126,329,759)	(345,236,762)	(59,390,125)	(300,205,882)
Total expenses		<u>(193,894,479)</u>	<u>(394,721,235)</u>	<u>(107,259,784)</u>	<u>(349,690,354)</u>
Profit (loss) from operations		36,692,361	(240,722,548)	31,387,189	(213,969,908)
Equity in net profit (loss) of associated companies	12	(1,027,387)	2,723,237	-	-
Profit (loss) before financial cost and income tax		<u>35,664,974</u>	<u>(237,999,311)</u>	<u>31,387,189</u>	<u>(213,969,908)</u>
Finance cost		(15,174,809)	(14,730,861)	(9,409,201)	(11,271,210)
Profit (loss) before income tax		<u>20,490,165</u>	<u>(252,730,172)</u>	<u>21,977,988</u>	<u>(225,241,118)</u>
Income tax benefit (expense)	20	(17,524,944)	5,881,589	(17,881,047)	5,899,833
Profit (loss) from continuing operations		<u>2,965,221</u>	<u>(246,848,583)</u>	<u>4,096,941</u>	<u>(219,341,285)</u>
Loss from discontinued operations	13	(3,087,075)	(396,953)	-	-
Profit (loss) for the year		<u>(121,854)</u>	<u>(247,245,536)</u>	<u>4,096,941</u>	<u>(219,341,285)</u>
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net of income tax	20	-	(3,385,229)	-	(3,385,229)
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statement translation - net of income tax		(363,556)	(1,828,278)	-	-
Other comprehensive loss for the year - net of income tax		<u>(363,556)</u>	<u>(5,213,507)</u>	<u>-</u>	<u>(3,385,229)</u>
Total comprehensive income (loss) for the year		<u>(485,410)</u>	<u>(252,459,043)</u>	<u>4,096,941</u>	<u>(222,726,514)</u>

 Director
 (Mr. Poonphiphat Tantanasin)

 Director
 (Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUE)
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	2018	2017	2018	2017
Profit (loss) attributable to:					
Portion of the Company's shareholders		341,207	(247,186,033)	4,096,941	(219,341,285)
Portion of non-controlling interests in subsidiaries		(463,061)	(59,503)	-	-
		(121,854)	(247,245,536)	4,096,941	(219,341,285)
Comprehensive loss attributable to:					
Portion of the Company's shareholders		32,184	(252,125,298)	4,096,941	(222,726,514)
Portion of non-controlling interests in subsidiaries		(517,594)	(333,745)	-	-
		(485,410)	(252,459,043)	4,096,941	(222,726,514)
Basic earnings per share					
Profit (loss) of the Company's shareholders					
(Baht per share)	24	0.001	(0.888)	0.012	(0.788)
Weighted average number of common shares (share)		341,092,557	278,391,073	341,092,557	278,391,073
Dilute earnings per share					
Profit (loss) of the Company's shareholders					
(Baht per share)	24	0.001	(0.833)	0.012	(0.739)
Weighted average number of common shares (share)		341,092,557	296,787,174	341,092,557	296,787,174

 Director
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 Director
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QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

		Shareholders' equity of the Company									
				Premium on			Other components of equity				
		Issued and fully		common shares	Retained earnings (Deficits)		Other comprehensive income (loss)				
		paid-up	Premium on	from business			Exchange differences on		Non-controlling	Total shareholders'	
Notes		share capital	common shares	combination	Legal reserve	Unappropriated	translating financial statement	Total	interests' equity	equity	
Consolidated F/S											
Balance as at 1 January 2017		270,000,000	304,939,064	-	20,000,000	159,400,837	354,281	754,694,182	2,973,718	757,667,900	
Share capital increment	23	70,910,475	830,015,225	-	-	-	-	900,925,700	-	900,925,700	
Exercise warrant	23	177,745	1,579,299	-	-	-	-	1,757,044	-	1,757,044	
Premium on common shares from business combination	2	-	-	42,294,921	-	-	-	42,294,921	-	42,294,921	
Cash dividend payment	26	-	-	-	-	(8,100,000)	-	(8,100,000)	-	(8,100,000)	
Transactions with shareholders		71,088,220	831,594,524	42,294,921	-	(8,100,000)	-	936,877,665	-	936,877,665	
Loss for the year		-	-	-	-	(247,186,033)	-	(247,186,033)	(59,503)	(247,245,536)	
Other comprehensive loss for the year		-	-	-	-	(3,385,229)	(1,554,036)	(4,939,265)	(274,242)	(5,213,507)	
Total comprehensive loss for the year		-	-	-	-	(250,571,262)	(1,554,036)	(252,125,298)	(333,745)	(252,459,043)	
Balance as at 31 December 2017		341,088,220	1,136,533,588	42,294,921	20,000,000	(99,270,425)	(1,199,755)	1,439,446,549	2,639,973	1,442,086,522	
Balance as at 1 January 2018		341,088,220	1,136,533,588	42,294,921	20,000,000	(99,270,425)	(1,199,755)	1,439,446,549	2,639,973	1,442,086,522	
Exercise warrant	23	4,337	38,513	-	-	-	-	42,850	-	42,850	
Transactions with shareholders		4,337	38,513	-	-	-	-	42,850	-	42,850	
Profit (loss) for the year		-	-	-	-	341,207	-	341,207	(463,061)	(121,854)	
Other comprehensive loss for the year		-	-	-	-	-	(309,023)	(309,023)	(54,533)	(363,556)	
Total comprehensive income (loss) for the year		-	-	-	-	341,207	(309,023)	32,184	(517,594)	(485,410)	
Balance as at 31 December 2018		341,092,557	1,136,572,101	42,294,921	20,000,000	(98,929,218)	(1,508,778)	1,439,521,583	2,122,379	1,441,643,962	

(Mr. Poonphiphat Tantanasin)

(Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Issued and fully	Retained earnings (Deficits)			Total
		paid-up share capital	Premium on common shares	Legal reserve	Unappropriated	
<u>Separate F/S</u>						
Balance as at 1 January 2017		270,000,000	304,939,064	20,000,000	162,030,617	756,969,681
Share capital increment	23	70,910,475	830,015,225	-	-	900,925,700
Exercise warrant		177,745	1,579,299	-	-	1,757,044
Cash dividend payment	26	-	-	-	(8,100,000)	(8,100,000)
Transactions with shareholders		71,088,220	831,594,524	-	(8,100,000)	894,582,744
Loss for the year		-	-	-	(219,341,285)	(219,341,285)
Other comprehensive loss for the year		-	-	-	(3,385,229)	(3,385,229)
Total comprehensive loss for the year		-	-	-	(222,726,514)	(222,726,514)
Balance as at 31 December 2017		341,088,220	1,136,533,588	20,000,000	(68,795,897)	1,428,825,911
Balance as at 1 January 2018		341,088,220	1,136,533,588	20,000,000	(68,795,897)	1,428,825,911
Exercise warrant	23	4,337	38,513	-	-	42,850
Transactions with shareholders		-	38,513	-	-	42,850
Profit for the year		-	-	-	4,096,941	4,096,941
Total comprehensive income for the year		-	-	-	4,096,941	4,096,941
Balance as at 31 December 2018		341,092,557	1,136,572,101	20,000,000	(64,698,956)	1,432,965,702

Director

(Mr. Poonphiphat Tantanasin)

Director

(Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before income tax	17,403,090	(253,127,125)	21,977,988	(225,241,118)
Adjustments to reconcile profit (loss) before income tax				
to net cash provided from operating activities				
Depreciation and amortization	74,247,370	50,947,553	43,558,085	43,043,704
Allowance for doubtful accounts	7,279,592	4,256,681	7,279,592	4,256,681
Allowance (reversal of allowance) for obsolete and decline value of inventories	7,375,334	(4,997,647)	7,375,334	(4,997,647)
Gain on disposal of fixed assets	(546,736)	(2,767,847)	(1,154,946)	(2,767,847)
Unrealized gain on exchange rate	(854,732)	(3,776,150)	(854,732)	(3,776,150)
Unrealized gain on change in value of temporary investments	(2,864,938)	(40,803)	(2,411,206)	(40,803)
Gain on sales of temporary investments	(765,438)	-	(757,420)	-
Allowance for impairment of investment in subsidiary companies	-	-	6,562,476	141,799,970
Allowance for impairment of investment in associated company	-	-	499,800	-
Allowance (reversal of allowance) for doubtful account for loan to subsidiary company	-	-	(54,352,422)	54,352,422
Allowance for impairment of loan to associated company	7,098,123	-	7,098,123	-
Allowance for impairment of fixed assets	2,909,280	-	-	-
Allowance for impairment of goodwill	-	193,254,818	-	-
Equity in net loss (profit) of associated companies	1,027,387	(2,723,237)	-	-
Provision for employee benefits obligation	1,086,350	1,032,149	951,516	901,206
Loss from sale of investment in indirect associated company	19,695,061	-	-	-
Interest expense	15,174,809	14,730,861	9,409,201	11,271,210
Cash provide from (used in) operations before changes in				
operating assets and liabilities	148,264,552	(3,210,747)	45,181,389	18,801,628
Decrease (increase) in operating assets				
Trade accounts receivable and unbilled accrued income - general customers	18,775,798	(25,677,388)	21,251,585	(26,813,382)
- related company	1,134,414	(1,154,530)	1,134,414	(1,154,530)
Other account receivable - general customers	(1,139,513)	-	(211,251)	-
- related companies	1,192,161	(943,548)	6,957,553	(7,745,740)
Inventories	(31,478,662)	61,390,056	(31,478,662)	61,390,056
Refundable value added tax	(12,518,929)	(9,462,251)	(12,400,640)	(6,745,735)
Prepaid expenses	(134,752)	689,903	(246,108)	857,093
Other current assets	(2,749,447)	2,323,325	(3,156,060)	2,080,890
Other non-current assets	2,912,039	(1,179,062)	2,915,592	(1,173,407)
Increase (decrease) in operating liabilities				
Trade accounts payable	55,401,084	(67,484,828)	55,401,084	(66,958,606)
Other accounts payable - general suppliers	(524,083)	5,285,029	(1,759,021)	4,033,568
- related company	(6,634)	(28,890)	(6,634)	(28,890)
Accrued expenses	(375,904)	8,033,685	1,043,908	4,807,559
Advances from customers	1,837,455	7,334,280	1,837,455	7,334,280
Other current liabilities	804,895	1,701,314	609,351	3,690,375
Cash provided from (used in) operations	181,394,474	(22,383,652)	87,073,955	(7,624,841)
Interest payment	(14,811,708)	(14,110,585)	(9,054,284)	(10,699,807)
Income tax payment	(3,197,635)	(3,218,846)	(3,082,248)	(3,199,517)
Income tax refund	1,314,001	-	1,314,001	-
Net cash provided from (used in) operating activities	164,699,132	(39,713,083)	76,251,424	(21,524,165)

Director

(Mr. Poonphiphat Tantanasin)

Director

(Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash flows from investing activities				
Decrease (increase) in temporary investment	(83,861,626)	(146,653,298)	29,840,374	(156,632,371)
Decrease (increase) in short - term loan - related companies	3,870,454	(870,454)	657,100,000	(654,100,000)
Increase in investment in subsidiary company	-	-	(560,000,000)	-
Purchase of investment in indirect subsidiary company	-	(528,315,382)	-	-
Increase in investment in indirect associated company	(6,000,000)	(207,319,468)	-	-
Process from sale of investment in indirect associated company	195,320,257	-	-	-
Decrease refundable deposit for feasibility of investment project	-	81,112,500	-	-
Proceeds from sales of fixed assets	3,119,408	3,533,532	3,119,408	3,533,532
Purchases of assets	(69,625,812)	(56,607,212)	(69,335,578)	(56,029,309)
Purchases of computer software	(527,231)	(554,702)	(484,260)	(524,702)
Net cash provide from (used in) investing activities	42,295,450	(855,674,484)	60,239,944	(863,752,850)
Cash flows from financing activities				
Increase (decrease) in short-term loan from banks	(118,472,278)	15,063,288	(118,472,278)	15,063,288
Increase in long-term loan from bank	15,039,346	-	15,039,346	-
Repayment of long-term loans from banks	(71,740,000)	(15,313,311)	(4,900,000)	-
Repayment of liabilities under financial lease agreement	(3,690,386)	(4,701,489)	(3,317,841)	(3,870,370)
Proceeds from paid-up share capital	-	900,925,700	-	900,925,700
Proceed from paid-up share capital from the exercise share warrants	42,850	1,757,044	42,850	1,757,044
Dividend payment	-	(8,100,000)	-	(8,100,000)
Net cash provided from (used in) financing activities	(178,820,468)	889,631,232	(111,607,923)	905,775,662
Exchange differences from conversion of subsidiary's foreign currency				
financial statements	(377,886)	(1,902,548)	-	-
Net increase (decrease) in cash and cash equivalents	27,796,228	(7,658,884)	24,883,445	20,498,647
Cash and cash equivalents at beginning of year	90,992,895	98,651,779	44,810,154	24,311,507
Cash and cash equivalents at end of year	118,789,123	90,992,895	69,693,599	44,810,154

Supplemental cash flows information

Non cash transactions :

Purchase assets under finance lease agreements	2,451,000	4,679,000	2,451,000	2,621,000
Premium on share capital from difference				
between market price and agree price	-	42,294,921	-	-

Director

(Mr. Poonphiphat Tantanasin)

Director

(Mr. Ruangchai Kritsnakriengkrai)

The accompanying notes form an integral part of these financial statements.

QTC ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2018 AND 2017

1. GENERAL INFORMATION

QTC Energy Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 2/2 Krungthep Kritha Soi 8 Yak 5, Krungthep Kritha Road, Huamark, Bangkok, with a branch at 149 Moo 2 Mapyangporn Sub District, Ploukdaeng District, Rayong.

The Company was listed on “MAI” of the Stock Exchange of Thailand (SET) on 28 July 2011.

As at 31 December 2018 and 2017, the Company’s major shareholders are:

	Percentage	
	2018	2017
Mr. Thatnakhone Thammavong	12.46	12.46
Mr. Chanthanome Phommany	12.46	12.46
Mr. Phoukhaokham Pravovaxay	11.73	11.73

The Company is engaged principally in the manufacturing of electric transformers for sales and made to orders of domestic and foreign customers under the “QTC” Trademark and customer specific brands. At present, the Company’s transformer products are categorized as follows:

1. For distribution transformers: 10-5000 KVA
 - 1.1 Hermetically sealed oil type distribution transformer
 - 1.2 Open type with conservator
2. Power transformers: 5000-30000 KVA
3. Special transformers: designed and manufactured in accordance with customers’ usage and features, such as Earthling transformer, Dry-Type Class F&H, Unit Substation, Pad mounted, Amorphous transformer.

Furthermore, the Company also provides various types of services for customers, such as scheduled checks and maintenance, transformer repairs and maintenance, transformer oil fill services, transformer rental services, etc., in order to support customer needs and facilitate both customers who have purchased the Company’s transformers and general customers.

Details of the Company’s subsidiaries are given in Note 11.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

(b) New and revised financial reporting standards, interpretations and guidance

1. Amendments and interpretations to existing Standards that are effective from 1 January 2018

The Federation of Accounting Professions has issued revised Thai Financial Reporting Standards (TFRS), interpretations and guidance, that are effective for annual accounting periods beginning on or after 1 January 2018. The changes were to align with the corresponding International Financial Reporting Standards where most of the changes are relating to the revision of wording and terminology, and the provision of interpretations and accounting guidance to users of the standards.

The adoption of these revised TFRS has not had a material impact on the consolidated and separate financial statements except for the addition disclosures required under TAS 7 (see Note 33).

2. New Standards that are effective from 1 January 2019

During the year, the Federation of Accounting Professions issued Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (TFRS 15). TFRS 15 is effective for annual accounting periods beginning on or after 1 January 2019, and presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No.11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

The Group’s management has assessed that the impact on the financial statements is immaterial on revenue and others related accounts when new standard is initial applied.

3. New Standards that are effective from 1 January 2020

During the year, the Federation of Accounting Professions issued Thai Financial issue several TFRSs for financial instruments, which consists of TFRS 9 “Financial instruments”, TAS 32 “Financial instruments: Presentation”, TFRS 7 “Financial instruments: Disclosure”, TFRIC 16 “Hedges of a Net Investment in a Foreign Operation” and TFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”, which are effective for annual accounting periods beginning on or after 1 January 2020. The new TFRS establish new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Group will adopt these new standards when they become effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Non-derivative financial instruments at fair value through profit or loss	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 22

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from their estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment to the amounts recognized in the financial statements is included in the following notes:

Note 20	Current and deferred taxation
Note 22	Measurement of defined benefit obligations
Note 30	Valuation of financial instruments

Measurement of fair values

A number of the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(e) Basis of consolidation

The consolidated financial statements include the financial statements of QTC Energy Public Company Limited and its subsidiaries which are under the control or with voting right more than 50%, QTC – Panco Co., Ltd. and QTC Global Power Co., Ltd., at 85.00% and 99.99% shareholdings, respectively, and the indirect subsidiary, L Solar 1 Co., Ltd, at 100.00% shareholdings.

On 31 August 2018, L Solar 1 Co., Ltd. has registered the change of its name to “Q Solar 1 Co., Ltd.” with the Department of Business Development.

The percentage of subsidiaries total assets as at 31 December 2018 and 2017 and total revenues for the years ended 31 December 2018 and 2017 as included in the consolidated financial statements are as follows:

Significant	Subsidiary company	Nature of business	Main place of business	Percentage of subsidiaries's total assets to consolidated total assets As at 31 December		Percentage of subsidiaries's total revenues to consolidated total revenues for the years ended 31 December	
				2018	2017	2018	2017
<u>Direct</u>							
	QTC – Panco Co., Ltd.	Distributing of electric transformer	Laos	0.73	0.87	-	-
	QTC Global Power Co., Ltd.	Investing in renewable energy	Thailand	28.99	32.68	-	-
<u>Indirect</u>							
	Q Solar 1 Co., Ltd. (Formerly “L Solar 1 Co., Ltd.”)	Production and distribution of electricity from solar energy	Thailand	21.87	27.81	14.87	4.00

intercompany balances and transactions and investment in subsidiary companies have been eliminated from the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for the preparation of separate financial statements.

On 10 August 2018, the shareholders of subsidiary, QTC – Panco Co., Ltd., has resolution to cease its operation and plan for dissolution of the subsidiary. The subsidiary expects the dissolution will be finished within 1 year. However, the Company considers no any significant impact to the financial

statement due to the Company already set provision for impairment in subsidiary and relevant accounts.

At the Extraordinary Shareholders' Meeting No. 2/2017 held on 29 August 2017, the shareholders passed a resolution to approve QTC Global Power Co., Ltd. ("QTCGP"), a subsidiary, to purchase of entire shares in L Solar 1 Co., Ltd. to invest in a solar power plant project with contracted capacity of 8 megawatt in Kabinburi, Prachinburi province with Loxley Public Co.,Ltd. , Leonics Co., Ltd. and Pacific Tone Investment Limited (the party designated by Col. Prasert Shusang). Total purchase price of Baht 538.01 million comprises of 20,910,475 newly issued common shares of the Company at the value of Baht 12 each (average seven - days market price of the Company's share as at agreement date on 25 July 2017 – net of discount from negotiation) of Baht 250.93 million and cash of Baht 287.09 million. The subsidiary issuing promissory notes due on 15 December 2017 bearing interest rate of 7.50% per annum.

On 20 September 2017, the subsidiary paid for L Solar 1 Co., Ltd.'s common share of Baht 250.93 million, in order that Loxley Public Co., Ltd. and Leonics Co., Ltd. used the same amount to buy the Company's share at agreed quantity and price.

The fair value of the acquired assets and liabilities of L Solar 1 Co., Ltd. as at 30 September 2017, which approximate to the value at the acquisition date of 20 September 2017, are summarised below:

	Baht
Asset	
Cash and cash equivalents	9,696,178
Temporary investments	10,287,088
Trade accounts receivable	25,380,275
Other current assets	22,156,215
Property, plant and equipment - net	373,403,399
Power purchase agreement	119,467,371
Deferred tax asset	29,551,731
Other non - current assets	264,646
Liabilities	
Trade accounts payable	(526,222)
Long-term loan from bank	(171,553,311)
Other current liabilities	(3,674,173)
Deferred tax liabilities	(27,401,084)
Total net asset value	387,052,113
Goodwill in the subsidiary's financial statement	150,959,897
Cash payment for purchase of investment in the indirect subsidiary	538,012,010
<u>Less</u> Cash and cash equivalents of the indirect subsidiary	(9,696,178)
Net cash payment for purchase of investment in the indirect subsidiary	528,315,832

The market price of the Company's share when the subsidiary has control power, higher than the agreement price. Therefore, the goodwill is additionally recognized in the Group consolidated financial statement as follow;

	Baht
Goodwill in the subsidiary's financial statements	150,959,897
Goodwill from the difference of market price and agreement price	
Market price (Baht per share)	14.02
Agreement price (Baht per share)	(12.00)
Difference (Baht per share)	2.02
Number of common share issue to seller	20,910,475
Premium on common share from business combination	42,294,921
Goodwill in the Group's consolidated financial statements	193,254,818

As at 31 December 2017, the Group performed test of goodwill impairment by considering the carrying amount and the recoverable amount of the cash – generating unit ("CGU") to goodwill from the business

combination. After impairment test, the Group therefore, recorded the allowance for impairment of goodwill in consolidated financial statements for the year ended 31 December 2017 of Baht 193.25 million.

(Unit: Baht)

Goodwill	193,254,818
<u>Less</u> Allowance for impairment of goodwill	(193,254,818)
Goodwill - net	<u>-</u>

Subsidiary

Subsidiary is an entity controlled by the Group. The Group controls an entity when it 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 financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in profit or loss as incurred.

Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated into Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign subsidiary are translated into Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognized as other comprehensive income and presented in cumulated of translation adjustments under shareholder's equity until disposal investment, except to extent that the translation difference is allocated to non-controlling interest.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated 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 directing the Company's operations.

Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. The Company provides allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection process. The estimated losses are based on historical collection experiences coupled with a review of the current status of receivables.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of raw materials are determined using the first-in first-out method. Cost of work in process and finish goods are determined using the specific method for work in process and finish goods Net realizable value is the estimated selling price in the ordinary course of the business less the marginal cost to complete (for work in process) and other estimated costs necessary to make the sale.

Cost consists of purchasing price and other related direct cost, net of discounts and allowances (if any).

Costs of finished goods and work in process consist of raw materials, direct labor, other direct expenses, and overhead which are allocated based on the production process.

The Company sets up allowance for decline value of inventories (if any), based on their status, slow – moving and defectiveness.

Business combinations

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the seller. For each business combination, the Company measures the non-controlling interest, in the acquire either at fair value or at the proportionate share of the seller's identifiable net assets.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Cost of business combinations

A contingent liability of the acquire 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.

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

Investment in subsidiary companies

Investment in subsidiary companies in the separate statement of financial position is accounted for by the cost method. The Company recognizes gain or loss on sale of investment in the profit or loss and in the year the investment is sold. In the case of impairment, the Company will recognize loss from impairment as expense immediately in the profit or loss. The Company recognizes dividend income upon the subsidiary's declaration of the payment.

Investment in associated companies

Investment in associated companies in consolidated statement of financial position is accounted for by the equity method, and investment in associated company in the separate statement of financial position is accounted for by the cost method. In the case of impairment, the Company will recognize loss from impairment as expense in the profit or loss. The Company recognizes dividend income upon the associate's declaration of the payment.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

The fair value of financial instruments classified as held-for-trading is determined at the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (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 capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is

derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	20 years
Building and factories	10, 20 years
Machinery and factory equipment	5, 10, 20 years
Furniture and office equipment	5, 20 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The Group assess whether there is an indication that any asset may be impaired. If any such indication exists, the Group make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell or value in use.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Power purchase agreement

Power purchase agreement is presented at cost less accumulated amortization. Amortization is calculated by a straight-line basis over the estimated useful lives of 14 years.

Computer software

Computer software is presented at cost less accumulated amortization. Amortization is calculated by a straight-line basis over the estimated useful lives of 5 years.

Interconnection charge

Interconnection charge is presented at cost less accumulated amortization. Amortization is calculated by a straight-line basis over the estimated useful lives of 20 years.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less allowance for impairment.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue from sales is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are rendered.

Unbilled accrued income

Sale of electric not yet been billed to the customer are presented as “unbilled accrued income” in the statement of financial position.

Interest income

Interest income is recognized in profit or loss on an accrual basis.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts of corresponding items used for income tax computation purpose. Deferred income tax is measured by applying the tax rate to the temporary differences which are expected to be reversed, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

Employee benefits

Short-term employment benefits

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incurred on the accrual basis.

Post-employment benefits (Defined contribution plan)

The Company and its employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company. The fund's assets are held in a separate

trusteed fund from the Company's assets. The Company's contribution to the fund is recognised as expenses when incurred.

Post - employment benefits (Defined benefit plan)

The Company and its subsidiary have obligations in respect of the severance payment it must make to employee upon retirement under the Labor Law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits is recognized in other comprehensive income.

Long-term leases—where the Company is the lessee

Leases of equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets under finance leases are capitalized at the fair value or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments, net of financial charges, are recognized as liabilities under finance lease agreements. The financial charge is recognized in the statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over their useful lives.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight – line basis over the lease period. When an operating lease is terminated before the expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprises the profit or loss before and after tax of discontinued operations and disposal of assets classified as held for sale.

Basic earnings per share

The Company presents basic earnings (loss) per share for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share

Diluted earnings (loss) per share is calculated by dividing the profit (loss) for the year by number of common shares and the number of equivalent common shares (warrant) by weighting based on the period of time as if there were conversion of common shares at the issued date of issuance of equivalent common shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determine as the average share price of the Company's shares during the period) based on the outstanding warrants to determine the number of potential common shares to be additionally issued. The potential shares are added to the outstanding ordinary shares but no adjustment is made to profit or loss for the period.

Dividend payment

Dividend payment is recorded in the financial statements in the period in which they are approved by the Shareholders or Board of Directors of the Company.

Use of accounting estimates

When preparing the financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Impairment of trade accounts receivables

The Company sets an allowance for doubtful accounts to reflect impairment of trade accounts receivable resulting from possible non-collection of receivable. The allowance is based on a review of aging status of outstanding receivables at reporting date with the status of each customer.

4.1.2 Allowance for obsolete and decline value of inventories

The Company provides an allowance for obsolete and decline value of inventories (if any) to reflect impairment of inventories. The allowance is based on the consideration of inventory turnovers, the period of outstanding and the comparison with market value.

4.1.3 Plant, equipment and computer program

Management determines the estimated useful lives and residual values of the Company's plant, equipment and computer software and will revise the depreciation charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in used.

4.1.4 Impairment of investment

The Company treats investments as impaired when there been a significant or prolonged decline in their fair value. The determination of what is "significant" or "prolonged" requires management judgment.

4.1.5 Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by asset or the cash generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

4.1.6 Post-employment benefits

The employee benefits obligation for employee retirement in compliance the Thai labour law is measured, using the projected unit credit method in accordance with Actuarial Technique for the present value of the estimated future cash outflows based on the interest rates of government securities, which terms to maturity approximate the terms of the related obligations and consider based on salary, turnover rate, mortality rate, length of service and others.

4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.1.8 Provision for warranty expense

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends payment for shareholders, return capital, issue new shares, or sell assets to reduce debts.

5. CASH AND CASH EQUIVALENTS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash on hand	27,123,423	83,254	27,091,791	61,328
Cash at banks - current accounts	22,984,172	28,711,863	9,283,337	14,240,899
Cash at banks - saving accounts	68,681,528	62,197,778	33,318,471	30,507,927
Total	118,789,123	90,992,895	69,693,599	44,810,154

The currency denomination of cash and cash equivalents as at 31 December 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
THB	104,447,195	75,889,432	69,607,162	44,721,270

AUD	86,437	88,884	86,437	88,884
LAK	14,255,491	15,014,579	-	-
Total	<u>118,789,123</u>	<u>90,992,895</u>	<u>69,693,599</u>	<u>44,810,154</u>

6. TEMPORARY INVESTMENTS

Movements during the years ended 31 December 2018 and 2017 are as follow:

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	378,848,818	221,867,629	378,540,803	221,867,629
<u>Add</u> Addition investment	858,102,000	523,500,000	734,100,000	523,500,000
Addition from business combination	-	10,287,088	-	-
<u>Less</u> Disposal	(774,240,374)	(376,847,438)	(763,940,374)	(366,867,629)
Gain on sales during the year	765,438	-	757,420	-
Unrealized gain on change in value	2,864,938	41,539	2,411,206	40,803
Balance as at 31 December	<u>466,340,820</u>	<u>378,848,818</u>	<u>351,869,055</u>	<u>378,540,803</u>

The Group has temporary investment in open-end mutual fund which yields more return than general saving deposits. The said investments do not have any restriction for redemption.

7. TRADE ACCOUNTS RECEIVABLE AND UNBILLED ACCRUED INCOME – NET

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Other parties	286,408,856	304,339,484	259,688,788	280,095,203
Related parties	702,134	1,836,548	702,134	1,836,548
Total	<u>287,110,990</u>	<u>306,176,032</u>	<u>260,390,922</u>	<u>281,931,751</u>
<u>Less</u> allowance for doubtful accounts	(30,652,467)	(23,372,875)	(30,652,467)	(23,372,875)
Net	<u>256,458,523</u>	<u>282,803,157</u>	<u>229,738,455</u>	<u>258,558,876</u>

The outstanding balance of trade accounts receivable and unbilled account income as at 31 December 2018 and 2017 are classified by ages as follows:

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<u>Trade accounts receivable and unbilled accrued income</u>				
<u>– general customers – net</u>				
Not yet due	171,530,466	137,782,136	157,611,823	125,202,381
Past due :				
Less than 3 months	71,802,093	93,201,282	59,000,668	81,536,756
3 – 6 months	4,603,540	28,076,181	4,603,540	28,076,181
6 – 12 months	7,489,660	20,387,830	7,489,660	20,387,830
Over 12 months	30,983,097	24,892,055	30,983,097	24,892,055
Total	286,408,856	304,339,484	259,688,788	280,095,203
<u>Less</u> Allowance for doubtful accounts	(30,652,467)	(23,372,875)	(30,652,467)	(23,372,875)
Net	255,756,389	280,966,609	229,036,321	256,722,328
<u>Trade accounts receivable – related companies</u>				
Not yet due	261,294	1,593,872	261,294	1,593,872
Past due :				
Less than 3 months	440,840	242,676	440,840	242,676
Total	702,134	1,836,548	702,134	1,836,548

The normal credit term granted by the Group company ranges from 30 days to 90 days.

The currency denomination of trade accounts receivable and unbilled accrued income as at 31 December 2018 and 2017 are as follows:

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017

THB	272,561,534	274,578,242	245,841,466	250,333,961
USD	1,848,800	19,248,524	1,848,800	19,248,524
AUD	12,700,656	12,349,266	12,700,656	12,349,266
Total	<u>287,110,990</u>	<u>306,176,032</u>	<u>260,390,922</u>	<u>281,931,751</u>

The Company has movements in allowance for doubtful accounts of trade accounts receivable for the years ended 31 December 2018 and 2017 are as follow:

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2018	2017
Balance as at 1 January	23,372,875	19,116,194
Additional allowance during the year	14,180,312	8,403,741
Reversal during the year	(6,900,720)	(4,147,060)
Balance as at 31 December	<u>30,652,467</u>	<u>23,372,875</u>

8. RELATED PARTY TRANSACTIONS

The Company has certain business transactions with its related companies which are related through common shareholding and/or management. Such transactions are made under the conditions and terms of general trade practice with prices approximate the market.

Relationships with key management and other related parties were as follows:

Related parties	Relationship
Green Earth Power (Thailand) Co., Ltd.	Indirect associated company (until on 31 March 2018)
Q.T.C. Services Chiang Mai Co., Ltd.	Co - relative of director of the Company
PPWE Co., Ltd.	Associated company

The significant business transactions with related parties for the years ended 31 December 2018 and 2017 are as follow:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing Policy	2018	2017	2018	2017
Sales of goods					
Related company	Market prices	3,880,700	6,684,500	3,880,700	6,684,500
Other Income					
Subsidiary company	Agreed price	-	-	518,400	518,400
Interest income					
Subsidiary company	4.0% per annum	-	-	7,209,841	6,302,871
Associated company	5.5% per annum	901,548	946,092	901,548	927,014
Total		901,548	946,092	8,111,389	7,229,885
Administrative expense					
Related company	Agreed price	13,500	153,500	13,500	153,500
Key management personnel compensation					
Current employment benefits		22,661,950	20,734,200	20,861,950	20,734,200
Post-employment benefits		476,727	442,788	339,076	311,845
Total		23,138,677	21,176,988	21,201,026	21,046,045

Significant balances with related parties as at 31 December 2018 and 2017, are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
<u>Trade accounts receivable - related company</u>					
Related company		702,134	1,836,548	702,134	1,836,548
<u>Other accounts receivable - related companies</u>					
Subsidiary company		-	-	1,036,800	6,821,271

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Associated company	156,110	1,348,271	156,110	1,329,192
Total	156,110	1,348,271	1,192,910	8,150,463

Loans to related companies – net

Subsidiary company	-	-	-	654,100,000
Associated company	14,000,000	17,000,000	14,000,000	17,000,000
Indirect associated company	-	870,454	-	-
Total	14,000,000	17,870,454	14,000,000	671,100,000
<u>Less</u> Allowance for doubtful account for loan to related companies	(7,098,123)	-	(7,098,123)	(54,352,422)
Loans to related companies - net	6,901,877	17,870,454	6,901,877	616,747,578

Other account payable – related company

Related company	12,626	19,260	12,626	19,260
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Liabilities under employee benefits obligation

Post-employment benefits - key management	3,357,749	2,827,370	3,090,864	2,696,428
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As at 31 December 2017, the Company has loan to subsidiary of Baht 654.10 million bearing interest at 4.00% per annum and no collateral. As at 31 December 2018, the Company already received in full amount.

As at 31 December 2018 and 2017, the Company has loan to associated company of Baht 14.00 million and Baht 17.00 million, respectively, bearing interest at 5.50% per annum and no collateral. However, the Company has no any intention to call for repayment this loan within 1 year period in order to support working capital of said associated company.

As at 31 December 2017, the subsidiary company has loan to indirect associated company of Baht 0.87 million, bearing interest at 5.00% per annum and no collateral. The subsidiary company will call up for repayment when the indirect associated company has profit from operation.

Movements in loan to related companies for the years ended 31 December 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	17,870,454	17,000,000	671,100,000	17,000,000
<u>Add</u> Increase of loan during the year	-	870,454	-	654,100,000
<u>Less</u> Receive payment of loan during the year	(3,870,454)	-	(657,100,000)	-
Balance as at 31 December	14,000,000	17,870,454	14,000,000	671,100,000

The Company has movements in allowance for doubtful account for loan to related companies for the years ended 31 December 2018 and 2017 as follow:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	-	-	54,352,422	-
Allowance for doubtful account during the year	7,098,123	-	7,098,123	54,352,422
Reversal allowance for doubtful account during the year	-	-	(54,352,422)	-
Balance as at 31 December	7,098,123	-	7,098,123	54,352,422

9. INVENTORIES – NET

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2018	2017

Raw materials	77,318,399	70,896,414
Work in process	18,719,195	10,699,370
Finished goods	91,379,485	71,279,074
Goods in transit	31,420	3,094,979
Total	<u>187,448,499</u>	<u>155,969,837</u>
<u>Less</u> Allowance for obsolete and decline value of inventories	<u>(12,195,469)</u>	<u>(4,820,135)</u>
Inventories – net	<u>175,253,030</u>	<u>151,149,702</u>

The Company has movements in allowance for obsolete and decline value of inventories for the years ended 31 December 2018 and 2017 as follows :

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2018	2017
Balance as at 1 January	4,820,135	9,817,782
Write - down to net realizable value	13,951,226	3,550,555
Reversal of write - down	(6,575,892)	(8,548,202)
Balance as at 31 December	<u>12,195,469</u>	<u>4,820,135</u>

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2018	2017	2018	2017
Inventories recognized as an expense				
in cost of sales of goods:				
- Cost of goods sold	728,524,827	750,369,828	681,594,636	737,542,627
- Write - down to net realizable				
value	13,951,226	3,550,555	13,951,226	3,550,555
- Reversal of write - down	(6,575,892)	(8,548,202)	(6,575,892)	(8,548,202)
Net	735,900,161	745,372,181	688,969,970	732,544,980

10. RESTRICTED DEPOSIT AT BANK

As at 31 December 2018 and 2017, the indirect subsidiary's deposit of Baht 21.31 million and Baht 21.12 million, respectively is restricted for usage from the pledge as collaterals for ban from a commercial bank as mentioned in Note 19.

11. INVESTMENTS IN SUBSIDIARIES - NET

(Unit : Baht)

Name of entities	Type of business	Separate F/S					
		Paid-up share capital		Percentage of shareholding		Cost method	
		2018	2017	2018	2017	2018	2017
<u>Direct subsidiary</u>							
QTC – Panco Co., Ltd.	Distributing electric transformer	21,947,200	21,947,200	85.00	85.00	18,655,120	18,655,120
QTC Global Power Co., Ltd.	Investing in renewable energy	700,000,000	140,000,000	99.99	99.99	699,999,970	139,999,970
Total						718,655,090	158,655,090
<u>Less</u> Allowance for impairment of investment in subsidiary companies						(150,362,446)	(143,799,970)
Net						568,292,644	14,855,120

On 22 March 2018, the Company has additionally invested in subsidiary company (QTC Global Power Co., Ltd.) by Baht 560.00 million, which the subsidiary company increase its registered capital of Baht 560.00 million from the registered capital of Baht 140.00 million to Baht 700.00 million, by issuing 56.00 million common shares at par value of Baht 10.00. The subsidiary registered the share capital increment with the Department of Business Development on 22 March 2018.

The Company has movement in allowance for impairment of investment in subsidiaries for the years ended 31 December 2018 and 2017 are as follow:

	(Unit :Baht)	
	Separate F/S	
	2018	2017
Balance as at 1 January	143,799,970	2,000,000
Addition allowance for impairment during the year	6,562,476	141,799,970
Balance as at 31 December	150,362,446	143,799,970

On 10 August 2018, the subsidiary company, QTC – Panco Co., Ltd., ceases its operation and plan for dissolution. As at 31 December 2018, the subsidiary company has net asset value at 85% shareholding by the Company of Baht 11.94 million, less than book value of investment – cost method by Baht 6.72 million. The Company therefore, additionally recorded allowance for impairment of investment amounted Baht 2.92 million.

As at 31 December 2018, the Company tests impairment of investment in subsidiary (QTC Global Power Co., Ltd.) and considers to record the additional allowance for impairment of said investment of Baht 3.65 million.

12. INVESTMENTS IN ASSOCIATED COMPANIES - NET

(Unit : Baht)

		Consolidated F/S							
		Paid-up share capital		Percentage of shareholding		Cost method		Equity method	
Type of business		2018	2017	2018	2017	2018	2017	2018	2017
<u>Direct associated company</u>									
PPWE Co., Ltd.	Production and distribution of electric power by alternative energy	1,000,000	1,000,000	49.98	49.98	499,800	499,800	-	-
<u>Less</u>	Allowance for impairment of investment on associated company					(499,800)	-	-	-
Net						-	499,800	-	-
<u>Indirect associated company</u>									
Green Earth Power (Thailand) Co., Ltd.	Renewable energy	-	125,755,800	-	15.00	-	269,052,890	-	271,776,126
<u>Less</u>	Share payable					-	(61,733,421)	-	(61,733,421)
Net						-	207,319,469	-	210,042,705
Total investments in associated companies						-	207,819,269	-	210,042,705

(Unit : Baht)

Type of business		Separate F/S					
		Paid-up share capital		Percentage of shareholding		Cost method	
		2018	2017	2018	2017	2018	2017
<u>Direct associated company</u>							
PPWE Co., Ltd.	Production and distribution of electric power by alternative energy	1,000,000	1,000,000	49.98	49.98	499,800	499,000
<u>Less</u>	Allowance for impairment of investment on associated company					(499,800)	-
Net						-	499,800

Movements in investment in associated companies during the years ended 31 December 2018 and 2017 are as follows:

	(Unit : Baht)			
	Consolidated F/S (Equity Method)		Separate F/S (Cost Method)	
	2018	2017	2018	2017
Balance as at 1 January	210,042,705	-	499,800	499,800
<u>Add</u> Investment during the year – cost	-	269,052,890	-	-
Additional payment in accordance with share purchase agreement	6,000,000	-	-	-
Equity in net profit (loss) associated companies	(1,027,387)	2,723,236	-	-
<u>Less</u> Impairment loss of investment	-	-	(499,800)	-
Loss from disposal of investment during the year	(19,695,061)	-	-	-
Proceeds from sale of investment during the year	(195,320,257)	-	-	-
Balance as at 31 December	-	271,776,126	-	499,800
<u>Less</u> Share payable	-	(61,733,421)	-	-
Net	-	210,042,705	-	499,800

On 9 December 2016, QTC Global Power Co., Ltd., (“QTCGP”), a subsidiary, entered into a memorandum of share purchase agreement with 2 companies which are incorporated in Singapore. Those companies have investment in Green Earth Power (Thailand) Co., Ltd. (“GEP Thailand”) who invested in GEP (Myanmar) Company Limited (“GEP Myanmar”), a renewable energy company incorporated in Myanmar. The subsidiary will purchase 15% of the shareholding in said company with totally amount of USD 7.63 million, the subsidiary has paid a refundable deposit of USD 2.25 million (equivalent to Baht 81.11 million) for participating in feasibility process of the renewable energy project.

On 31 March 2017, QTCGP has entered into purchase shares agreement with 2 companies with the conditions precedent for and subsequent to the transaction.

On 23 August 2017, Green Earth Power (Thailand) Co., Ltd. increased its registered share capital by Baht 100,000,000 at par value of Baht 100 per share from old share capital of Baht 25,755,800 to Baht 125,755,800 which registered the share capital increment with the Department of Business Development. Green Earth Power (Thailand) Co., Ltd. called for partially paid up share capital of Baht 31,000,000. The subsidiary has paid-up share capital of Baht 4,650,000 (at 15% shareholding). The subsidiary has mortgaged its share certificates of 113,180 shares (60% of total shares held by the subsidiary), totalling amount of Baht 11,318,000 to pledge as collaterals for construction in the project.

As at 31 December 2017, the subsidiary has payable for investment in associated company amounting to USD 1.88 million (equivalent to Baht 61.73 million).

On 31 January 2018, Green Earth Power (Thailand) Co., Ltd. cannot complete the subsequent conditions which subsidiary extended the due date to 31 January 2018. Then, the subsidiary exercise the right to sell shares of said company back to the sellers under the Share Purchase Agreement amount to USD 5.75 million and Baht 5.52 million.

During the year 2018, Green Earth Power (Thailand) Co., Ltd. called for addition paid up share capital of Baht 40.00 million. The subsidiary has paid-up share capital of Baht 6.00 million (at 15% shareholding) under the share purchase agreement's condition. The subsidiary received proceeds from disposal the investment in indirect associated company amount of Baht 195.32 million.

13. ASSETS HELD FOR DISCONTINUED OPERATIONS

As at 10 August 2018, the subsidiary's management resolved to cease its operations and plan for dissolution since it was concluded that business may no longer reach its commercial worthiness.

Details of the financial position and operating result of subsidiary company included in the consolidated financial statements as follows :

	(Unit : Baht)
	Consolidated F/S
	2018
Assets	
Cash and cash equivalent	14,255,491
Other current asset	7,990
Assets held for discontinued operations	14,263,481
Liability	
Other current liability	216,520
Liability held for discontinued operations	216,520

	(Unit :Baht)	
	Consolidated F/S	
	For the year ended 31 December	
	2018	2017
Operating result of discontinued operations		
Other revenue	16,529	7,119
Expenses	(3,103,604)	(404,072)
Loss for the year of discontinued operations	(3,087,075)	(396,953)

14. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Baht)

	Consolidated F/S						
	Land	Land improvements	Building and factories	Machinery and factory equipment	Furniture and office equipment	Vehicle	Machinery and equipment under installation
<u>Cost</u>							
1 January 2017	31,089,980	2,486,074	168,852,585	258,246,499	44,452,350	33,664,171	16,481,792
Fair value adjustment	56,895,564	(4,211,714)	(4,572,881)	(206,554,097)	-	-	-
Addition from business combination	18,104,436	20,929,600	24,488,076	677,604,114	-	-	-
Acquisitions	-	258,290	3,134,525	16,169,370	1,467,703	4,679,000	35,577,324
Disposals	-	-	(82,898)	(937,642)	(537,364)	(11,059,135)	-
Transfer in / (out)	-	-	1,565,565	16,719,108	53,070	-	(18,337,743)
Exchange rate differences from conversion foreign currency financial statements	-	-	-	(382,800)	-	-	-
31 December 2017	106,089,980	19,462,250	193,384,972	760,864,552	45,435,759	27,284,036	33,721,373
Acquisitions	-	-	4,401,139	10,105,941	5,705,998	2,451,000	49,412,734
Disposals	-	-	-	(6,625,572)	(1,080,108)	(4,888,795)	-
Transfer in / (out)	-	-	20,909,584	36,167,677	151,500	-	(57,228,761)
Exchange rate differences from conversion foreign currency financial statements	-	-	-	(76,560)	-	-	-
31 December 2018	106,089,980	19,462,250	218,695,695	800,436,038	50,213,149	24,846,241	25,905,346
<u>Accumulated depreciation</u>							
1 January 2017	-	47,808	57,608,182	130,589,892	34,166,971	25,655,896	-
Addition from business combination	-	5,972,150	7,087,704	201,054,042	-	-	-
Depreciation for the year	-	375,368	15,119,774	23,343,111	4,140,767	4,038,534	-
Depreciation for disposals	-	-	(54,178)	(327,039)	(481,130)	(11,057,616)	-
31 December 2017	-	6,395,326	79,761,482	354,660,006	37,826,608	18,636,814	-
Depreciation for the year	-	44,413	12,632,324	43,994,274	4,079,640	2,873,113	-
Depreciation for disposals	-	-	-	(2,149,516)	(450,603)	(4,863,636)	-
31 December 2018	-	6,439,739	92,393,806	396,504,764	41,455,645	16,646,291	-

(Unit : Baht)

Consolidated F/S

	Land	Land improvements	Building and factories	Machinery and factory equipment	Furniture and office equipment	Vehicle	Machinery and equipment under installation	Total
<u>Allowance for impairment</u>								
1 January 2018	-	-	-	-	-	-	-	-
Allowance for impairment for the year (Administrative expense)	-	-	-	2,909,280	-	-	-	2,909,280
31 December 2018	-	-	-	2,909,280	-	-	-	2,909,280
<u>Net book value</u>								
31 December 2017	106,089,980	13,066,924	113,623,490	406,204,546	7,609,151	8,647,222	33,721,373	688,962,686
31 December 2018	106,089,980	13,022,511	126,301,889	401,021,994	8,757,504	8,199,950	25,905,346	689,299,174
Depreciation for the year 2017								
Cost of sales								32,764,287
Administrative expense								14,253,267
Total								47,017,554
Depreciation for the year 2018								
Cost of sales								50,321,583
Administrative expense								13,302,181
Total								63,623,764

The indirect subsidiary has pledged land including construction and solar power plant thereon, as collaterals for the loan from bank (Note 19).

The gross amount of the Company's fully depreciated property, plant and equipment that are still in use as at 31 December 2018, amounted to Baht 118.01 million (2017: Baht 119.81 million).

(Unit : Baht)

Separate F/S

	Land	Land improvements	Building and factories	Machinery and factory equipment	Furniture and office equipment	Vehicle	Machinery and equipment under installation	Total
<u>Cost</u>								
1 January 2017	31,089,980	2,486,074	168,852,585	254,877,859	44,452,350	33,664,171	16,481,792	551,904,811
Acquisitions	-	258,290	3,134,525	15,769,121	1,290,049	2,621,000	35,577,324	58,650,309
Disposals	-	-	(82,898)	(937,642)	(537,364)	(11,059,135)	-	(12,617,039)
Transfer in / (out)	-	-	1,565,565	16,719,108	53,070	-	(18,337,743)	-
31 December 2017	31,089,980	2,744,364	173,469,777	286,428,446	45,258,105	25,226,036	33,721,373	597,938,081
Acquisitions	-	-	4,401,139	10,072,813	5,448,892	2,451,000	49,412,734	71,786,578
Disposals	-	-	-	(6,625,572)	(471,928)	(4,888,795)	-	(11,986,295)
Transfer in / (out)	-	-	20,909,584	36,167,677	151,500	-	(57,228,761)	-
31 December 2018	31,089,980	2,744,364	198,780,500	326,043,364	50,386,569	22,788,241	25,905,346	657,738,364
<u>Accumulated depreciation</u>								
1 January 2017	-	47,809	57,608,181	130,589,892	34,166,971	25,655,896	-	248,068,749
Depreciation for the year	-	42,518	10,199,924	23,227,547	4,091,897	3,746,468	-	41,308,354
Depreciation for disposals	-	-	(54,178)	(327,039)	(481,130)	(11,057,616)	-	(11,919,963)
31 December 2017	-	90,327	67,753,927	153,490,400	37,777,738	18,344,748	-	277,457,140
Depreciation for the year	-	44,413	11,304,952	24,364,352	3,182,145	2,873,113	-	41,768,975
Depreciation for disposals	-	-	-	(2,149,516)	(450,603)	(4,863,636)	-	(7,463,756)
31 December 2018	-	134,740	79,058,879	175,705,236	40,509,280	16,354,225	-	311,762,360
<u>Net book value</u>								
31 December 2017	31,089,980	2,654,037	105,715,850	132,938,046	7,480,367	6,881,288	33,721,373	320,480,941
31 December 2018	31,089,980	2,609,624	119,721,621	150,338,128	9,877,289	6,434,016	25,905,346	345,976,004

Depreciation for the year 2017

(Unit : Baht)

Separate F/S							
	Land	Land improvements	Building and factories	Machinery and factory equipment	Furniture and office equipment	Vehicle	Machinery and equipment under installation
							Total
Cost of sales							27,513,772
Administrative expense							13,794,582
Total							41,308,354
Depreciation for the year 2018							
Cost of sales							29,689,748
Administrative expense							12,079,227
Total							41,768,975

The gross amount of the Company's fully depreciated property, plant and equipment that are still in use as at 31 December 2018, amounted to Baht 117.36 million (2017: Baht 115.81 million).

15. COMPUTER SOFTWARE – NET

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
<u>Cost</u>		
At 1 January 2017	17,807,940	17,807,940
Addition from business combination	415,140	-
Acquisitions	554,702	524,702
Disposals	(153,580)	(153,580)
At 31 December 2017	18,624,202	18,179,062
Acquisitions	527,231	484,260
Disposals	(33)	(3)
At 31 December 2018	19,151,400	18,663,319
<u>Amortisation and impairment losses</u>		
At 1 January 2017	(11,271,980)	(11,271,980)
Addition from business combination	(248,830)	-
Amortisation for the year (administrative expenses)	(1,754,234)	(1,735,350)
Amortisation for disposals	153,550	153,550
At 31 December 2017	(13,121,494)	(12,853,780)
Amortisation for the year (administrative expenses)	(1,841,528)	(1,789,110)
At 31 December 2018	(14,963,022)	(14,642,890)
<u>Net book value</u>		
At 31 December 2017	5,502,708	5,325,282
At 31 December 2018	4,188,378	4,020,429

16. INTERCONNECTION CHARGE – NET

	(Unit : Baht)
	Consolidated F/S
<u>Cost</u>	
At 1 January 2017	-
Addition from business combination	6,588,543
At 31 December 2017	6,588,543
Acquisitions	-
At 31 December 2018	6,588,543
<u>Amortisation</u>	
At 1 January 2017	-
Addition from business combination	(1,920,605)
Amortisation for the year (cost of sales)	(83,034)
At 31 December 2017	(2,003,639)
Amortisation for the year (cost of sales)	(329,427)
At 31 December 2018	(2,333,066)
<u>Net book value</u>	
At 31 December 2017	4,584,904
At 31 December 2018	4,255,477

The indirect subsidiary paid the interconnection charge into the project of the indirect subsidiary company to Provincial Electricity Authority (PEA). The ownership of the interconnection is belonging to the PEA and the indirect subsidiary has the right to use it.

17. POWER PURCHASE AGREEMENT – NET

	(Unit : Baht)
	Consolidated F/S
<u>Cost</u>	
At 1 January 2017	-
Addition from business combination	119,467,371
At 31 December 2017	119,467,371
Acquisitions	-
At 31 December 2018	119,467,371
<u>Amortisation</u>	
At 1 January 2017	-
Amortisation for the year (cost of sales)	(2,108,180)
At 31 December 2017	(2,108,180)
Amortisation for the year (cost of sales)	(8,452,651)
At 31 December 2018	(10,560,831)
<u>Net book value</u>	
At 31 December 2017	117,359,191
At 31 December 2018	108,906,540

On 25 June 2010, the indirect subsidiary had entered into the power purchase agreement with PEA by specified quality which start sale power in June 2012. The agreement is for the period of 5 years start from agreement date and can be renewable ever 5 years. Moreover, the indirect subsidiary has passed the inspection and quality certification by PEA and start to sale power to PEA since such date.

18. SHORT-TERM LOANS FROM BANK

	(Unit : Baht)			
	Interest rate per annum		Consolidated F/S and Separate F/S	
	31 December 2018	31 December 2017	30 December 2018	31 December 2017
Liabilities under trust receipt agreements	4.07 - 4.39	2.95 - 3.85	57,082,000	84,567,278
Promissory notes	3.30 - 4.75	3.10 - 3.12	145,000,000	235,987,000
Total			202,082,000	320,554,278

As at 31 December 2018 and 2017, the Group has outstanding credit facilities in form of bank overdrafts, promissory note, liabilities under trust receipt agreements, letter of credit, forward exchange contracts, the assignment of collection under customer letters of credit and others totaling Baht 160.10 million and Baht 463.18 million, respectively.

19. LONG-TERM LOAN FROM BANKS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	156,240,000	-	-	-
<u>Add</u> Addition loan during the year	15,039,346	-	15,039,346	-
Addition from business combination	-	171,553,311	-	-
<u>Less</u> Repayments during the year	(71,740,000)	(15,313,311)	(4,900,000)	-
Balance as at 31 December	99,539,346	156,240,000	10,139,346	-
<u>Less</u> Current portion within one year	(75,240,000)	(66,840,000)	(8,400,000)	-
Long-term loans from banks - net	24,299,346	89,400,000	1,739,346	-

As at 31 December 2018, the Company has loan from bank of Baht 10.14 million with bearing interest rate of MLR-1.50% per annum for twelve months after the first drawdown and bearing interest rate per annum of MLR-1.00% for the remaining periods. This loan is repayable approximately Baht 0.70 million per month, starting the first repayment in June 2018 and the last payment in June 2020.

As at 31 December 2018 and 2017, the indirect subsidiary has long-term loan from bank of Baht 89.40 million and Baht 156.24 million, respectively, bearing interest rate of MLR-1.50%. This loan is repayable approximately Baht 5.57 million per month, starting the first repayment in May 2012 and the last payment in April 2020. This loan is collateralized by the mortgages of the indirect subsidiary's land include structure and solar power plant, thereon as mentioned in Note 14. And transferring right to withdrawn in bank account as mentioned in Note 10 also transferring right from the receiving under the power purchase agreement as mentioned in Note 17.

20. INCOME TAX

20.1 The movements in deferred income tax assets / liabilities for the years ended 31 December 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated F/S		
	Charged as income /		
	(expense) in		
	1 January	Other	31 December
	2018	Profit or loss	comprehensive income
			2018
Deferred income tax assets			
From allowance for doubtful accounts	4,674,575	1,455,918	-
From allowance for obsolete and decline value of inventories	964,027	1,475,067	-
From accumulated depreciation for plant and equipment	197,923	5,954	-
From provision for warranty expenses	931,193	57,689	-
From employee benefits obligation	1,908,082	260,535	-
From taxable loss carried forward not exceeding 5 years	22,079,250	(22,079,250)	-
From temporary differences from business combination - revaluation of land improvement, building improvement and machinery	29,551,731	-	-
From translation adjustment	368,499	-	90,888
Total	60,675,280	(18,824,087)	90,888
Deferred income tax liability			
From temporary differences from business combination - revaluation of land	11,379,112	-	-
From power purchase agreement	16,021,972	(1,412,703)	-
Total	27,401,084	(1,412,703)	-
Deferred tax assets - net	33,274,196	(17,411,384)	90,888

(Unit : Baht)

	Consolidated F/S				
	Charged as income / (expense) in				
	1 January 2017	Addition from business combination	Profit or loss	Other comprehensive income	31 December 2017
Deferred income tax assets					
From allowance for doubtful accounts	3,823,239	-	851,336	-	4,674,575
From allowance for obsolete and decline value of inventories	1,963,557	-	(999,530)	-	964,027
From accumulated depreciation for plant and equipment	218,706	-	(20,783)	-	197,923
From provision for warranty expenses	749,767	-	181,426	-	931,193
From employee benefits obligation	821,345	-	240,430	846,307	1,908,082
From taxable loss carried forward not exceeding 5 years	16,640,682	-	5,438,568	-	22,079,250
From temporary differences from business combination - revaluation of land improvement, building improvement and machinery	-	29,551,731	-	-	29,551,731
From translation adjustment	-	-	-	368,499	368,499
Total	24,217,296	29,551,731	5,691,447	1,214,806	60,675,280
Deferred income tax liability					
From liabilities under finance lease agreements	208,386	-	(208,386)	-	-
From temporary differences from business combination - revaluation of land	-	11,379,112	-	-	11,379,112
From power purchase agreement	-	16,021,972	-	-	16,021,972

From translation adjustment	88,570	-	-	(88,570)	-
Total	<u>296,956</u>	<u>27,401,084</u>	<u>(208,386)</u>	<u>(88,570)</u>	<u>27,401,084</u>
Deferred tax assets - net	<u>23,920,340</u>	<u>2,150,647</u>	<u>5,899,833</u>	<u>1,303,376</u>	<u>33,274,196</u>

(Unit : Baht)

	Separate F/S			
	Charged as income / (expense) in			31 December 2018
	1 January 2018	Profit or loss	Other comprehensive income	
Deferred income tax assets				
From allowance for doubtful accounts	4,674,575	1,455,918	-	6,130,493
From allowance for obsolete and decline value of inventories	964,027	1,475,067	-	2,439,094
From impairment of investment subsidiary company	760,000	583,040		1,343,040
From accumulated depreciation for plant and equipment	197,923	5,954	-	203,877
From provision for warranty expenses	931,193	57,689	-	988,882
From employee benefits obligation	1,908,082	260,535	-	2,168,617
From taxable loss carried forward not exceeding 5 years	21,719,250	(21,719,250)	-	-
Total	<u>31,155,050</u>	<u>(17,881,047)</u>	<u>-</u>	<u>13,274,003</u>
Deferred tax assets - net	<u>31,155,050</u>	<u>(17,881,047)</u>	<u>-</u>	<u>13,274,003</u>

(Unit : Baht)

	Separate F/S			
	Charged as income / (expense) in			31 December 2017
	1 January 2017	Profit or loss	Other comprehensive income	
Deferred income tax assets				
From allowance for doubtful accounts	3,823,239	851,336	-	4,674,575
From allowance for obsolete and decline value of inventories	1,963,557	(999,530)	-	964,027
From allowance for impairment on investment in subsidiary	400,000	360,000	-	760,000

From accumulated depreciation for plant and equipment	218,706	(20,783)	-	197,923
From provision for warranty expenses	749,767	181,426	-	931,193
From employee benefits obligation	821,345	240,430	846,307	1,908,082
From taxable loss carried forward not exceeding 5 years	16,640,682	5,078,568	-	21,719,250
Total	24,617,296	5,691,447	846,307	31,155,050
Deferred income tax liability				
From liabilities under finance lease agreements	208,386	(208,386)	-	-
Total	208,386	(208,386)	-	-
Deferred tax assets - net	24,408,910	5,899,833	846,307	31,155,050

20.2 Income tax expenses are as follows:

Income tax recognised in profit or loss

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Current tax expense				
Income tax under Revenue Code	113,560	18,244	-	-
Deferred tax income				
Movements in temporary differences	(17,411,384)	5,899,833	(17,881,047)	5,899,833
Total income tax benefit (expense)	(17,524,944)	5,881,589	(17,881,047)	5,899,833

Income tax recognised in other comprehensive income

	(Unit : Baht)					
	Consolidated F/S					
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Foreign currency translation differences for foreign operations	454,445	(90,889)	363,556	2,285,348	(457,069)	1,828,278
Defined benefit plan actuarial losses	-	-	-	4,231,536	(846,307)	3,385,229
Total	454,445	(90,889)	363,556	6,516,884	(1,303,376)	5,213,507

(Unit : Baht)

	Separate F/S					
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan-actuarial losses	-	-	-	4,231,536	(846,307)	3,385,229

Temporary differences unrecognized as deferred tax assets in the financial statement are summarized as follows:

	Consolidated F/S		Separated F/S	
	(Unit : Baht)			
	2018	2017	2018	2017
Temporary differences:				
From allowance for impairment of investment in related companies	-	-	144,147,042	139,999,970
From allowance for impairment of loan to related companies	7,098,123	54,352,422	7,098,123	54,352,422
Unused taxable loss carried forward	135,073,360	142,253,442	72,294,448	108,596,253
Total	142,171,483	196,605,864	223,539,613	302,948,645

20.3 Income tax recognized in profit or loss

Reconciliation of income tax expenses are as follows:

	Consolidated F/S		Separate F/S	
	(Unit : Baht)			
	2018	2017	2018	2017
Profit (loss) before tax	17,403,090	(253,127,125)	21,977,986	(225,241,118)
Applicable tax rate (%)	20	20	20	20
Tax multiplied by applicable tax rate	3,480,618	(50,625,425)	4,395,597	(45,048,224)
Effects :				
Adjustment for eliminate transaction	3,147,302	(772,215)	-	-
Tax on exempted revenue for Revenue Code	(10,441,325)	(1,217,143)	(1,246,199)	(1,157,560)
Tax on non-deductible exempted	1,244,716	40,308,185	634,109	40,305,951

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
revenue for Revenue Code				
Tax for unrecognized temporary different as deferred tax asset	(9,450,860)	-	(8,621,445)	-
Reverse of previously recognized deferred tax asset	22,079,250	-	21,719,250	-
Current year losses for which no deferred tax assets was recongnized	7,465,243	6,425,009	999,654	-
Income tax expense (benefit)	<u>17,524,944</u>	<u>(5,899,833)</u>	<u>17,881,047</u>	<u>(5,899,833)</u>
Income tax consisted of :				
Current income tax	113,560	18,244	-	-
Deferred tax from temporary differences	17,411,384	(5,899,833)	17,881,047	(5,899,833)
Total income tax (benefit)	<u>17,524,944</u>	<u>(5,881,589)</u>	<u>17,881,047</u>	<u>(5,899,833)</u>

21. ACCRUED EXPENSES

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Accrued director and management remuneration	9,509,746	9,235,000	9,000,000	7,600,000
Accrued transportation	1,026,470	1,105,230	1,026,470	1,105,230
Accrued export expenses	1,720,147	2,649,101	1,720,147	2,649,101
Accrued commission	5,810,509	3,768,889	5,810,509	3,768,889
Others	4,932,047	6,616,603	3,067,378	4,457,376
Total	<u>22,998,919</u>	<u>23,374,823</u>	<u>20,624,504</u>	<u>19,580,596</u>

22. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

			(Unit : Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Statement of financial position				
Obligations for post-employment benefits	<u>11,117,047</u>	<u>9,671,352</u>	<u>10,843,086</u>	<u>9,540,409</u>
Statement of profit or loss and other comprehensive income:				
<i>Recognized in profit or loss:</i>				
Post-employment benefits	<u>1,445,695</u>	<u>1,333,090</u>	<u>1,302,677</u>	<u>1,202,147</u>

Recognized in other comprehensive loss:

Actuarial losses recognized in the year	-	4,231,536	-	4,231,536
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The Company had established a defined benefit pension plan under the Thai Labour Protection Act B.E 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movements in the present value of the defined benefit obligations for the years end 31 December 2018 and 2017 are as follows:

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Beginning balance as at 1 January	9,671,352	4,106,727	9,540,409	4,106,727
<i>Recognised in profit or loss</i>				
- Current service costs	1,086,350	1,032,149	951,516	901,206
- Interest on obligation	359,345	300,940	351,161	300,940
<i>Recognised in other comprehensive income</i>				
- Actuarial loss	-	4,231,536	-	4,231,536
Balance as at 31 December	11,117,047	9,671,352	10,843,086	9,540,409
<u>Less</u> Current portion	(754,444)	(178,063)	(754,444)	(178,063)
Net	10,362,603	9,493,289	10,088,642	9,362,346

Actuarial gains and losses recognized in other comprehensive income arose from:

(Unit : Baht)	
Consolidated and	
Separate F/S	
2017	

Demographic assumptions	708,131
Financial assumptions	1,745,944
Experience adjustment	1,777,460
Total	<u>4,231,535</u>

Actuarial assumptions

The following are principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2018	2017
Discount rate	3.48 percent per annum	3.48 percent per annum
Future salary average increment rate	7.37 percent per annum	7.37 percent per annum
Normal retirement age	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

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.

	(Unit : Baht)			
	Effect to the defined benefit obligation			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Discount rate (0.5% increment)	(639,145)	(590,753)	(624,643)	(583,340)
Discount rate (0.5% decrement)	684,518	634,603	668,905	626,610
Future salary growth (0.5% increment)	720,896	622,165	704,759	614,582

Future salary growth (0.5% decrement)	(661,772)	(571,531)	(646,653)	(564,412)
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As at 31 December 2018, expected maturity of employee benefits obligation before discount are as follow:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Within one year	649,444	649,444
Between 2 - 5 years	2,068,413	2,068,413
Between 5 - 10 years	5,318,400	4,033,321
More than 10 years	3,703,633	3,703,633
Total	11,739,890	10,454,811

On 13 December 2018, the National Legislative Assembly approved the Labor Protection Act, that will become effective 30 days after its publication in the Government Gazette, determined employer to pay compensation, if an employee work consecutively period of 20 years or more, employees has right to receives severance payment of 400 days of wages at the most recent rate. When the labor law come into force, the Group will recognize the increase in provision for employee benefits including past services cost of Baht 2.51 million in the consolidated FS and the separate financial statement. The Group selected to recognise such effect in year 2019.

23. SHARE CAPITAL AND WARRANT

23.1 SHARE CAPITAL

At the Annual General Meeting of Shareholders for the year 2017 held on 28 April 2017, the Shareholders passed a resolution to approve the increase of the registered capital for the exercise of the warrants amount of Baht 67,500,000 by issued common shares 67,500,000 shares at the par value of Baht 1 each, from the registered capital of Baht 270,000,000 to Baht 337,500,000. The Company registered the share capital increment with the Department of Business Development on 15 May 2017.

At the Extraordinary Shareholders' Meeting No. 2/2017 held on 29 August 2017, the Shareholders passed a resolution to approve the increase of the registered capital amount of Baht 21,740,725 as a part of payment of L solar 1' shares amount of 20,910,475 shares and for the adjust right exercising warrant amount of 830,250 shares, from Baht 337,500,000 to Baht 359,240,725 by issuing 21,740,725 newly issued common shares at the par value of Baht 1 per share, totalling

Baht 21,740,725. The Company registered the share capital increment with the Department of Business Development on 8 September 2017.

At the Extraordinary Shareholders' Meeting No. 3/2017 held on 31 October 2017, the Shareholders passed a resolution to approve to increase of registered capital of Baht 70,000,000 from the registered capital of Baht 359,240,725 to Baht 429,240,725 by issued common shares 70,000,000 shares at offering price of Baht 13.00 per share (the par value of Baht 1 per share) that average seven days market price of the Company, totaling Baht 910,000,000 with the premium on common share at Baht 12.00 per share, totaling Baht 840,000,000 to private placement comprising Mr. Phoukhaokham Pravoxay and/or Mr. Peeranat Tantipoj. The Company registered the share capital increment with the Department of Business Development on 8 November 2017.

During the year 2018, the warrant holders exercised 4,288 warrants, to buy 4,337 common shares with exercise price of Baht 9.88 per share. The Company received additional paid-up share capital of Baht 4,337 and recorded share premium of Baht 38,513.

During the year 2017, the warrant holders exercised 175,682 warrants, to buy 177,745 common shares with exercise price of Baht 9.88 per share. The Company received additional paid-up share capital of Baht 1,757,044 and recorded share premium of Baht 1,579,299.

23.2 WARRANT

At the Annual General Meeting of Shareholders for the year 2017 held on 28 April 2017, the Shareholders pass a resolution to issue of warrants to the Company's existing shareholders of 67,238,638 units as per the following item at the ratio of 1 existing shares to 1 unit of warrants with no consideration, the exercise priced at Baht 10.00 per share. The warrant holders may exercise their warrants shall be on the last business day of every quarter of each calendar year, (which are the last business day of March, June, September and December) throughout the term of Warrants. The first exercise date was on 30 June 2017 and the last exercise date shall be on 25 May 2018.

At the Extraordinary Shareholders Meeting No. 2/2017 held on 29 August 2017, the Shareholders passed a resolution to approve the warrant exercise ratio of the first stock warrants is adjusted from the exercise ratio of 1 warrant to 1 new common share to the ratio of the warrant to 1.01 new common shares, and the exercise price is adjusted from Baht 10.00 per share to Baht 9.88 per share.

During the year 2018, movements in warrants are as follow:

	Number of warrants
Balance as at 1 January 2018	67,062,956
Issued of warrants	(4,288)

Warrants expire on 25 May 2018
Balance as at 31 December 2018

(67,058,668)

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24. EARNING PER SHARE

The Calculation of earning per share, basic and diluted earning per share for year ended 31 December 2018 and 2017 are as follows:

Consolidated F/S						
Profit (loss) for the year ended 31 December (Baht)		Weighted average common shares (shares)		Earnings (loss) per share		
2018	2017	2018	2017	2018	2017	
Basic earning per share						
Profit (loss) attributable to shareholder of the Company		340,784	(247,186,033)	341,092,557	278,391,073	0.001 (0.888)
Potential effect of dilutive the Company						
Warrants		-	18,396,101			
Diluted earning (loss) per share						
Profit (loss) of common shareholder assuming the exercise of warrants		340,784	(247,186,033)	341,092,557	296,787,174	0.001 (0.833)
Separate F/S						
Profit (loss) for the year ended 31 December (Baht)		Weighted average common shares (shares)		Earnings (loss) per share		
2018	2017	2018	2017	2018	2017	
Basic earning per share						
Profit (loss) attributable to shareholder of the Company		4,096,941	(219,341,285)	341,092,557	278,391,073	0.012 (0.788)

Potential effect of dilutive the Company

Warrants			-	18,396,101		
Diluted earning (loss) per share						
Profit (loss) of common shareholder assuming the exercise of warrants	4,096,941	(219,341,285)	341,092,557	296,787,174	0.012	(0.739)

25. LEGAL RESERVE

Pursuant to the Public Limited Companies Act. B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit for the year net of deficit (if any), until the reserve reaches 10 percent of the registered capital. This reserve shall not be distributable for dividends.

26. DIVIDEND PAYMENT

At the Annual General Meeting of Shareholders for the year 2017 held on 28 April 2017, the Shareholders pass a resolution to approve the dividend payment from the retained earnings as at 31 December 2016 at Baht 0.03 per share, totaling Baht 8.10 million. The dividend was paid on 26 May 2017.

27. PROVIDENT FUND

The Company and employee have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, employee has to contribute to the fund at the specific rate and will be entitled to receive the fund when staff is no longer member in accordance with regulation of the fund. The Company's contribution to the Fund for the year 2018 amounted to Baht 3.07 million (2017 : Baht 2.83 million).

28. EXPENSES BY NATURE

Significant expenses by nature for the for the years ended 31 December 2018 and 2017 are as follows :

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Raw materials and supplies used	550,510,410	612,827,859	550,510,410	612,827,859
Changes in finished goods and work in process	7,375,334	1,274,225	7,375,334	1,274,225
Salaries, wages and other employee benefits	138,651,578	127,002,075	123,743,434	116,950,433
Depreciation and amortization	74,247,370	50,963,001	43,558,085	43,043,704
Repair and maintenance expenses	10,785,211	17,000,890	9,161,216	14,881,544

Electric expense	6,730,152	6,319,022	6,623,825	6,175,509
Transportation expense	9,869,629	11,397,584	9,819,696	11,251,116
Marketing expense	6,046,709	6,378,205	6,046,709	6,378,205
Warranty expenses	3,563,940	4,980,908	3,563,940	4,980,908
Commission expense and sales promotion	8,147,819	8,066,340	8,147,819	8,066,340
Professional fee	11,305,208	54,514,327	9,958,648	16,586,840
Doubtful account for trade receivable	7,624,132	4,256,681	7,624,132	4,256,681
Allowance for impairment for goodwill	-	193,254,818	-	-
Allowance for impairment of investment in related companies	-	-	7,062,276	141,799,970
Allowance (reversal of allowance) for doubtful account of loans to related companies	7,098,123	-	(47,254,299)	54,352,422
Allowance for impairment of fixed assets	2,909,280	-	-	-
Travelling expense	7,567,685	5,398,309	6,858,644	5,135,544
Bank fee	4,601,145	4,506,897	4,089,280	4,262,924
Equity in net loss of associated company	1,027,387	-	-	-
Loss from sale of investment in indirect associated company	19,695,061	-	-	-
Others	64,926,828	47,389,611	51,201,579	45,448,446
Total	<u>942,683,001</u>	<u>1,155,530,752</u>	<u>808,090,728</u>	<u>1,097,672,670</u>

29. PROMOTIONAL PRIVILEGE

The indirect subsidiary received promotional privileges from the Board of Investment Promotion Act B.E. 2520 under a certificate No.1114(1)/2554 on 21 January 2011 for production and distribution of electricity from solar energy such as exemption import duties on the machineries, exemption from corporate income tax on net profit derived from the promoted activities, for the period of 8 years from the date income is first derived from such activity.

30. FORWARD FOREIGN EXCHANGE CONTRACTS

The Company does not have any policy to use derivative financial instrument for speculation or commercial use. Forward foreign exchange contracts are made to manage exposure for fluctuation in foreign currency exchange rates on specific transactions.

As at 31 December 2018, the Company has open forward contracts for collection of payment from trade accounts receivable and repayment of accounts payable which settlement dates are ranging between 1 month and 6 months as follows:

	Foreign currencies	Contracts rates (Baht)
<i>Forward contracts for repayment of trade accounts payable and trust receipts</i>		
USD	1,750,187	32.25 – 33.27
EUR	67,335	38.55

Forward contracts for collection of payment from trade accounts receivable

AUD	211,490	23.31 – 23.99
USD	1,262,820	32.41 – 32.61

31. SEGMENT REPORTING

The Company business operations categorized by nature of business and geophysical for the years ended 31 December 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated F/S							
	For the years ended 31 December							
	Manufacturing and sale electric transformers				Manufacturing and sale electricity			
	Domestic		Export		Domestic		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from sales	513,966,391	602,556,616	280,841,261	243,491,665	142,478,358	36,062,862	937,286,010	882,111,143
Cost of sales	(512,281,591)	(563,563,693)	(176,688,379)	(168,981,287)	(46,930,191)	(12,827,201)	(735,900,161)	(745,372,181)
Gross profit	1,684,800	38,992,923	104,152,882	74,510,378	95,548,167	23,235,661	201,385,849	136,738,962
Revenues from service	20,764,087	19,419,944	-	-	-	-	20,764,087	19,419,944
Cost of service	(11,860,974)	(15,437,336)	-	-	-	-	(11,860,974)	(15,437,336)
Gross profit	8,903,113	3,982,608	-	-	-	-	8,903,113	3,982,608
Interest expense							(15,174,809)	(14,730,861)
Depreciation and amortization expenses							(74,247,370)	(50,963,001)
Profit (loss) before income tax from continuing operations							20,490,165	(252,730,172)
Loss from discontinued operations							(3,087,075)	(396,953)
Profit (loss) before income tax							17,403,090	(253,127,125)
Total Assets							1,918,985,005	2,037,266,936

Major Customers

For the year ended 31 December 2018 and 2017, the Company's major revenues arose from sales to Government enterprises and private companies amounted to Baht 605.11 million and Baht 410.85 million, respectively.

32. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2018, the Company and the indirect subsidiary has obligations under a domestic bank guarantees for performance bonds required in the normal course of businesses approximately Baht 226.93 million and Baht 3.30 million, respectively.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The amendments to TAS 7, effective 1 January 2018, require the Group to provide disclosures about the changes in liabilities from financing activities. The Group categorises those changes into changes arising from cash flows and non-cash changes as required by TAS 7.

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Baht)

	Consolidated F/S			
	Short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2018	320,554,278	156,240,000	5,756,740	482,551,018
Cash-flows:				
Repayment	(635,534,692)	(71,740,000)	(3,690,386)	(710,965,078)
Proceeds	517,062,414	15,039,346	-	532,101,760
Non-cash:				
Acquisition	-	-	2,451,000	2,451,000
31 December 2018	202,082,000	99,539,346	4,517,354	306,138,700

(Unit : Baht)

	Consolidated F/S			
	Short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2017	311,060,793	-	5,461,186	316,521,979
Cash-flows:				
Repayment	(932,592,931)	(15,313,311)	(4,383,446)	(952,289,688)
Proceeds	942,086,416	-	-	942,086,416
Addition from business combination	-	171,553,311	-	171,553,311
Non-cash:				
Acquisition	-	-	4,679,000	4,679,000
31 December 2017	320,554,278	156,240,000	5,756,740	482,551,018

(Unit : Baht)

Separate F/S				
	Short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2018	320,554,278	-	4,480,986	325,035,264
Cash-flows:				
Repayment	(635,534,692)	(4,900,000)	(3,317,841)	(643,752,533)
Proceeds	517,062,414	15,039,346	-	534,552,760
Non-cash:				
Acquisition	-	-	2,451,000	2,451,000
31 December 2018	202,082,000	10,139,346	3,614,145	215,835,491

(Unit : Baht)

Separate F/S				
	Short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2017	311,060,793	-	5,461,186	316,521,979
Cash-flows:				
Repayment	(932,592,931)	-	(3,601,200)	(936,194,131)
Proceeds	942,086,416	-	-	942,086,416
Non-cash:				
Acquisition	-	-	2,621,000	2,621,000
31 December 2017	320,554,278	-	4,480,986	325,035,264

34. FINANCIAL INSTRUMENTS

Foreign Currency Risk

The Company has exposure for foreign currency risk relating primarily to its trade accounts receivable and accounts payable and loans from banks which are denominated in foreign currencies. The Company entered into the forward exchange contracts when it considers necessary to reduce exposure on foreign currency risk.

Credit Risk

The Company provides credit term on its trade transactions. The Company manages its exposure to credit risk by closely monitoring collection of accounts receivable and focuses on overdue accounts. In the case of doubt about the collection of accounts receivable, the Company provides allowance in the accounts as deemed necessary.

Interest Rate Risk

The interest rate risk is that future movements in market interest rates that will affect the results of the Company operations and its cash flows. The Company's exposure to interest rate risk relates primarily to their deposits with bank, temporary investment, loans to associate company, loans from bank and liabilities under hire - purchase agreements as follows:

(Unit : Baht)

	Consolidated F/S				
	2018				
	Floated rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	68,681,529	-	50,107,594	118,789,123	0.30% - 1.50%
Temporary investment	-	-	466,340,820	466,340,820	-
Trade accounts receivable and unbilled accrued income	-	-	256,458,523	256,458,523	-
Other receivable	-	-	1,295,263	1,295,263	-
Restricted cash	21,306,698	-	-	21,306,698	0.30% - 1.75%
Loan to related companies	-	6,901,877	-	6,901,877	5.50%
Short-term loans from banks	-	202,082,000	-	202,082,000	3.30% - 4.75%
Long-term loans from banks	99,539,346	-	-	99,539,346	MLR-1.50%
Trade accounts payable and other payable	-	-	109,268,226	109,268,226	-
Liabilities under finance lease agreements	-	4,517,354	-	4,517,354	1.09% - 4.00%

(Unit : Baht)

	Consolidated F/S				
	2017				
	Floated rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	62,197,777	-	28,795,118	90,992,895	0.13% - 0.75%
Temporary investment	-	-	378,848,818	378,848,818	-
Trade accounts receivable and unbilled accrued income	-	-	282,803,157	282,803,157	-
Other receivable – related company	-	-	1,348,271	1,348,271	-
Restricted cash	21,118,629	-	-	21,118,629	0.13% - 0.75%
Loan to related companies	-	17,870,454	-	17,870,454	4.00% - 5.00%
Short-term loans from banks	-	320,554,278	-	320,554,278	2.92% - 3.25%
Long-term loans from banks	156,240,000	-	-	156,240,000	MLR-1.50%
Trade accounts payable and other payable	-	-	54,407,421	54,407,421	-
Liabilities under finance lease agreements	-	5,756,740	-	5,756,740	2.40% - 4.00%

(Unit : Baht)

Separate F/S

	2018				
	Floated rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	33,318,470	-	36,375,129	69,693,599	0.30% - 1.50%
Temporary investment	-	-	351,869,055	351,869,055	-
Trade accounts receivable	-	-	229,738,455	229,738,455	-
Other account receivable	-	-	1,404,161	1,404,161	-
Loan to related company	-	6,901,877	-	6,901,877	5.50%
Short-term loans from banks	-	202,082,000	-	202,082,000	3.30% - 4.75%
Long-term loan from bank	10,139,346	-	-	10,139,346	MLR-1.50%
Trade accounts payable and other payable	-	-	106,781,827	106,781,827	-
Liabilities under finance lease agreements	-	3,614,145	-	3,614,145	1.09% - 4.00%

(Unit : Baht)

Separate F/S

	2017				
	Floated rate	Fixed rate	No interest	Total	Interest rate (%)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	30,507,927	-	14,302,227	44,810,154	0.13% - 0.75%
Temporary investment	-	-	378,540,803	378,540,803	-
Trade accounts receivable	-	-	258,558,876	258,558,876	-
Other account receivable - related companies	-	-	8,150,463	8,150,463	-
Loan to related companies	-	616,747,578	-	616,747,578	4.00% - 5.50%
Short-term loans from banks	-	320,554,278	-	320,554,278	2.92% - 3.25%
Trade accounts payable and other payable	-	-	53,155,960	53,155,960	-
Liabilities under finance lease agreements	-	4,480,986	-	4,480,986	2.40% - 4.00%

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Company within the normal terms of trade. To manage this risk, the Company periodically assesses the financial viability of customers.

As at 31 December 2018 and 2017, the financial instrument classified by the periods of time from the date on the statements of financial position to their maturity dates are as follows:

	(Unit : Baht)			
	Consolidated F/S			
	2018			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	118,789,123	-	-	118,789,123
Temporary investment	466,340,820	-	-	466,340,820
Trade accounts receivable and unbilled accrued income	256,458,523	-	-	256,458,523
Other account receivable	1,295,263	-	-	1,295,263
Restricted cash	-	-	21,306,698	21,306,698
Loans to related companies	6,901,877	-	-	6,901,877
Short-term loans from banks	-	202,082,000	-	202,082,000
Long-term loans from banks	-	75,240,000	24,299,346	99,539,346
Trade accounts payable and other payable	109,268,226	-	-	109,268,226
Liabilities under hire - purchase agreements	-	2,195,735	2,321,619	4,517,354
				(Unit : Baht)
	Consolidated F/S			
	2017			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	90,992,895	-	-	90,992,895
Temporary investment	378,848,818	-	-	378,848,818
Trade accounts receivable and unbilled accrued income	282,803,157	-	-	282,803,157
Other account receivable - related companies	1,348,271	-	-	1,348,271
Restricted cash	-	-	21,118,629	21,118,629
Loans to related companies	17,870,454	-	-	17,870,454
Short-term loans from banks	-	320,554,278	-	320,554,278
Long-term loans from bank	-	66,840,000	89,400,000	156,240,000
Trade accounts payable and other payable	54,407,421	-	-	54,407,421
Liabilities under hire-purchase agreements	-	2,714,374	3,042,366	5,756,740

(Unit : Baht)

	Separate F/S			
	2018			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	69,693,599	-	-	69,693,599
Temporary investment	351,869,055	-	-	351,869,055
Trade accounts receivable	229,738,455	-	-	229,738,455
Other account receivable - related companies	1,404,161	-	-	1,404,161
Loan to associated company	-	-	6,901,877	6,901,877
Short-term loans from banks	-	202,082,000	-	202,082,000
Long-term loans from bank	-	8,400,000	1,739,346	10,139,346
Trade accounts payable and other payable	106,781,827	-	-	106,781,827
Liabilities under hire - purchase agreements	-	1,805,417	1,808,728	3,614,145

(Unit : Baht)

	Separate F/S			
	2017			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	44,810,154	-	-	44,810,154
Temporary investment	378,540,803	-	-	378,540,803
Trade accounts receivable	258,558,876	-	-	258,558,876
Other account receivable - related companies	8,150,463	-	-	8,150,463
Loan to related companies	-	599,747,578	17,000,000	616,747,578
Short-term loans from banks	-	320,554,278	-	320,554,278
Trade accounts payable and other payable	53,155,960	-	-	53,155,960
Liabilities under hire - purchase agreements	-	2,341,828	2,139,158	4,480,986

Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value.

The Company determines Level 1 fair values for financial assets such as cash and cash equivalents, temporary investment, and trade accounts receivable.

- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short term.

The Company determines Level 1 fair values for financial liabilities such as trade accounts and other accounts payable.

The Company determines Level 2 fair values for financial liabilities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate, such as short-term and long-term loans from banks, liabilities under financial lease agreement, and liabilities under employee benefits obligation

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company's director on 20 February 2019.