

Independent Auditor's Report

To the Shareholders of Demco Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Demco Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Demco Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Demco Public Company Limited and its subsidiaries and of Demco Public Company Limited as at December 31, 2019, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the 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.

Emphasize of Matter

I draw attention to Note 4.29 to the financial statements which describe the change in amortization method of intangible assets from straight-line method to unit of production method. The management has predicted the total amount of production by considering various factors in order to form the new method of amortization of intangible assets to be in line with the changing in benefits of the Company. The change in account estimates is used for prospectively in the financial statements. However, I did not express my qualified opinion on this matter.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters and how audit procedures respond are described below.

The revenue recognition from construction contracts for the project

As discussed in the notes to the financial statements No.2.4.1 “Estimated construction costs” No. 4.1 “accounting policies on revenue from service contracts”,

Based on separated financial statements for the year ended December 31, 2019, the company recognized revenue from construction contracts amounted to Baht 2,664.27 million and gross profit from revenue recognition of under construction contract amounted to Baht 396.65 million in statement of comprehensive income.

Essentially, construction business has risks associated with the use of management’s judgement on the revenue recognition of construction contracts that are recognized that are recognized when the Company fulfill its obligations for a period of time by using the percentage of completion using the percentage of completion which is determined from the completed work. The percentage of completion is calculated from actual costs against estimated total costs of the construction contract and considered with the ratio of completed work. Therefore, the Company's management could update or revise estimated cost of the construction contract by using reasonable and appropriate judgments on relevant assumptions and evidences. I emphasized on this matter because the estimated construction cost is subject matter which may create risks on

- Completeness and accuracy of the estimated construction costs to complete.
- Delivery of works within timeline based on the contract
- Adequacy of the resources that can make job done for each contract
- Change in construction cost i.e. increase/decrease on raw materials or wages

Audit procedures

I determined audit procedures to gain reasonable assurance from management’s judgement and estimation on construction cost for the project, revenue recognition from the project, and gross profit by determining audit procedures as followed;

- Inquiry management and involved engineers to understand the methods and assumptions used in the preparation of estimated construction budget, calculation of completion rates, and change in the construction budget that may occur during construction to gain reasonable assurance on the related estimation using in computing the income of the construction in progress
- Understanding the budgeting of the project including sources of factors used in the calculation by gathering relevant evidences in the preparation of the budget in order to assess the appropriateness of these information used in the preparation

- Understand the calculation of percentage of completion and investigate if there is a significant difference including the comparison of percentage of completion to the ratio of actual incurred cost when comparing with total budget and investigate if there is a significant difference in order to gain reasonable assurance on percentage of completion
- Design risk assessment to test an effectiveness of internal controls related to the stage of completion, the cost to complete, and estimated costs to cover the revenue recognition for construction and calculation of gross profit
- Analyze and evaluate the earnings that significant volatile to the project.
- Analyze liquidity to evaluate their ability to provide resources to enable to complete work under the contract
- Do the final test of the project to be done in this year that had a relation to the estimate of the prior year in order to make sure that the Company's management used judgment reliably

Other information

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

My opinion on the 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 financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Group and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Group and 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 and the Company'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 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 and the Company to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Group and the Company audit. I remain solely responsible for my audit opinion.

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

I 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 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.

C&A Audit Office Co., Ltd.

(Mr.Niteepong Techamontrikul)

Certified auditor no.10305

Bangkok : February 28,2020

Demco Public Company Limited and Its Subsidiaries

Statement of Financial Position

As at December 31, 2019

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 10 | 192,534,397.80 | 219,808,274.47 | 171,086,626.50 | 173,061,233.67 |
| Trade and other receivables | 11 | 900,808,865.11 | 919,315,819.28 | 824,704,724.77 | 931,839,122.05 |
| Unbilled installments on completed works | 12 | 578,689,538.81 | 538,791,917.15 | 578,443,231.01 | 538,791,917.15 |
| Short-term loans | 13 | 4,108,000.00 | 23,696,184.78 | 4,108,000.00 | 72,217,551.20 |
| Inventories | 14 | 229,159,583.24 | 223,679,534.25 | 76,974,529.20 | 35,417,207.22 |
| Other current assets | 15 | 140,942,673.74 | 100,502,106.68 | 136,441,263.31 | 89,066,106.34 |
| Total current assets | | 2,046,243,058.70 | 2,025,793,836.61 | 1,791,758,374.79 | 1,840,393,137.63 |
| Non-current assets | | | | | |
| Restricted deposits at financial institutions | 16 | 42,200,000.00 | 38,500,000.00 | 42,200,000.00 | 38,500,000.00 |
| Investments in associates | 17 | 1,338,821,765.86 | 1,303,953,192.91 | 1,206,849,236.78 | 1,206,849,236.78 |
| Investments in subsidiaries | 18 | - | - | 762,985,630.39 | 714,568,968.36 |
| Investments in joint ventures | 19 | 97,259,826.50 | 91,121,207.24 | 60,823,500.00 | 60,823,500.00 |
| Other long-term investments | 20 | 1,110,826,815.15 | 1,109,490,431.63 | 1,110,826,815.15 | 1,109,490,431.63 |
| Long-term loans | 21 | - | - | 386,093,493.45 | 295,242,473.29 |
| Investment properties | 22 | 6,800,000.00 | 6,800,000.00 | 6,800,000.00 | 6,800,000.00 |
| Property, plant and equipments | 23 | 321,302,193.41 | 343,915,941.20 | 176,301,113.60 | 185,569,941.61 |
| Intangible asset | 24 | 751,217,578.08 | 767,881,371.63 | 18,531,420.29 | 13,551,605.38 |
| Deferred tax assets | 25 | 172,411,613.54 | 180,145,496.89 | 165,610,993.51 | 173,983,959.86 |
| Other non-current assets | | 97,537,119.63 | 39,282,977.58 | 55,889,635.00 | 3,643,315.50 |
| Total non-current assets | | 3,938,376,912.17 | 3,881,090,619.08 | 3,992,911,838.17 | 3,809,023,432.41 |
| Total assets | | 5,984,619,970.87 | 5,906,884,455.69 | 5,784,670,212.96 | 5,649,416,570.04 |

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

Demco Public Company Limited and Its Subsidiary

Statement of Financial Position

As at December 31, 2019

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Note | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | 26 | 1,243,007,045.68 | 1,052,646,836.26 | 1,153,007,045.68 | 982,646,836.26 |
| Trade and other payables | 27 | 897,735,413.61 | 910,827,135.87 | 1,031,822,508.91 | 1,026,468,130.11 |
| Current portion of finance lease liabilities | 31 | 6,940,515.53 | 5,395,629.26 | 6,519,033.97 | 4,326,283.93 |
| Current portion of long-term borrowings | 32 | 171,962,500.00 | 77,000,000.00 | 167,522,500.00 | 72,560,000.00 |
| Short-term loans | 28 | - | 1,300,000.00 | - | 1,300,000.00 |
| Short-term provisions | 29 | - | 184,156,032.00 | - | 184,156,032.00 |
| Other current liabilities | 30 | 44,531,828.10 | 39,231,109.03 | 34,578,876.65 | 31,154,928.08 |
| Total current liabilities | | 2,364,177,302.92 | 2,270,556,742.42 | 2,393,449,965.21 | 2,302,612,210.38 |
| Non-current liabilities | | | | | |
| Finance lease liabilities | 31 | 6,919,513.24 | 5,514,723.42 | 6,919,513.24 | 5,093,241.92 |
| Long-term borrowings | 32 | 320,025,000.00 | 329,125,000.00 | 304,935,000.00 | 309,595,000.00 |
| Employee benefit obligation | 33 | 93,722,135.23 | 90,754,695.51 | 67,443,811.00 | 67,286,434.00 |
| Deferred tax liabilities | 25 | 27,986,791.02 | 20,135,443.13 | - | - |
| Non-current liabilities | | 1,095,500.00 | - | - | - |
| Total non-current liabilities | | 449,748,939.49 | 445,529,862.06 | 379,298,324.24 | 381,974,675.92 |
| Total liabilities | | 2,813,926,242.41 | 2,716,086,604.48 | 2,772,748,289.45 | 2,684,586,886.30 |

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

Demco Public Company Limited and Its Subsidiary

Statement of Financial Position

As at December 31, 2019

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Note | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered share capital | | | | | |
| 822,683,573 ordinary shares of Baht 1 each | | 822,683,573.00 | 822,683,573.00 | 822,683,573.00 | 822,683,573.00 |
| Issued and paid-up share capital | | | | | |
| 730,344,251 ordinary shares of Baht 1 each | | 730,344,251.00 | 730,344,251.00 | 730,344,251.00 | 730,344,251.00 |
| Premium on common share | | 1,916,040,428.64 | 1,916,040,428.64 | 1,916,040,428.64 | 1,916,040,428.64 |
| Premium on treasury stock | | 151,947,248.00 | 151,947,248.00 | 151,947,248.00 | 151,947,248.00 |
| Capital reserve for expired share-based payment | | 16,360,538.99 | 16,360,538.99 | 16,360,538.99 | 16,360,538.99 |
| Surplus (discount) from change in | | | | | |
| shareholding interest in subsidiaries | | (4,000,433.41) | (874,411.66) | - | - |
| Retained earning (deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 82,268,357.30 | 82,268,357.30 | 82,268,357.30 | 82,268,357.30 |
| Unappropriated | | 277,733,337.94 | 278,834,607.67 | 114,961,099.58 | 67,868,859.81 |
| Total shareholders' equity of the parent company | | 3,170,693,728.46 | 3,174,921,019.94 | 3,011,921,923.51 | 2,964,829,683.74 |
| Non-controlling interest | 18 | - | 15,876,831.27 | - | - |
| Total shareholders' equity | | 3,170,693,728.46 | 3,190,797,851.21 | 3,011,921,923.51 | 2,964,829,683.74 |
| Total liabilities and shareholders' equity | | 5,984,619,970.87 | 5,906,884,455.69 | 5,784,670,212.96 | 5,649,416,570.04 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Comprehensive Income

For the years ended December 31, 2019

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | Note | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| Revenues | | | | | |
| Revenues from sales and service | | 2,891,422,160.02 | 4,088,127,480.93 | 2,709,146,620.84 | 3,751,131,494.03 |
| Other income | 35 | 46,555,204.78 | 63,242,596.69 | 266,749,661.08 | 223,688,946.74 |
| Total revenues | | 2,937,977,364.80 | 4,151,370,077.62 | 2,975,896,281.92 | 3,974,820,440.77 |
| Expenses | | | | | |
| Cost of sales and service | | 2,470,994,131.61 | 3,627,721,677.12 | 2,307,610,507.00 | 3,283,169,357.79 |
| Selling expenses | 43 | 5,349,097.26 | 5,877,071.00 | - | - |
| Administrative expenses | 43 | 548,429,802.35 | 444,828,456.94 | 511,880,557.75 | 412,665,527.05 |
| Other expenses | | 1,675,843.90 | 617,519.88 | 577,486.13 | 255,750.14 |
| Finance costs | | 73,158,122.55 | 82,309,601.94 | 63,847,302.47 | 73,936,794.38 |
| Total expenses | | 3,099,606,997.67 | 4,161,354,326.88 | 2,883,915,853.35 | 3,770,027,429.36 |
| Share of profit (loss) of associates and investment in joint ventures | | | | | |
| | | 211,499,583.26 | 189,592,695.22 | - | - |
| Profit (loss) before corporate income tax | | 49,869,950.39 | 179,608,445.96 | 91,980,428.57 | 204,793,011.41 |
| Income tax expenses (revenue) | 36 | 15,585,231.24 | 34,063,230.42 | 8,372,966.35 | 27,575,979.48 |
| Profit (loss) from continuing operations | | 34,284,719.15 | 145,545,215.54 | 83,607,462.22 | 177,217,031.93 |
| Profit (loss) for the period | | 34,284,719.15 | 145,545,215.54 | 83,607,462.22 | 177,217,031.93 |
| Other comprehensive income (loss) | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Actuarial (gains) losses arising from post-employment benefits | | - | 360,552.00 | - | 3,655,698.00 |
| Share of other comprehensive income of associated | | 451,565.33 | - | - | - |
| Income tax relating to components of other comprehensive income for the period | 36 | - | (72,110.40) | - | (731,139.60) |
| Other comprehensive income (loss) for the period, net of tax | | 451,565.33 | 288,441.60 | - | 2,924,558.40 |
| Total comprehensive income | | 34,736,284.48 | 145,833,657.14 | 83,607,462.22 | 180,141,590.33 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Comprehensive Income

For the years ended December 31, 2019

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
| | Note | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| Profit (loss) attributable to : | | | | | |
| Owners of the parent | | 34,962,387.39 | 148,602,336.07 | 83,607,462.22 | 177,217,031.93 |
| Non-controlling interest | | (677,668.24) | (3,057,120.53) | - | - |
| Total | | 34,284,719.15 | 145,545,215.54 | 83,607,462.22 | 177,217,031.93 |
| Total owners comprehensive income (loss) attributable to : | | | | | |
| Owners of the parent | | 35,413,952.72 | 148,890,777.67 | 83,607,462.22 | 180,141,590.33 |
| Non-controlling interest | | (677,668.24) | (3,057,120.53) | - | - |
| Total | | 34,736,284.48 | 145,833,657.14 | 83,607,462.22 | 180,141,590.33 |
| Earning (loss) per share of equity attributable to the company | | | | | |
| Basic earning (loss) per share | 37 | 0.05 | 0.20 | 0.11 | 0.24 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Cash Flows

For the years ended December 31, 2019

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------------|--------------------------------------|-------------------------|
| | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| Cash flows from operating activities | | | | |
| Profit (loss) before corporate income tax | 49,869,950.39 | 179,608,445.96 | 91,980,428.57 | 204,793,011.41 |
| Adjustments to reconcile profit (loss) before corporate income tax to cash provided from (used in) operating activities | | | | |
| Depreciation | 41,571,209.60 | 40,474,948.49 | 26,221,308.13 | 24,357,606.77 |
| Amortization | 24,286,972.11 | 31,725,952.53 | 2,024,446.09 | 2,585,200.62 |
| Doubtful debts (reversal) | 2,900,913.30 | 22,500.00 | 2,900,913.30 | 22,500.00 |
| Bad debt | 1,543,306.26 | 2,386,214.99 | - | 2,386,214.99 |
| Impairment (reversal) | (1,336,383.52) | 23,195,213.37 | 1,201,116.51 | 26,952,709.04 |
| (Gain) loss from disposal of fixed asset | 600,266.70 | (596,250.26) | 596,628.90 | 253,956.78 |
| (Gain) loss from disposal of intangible asset | (19,109.77) | 1,793.36 | (19,109.77) | 1,793.36 |
| Allowance for net realisable value of inventories and (reversal) | (10,693,985.91) | 945,096.61 | (10,549,679.20) | 4,354,156.39 |
| Unrealized (gain) loss from exchange rate | 10,447.44 | (256,819.29) | 10,447.44 | (256,819.29) |
| (Profit) loss from actuarial calculations | (1,601,751.00) | - | (1,496,140.00) | - |
| Share of (profit) loss of associates and jointly ventures | (211,499,583.26) | (189,592,695.22) | - | - |
| Employee benefit expenses | 11,512,575.72 | 24,788,307.51 | 8,560,747.00 | 18,124,572.00 |
| Dividend income | - | - | (230,943,956.38) | (193,525,526.97) |
| Interest income | (769,939.88) | (589,264.74) | (8,945,285.49) | (15,756,608.62) |
| Finance cost | 73,158,122.55 | 82,309,601.95 | 63,847,302.47 | 73,936,794.37 |
| Earning profit (loss) from operations before changes in operating assets and liabilities | (20,466,989.27) | 194,423,045.26 | (54,610,832.43) | 148,229,560.85 |
| (Increase) decrease in trade and other receivables | (33,444,756.06) | 318,202,194.01 | 21,287,343.47 | 231,649,091.28 |
| (Increase) decrease in unbilled installments on completed works | (39,897,621.66) | 209,249,143.75 | (39,651,313.86) | 209,249,143.75 |
| (Increase) decrease in inventories | 5,213,936.92 | 208,439,585.43 | (31,007,642.78) | 113,498,031.05 |
| (Increase) decrease in other current assets | 133,133.49 | (3,381,613.88) | (779,679.00) | (2,512,241.65) |
| (Increase) decrease in other non-current assets | (55,079,595.49) | (7,742,216.57) | (52,246,319.50) | (1,998,910.30) |
| Increase (decrease) in trade and other payables | (8,499,142.87) | (819,433,508.85) | 6,012,821.80 | (703,456,156.20) |
| Increase (decrease) in short-term provisions | (184,156,032.00) | 32,975,028.64 | (184,156,032.00) | 33,275,028.64 |
| Increase (decrease) other current liabilities | 5,300,719.07 | (5,670,956.36) | 3,423,948.57 | (6,960,951.11) |
| Cash received (payment) from operating activities | (330,896,347.87) | 127,060,701.43 | (331,727,705.73) | 20,972,596.31 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Cash Flows

For the years ended December 31, 2019

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------------|--------------------------------------|-------------------------|
| | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| Cash flows from operating activities (continue) | | | | |
| Cash received from interest income | 887,861.94 | 538,528.91 | 40,151,786.58 | 482,166.97 |
| Cash received from corporate income tax | 6,241,990.96 | 83,616,329.96 | - | 82,841,342.11 |
| Cash payment from employee benefit obligation | (8,904,754.00) | - | (8,310,470.00) | - |
| Cash payment for finance costs | (68,684,904.10) | (76,203,617.63) | (60,239,798.42) | (68,944,623.72) |
| Cash payment from corporate income tax | (51,367,449.30) | (79,334,634.67) | (46,365,462.86) | (66,843,864.63) |
| Net cash provided (used) from operating activities | (452,723,602.37) | 55,677,308.00 | (406,491,650.43) | (31,492,382.96) |
| Cash flows from investment activities | | | | |
| (Increase) decrease Deposits from financial with obligation | (3,700,000.00) | (7,000,000.00) | (3,700,000.00) | (7,000,000.00) |
| (Increase) decrease in short-term loans | 1,388,000.00 | 1,453,108.33 | 1,388,000.00 | 1,453,108.33 |
| Cash payment for long-term loans | - | - | (39,560,697.40) | - |
| Cash payment for purchase investment in subsidiaries | - | - | (32,628,977.28) | (59,795,254.08) |
| Cash received for sales of fixed assets | 1,304,532.93 | 1,125,093.34 | 1,304,532.93 | 219,626.03 |
| Cash payment for purchase of fixed assets | (12,686,831.99) | (27,593,581.26) | (10,648,212.50) | (13,923,278.59) |
| Cash received for sales of intangible asset | 19,184.77 | 985.96 | 19,184.77 | 985.96 |
| Cash payment for purchase intangible asset | (10,825,673.57) | (66,796,333.12) | (7,052,006.01) | (8,326,970.00) |
| Cash received from dividend income | 219,092,105.22 | 382,377,378.13 | 279,092,105.22 | 382,377,378.13 |
| Net cash provided (used) from investing activities | 194,591,317.36 | 283,566,651.38 | 188,213,929.73 | 295,005,595.78 |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | 190,363,873.30 | (477,720,930.51) | 170,363,873.30 | (429,584,467.73) |
| Increase (decrease) from short-term loans | (1,300,000.00) | - | (1,300,000.00) | - |
| Cash received from long-term loans | 235,000,000.00 | - | 235,000,000.00 | - |
| Cash payment for long-term loans | (149,137,500.00) | (132,000,000.00) | (144,697,500.00) | (127,560,000.00) |
| Cash payment for liabilities under financial lease liabilities | (7,586,718.94) | (10,184,454.75) | (6,581,293.75) | (9,215,303.73) |
| Cash payment for dividend | (36,481,246.02) | (742.05) | (36,481,966.02) | (742.05) |
| Net cash provided (used) from financing activities | 230,858,408.34 | (619,906,127.31) | 216,303,113.53 | (566,360,513.51) |
| Net increase (decrease) in cash and cash equivalents | (27,273,876.67) | (280,662,167.93) | (1,974,607.17) | (302,847,300.69) |
| Cash and cash equivalents at the beginning balance | 219,808,274.47 | 500,470,442.40 | 173,061,233.67 | 475,908,534.36 |
| Cash and cash equivalents at the ending balance | 192,534,397.80 | 219,808,274.47 | 171,086,626.50 | 173,061,233.67 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Changes in Shareholders' Equity

Consolidated financial statements

For the years ended December 31, 2019

(Unit : Baht)

| | Notes | Issued and paid-up share capital | Premium on common share | Premium on treasury stock | Capital reserve | Surplus(discount) | Retained earnings | | Total shareholders of the parent | Non- controlling interests | Total shareholders' equity |
|---|-------|--|----------------------------|------------------------------|---------------------------------------|--|----------------------|-----------------------|--|----------------------------------|----------------------------------|
| | | | | | for expired share-based payment | from change in shareholding interest in subsidiary | Appropriated | Unappropriated | | | |
| | | | | | | | legal reserve | | | | |
| Ending balance as at January 1, 2019 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | (874,411.66) | 82,268,357.30 | 278,834,607.67 | 3,174,921,019.94 | 15,876,831.27 | 3,190,797,851.21 |
| Changes in non-controlling interests arising from subsidiaries | 18 | - | - | - | - | (3,126,021.75) | - | - | (3,126,021.75) | (15,199,163.03) | (18,325,184.78) |
| Payment for dividend | 34 | - | - | - | - | - | - | (36,515,222.45) | (36,515,222.45) | - | (36,515,222.45) |
| Total comprehensive income (loss) for the year | | - | - | - | - | - | - | 35,413,952.72 | 35,413,952.72 | (677,668.24) | 34,736,284.48 |
| Ending balance as at December 31, 2019 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | (4,000,433.41) | 82,268,357.30 | 277,733,337.94 | 3,170,693,728.46 | - | 3,170,693,728.46 |
| | | | | | | | | | | | |
| Ending balance as at January 1, 2018 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | (874,411.66) | 81,640,676.87 | 130,571,510.43 | 3,026,630,242.27 | 18,933,951.80 | 3,044,964,194.07 |
| Legal reserve | 34 | - | - | - | - | - | 627,680.43 | (627,680.43) | - | - | - |
| Total comprehensive income (loss) for the year | | - | - | - | - | - | - | 148,890,777.67 | 148,890,777.67 | (3,057,120.53) | 145,833,657.14 |
| Ending balance as at December 31, 2018 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | (874,411.66) | 82,268,357.30 | 278,834,607.67 | 3,174,921,019.94 | 15,876,831.27 | 3,190,797,851.21 |

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

Demco Public Company Limited and Its Subsidiaries

Statements of Changes in Shareholders' Equity

Separate financial statements

For the years ended December 31, 2019

(Unit : Baht)

| | Notes | Issued and paid-up share capital | Premium on common share | Premium on treasury stock | Capital reserve for expired share-based payment | Retained earnings | | Total |
|--|-------|--|----------------------------|------------------------------|--|-------------------------------|-----------------------|-------------------------|
| | | | | | | Appropriated legal reserve | Unappropriated | |
| Ending balance as at January 1, 2019 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | 82,268,357.30 | 67,868,859.81 | 2,964,829,683.74 |
| Payment for dividend | 34 | - | - | - | - | - | (36,515,222.45) | (36,515,222.45) |
| Total comprehensive income (loss) for the year | | - | - | - | - | - | 83,607,462.22 | 83,607,462.22 |
| Ending balance as at December 31, 2019 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | 82,268,357.30 | 114,961,099.58 | 3,011,921,923.51 |
| Ending balance as at January 1, 2018 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | 81,640,676.87 | (111,645,050.09) | 2,784,688,093.41 |
| Legal reserve | | - | - | - | - | 627,680.43 | (627,680.43) | - |
| Total comprehensive income (loss) for the year | 34 | - | - | - | - | - | 180,141,590.33 | 180,141,590.33 |
| Ending balance as at December 31, 2018 | | 730,344,251.00 | 1,916,040,428.64 | 151,947,248.00 | 16,360,538.99 | 82,268,357.30 | 67,868,859.81 | 2,964,829,683.74 |

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

DEMCO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

Demco Public Company Limited (“the Company”) was incorporated under the Civil and Commercial Code of Thailand as a limited company on June 1, 1992 and the Company was transformed to Public Company Limited on May 26, 2006. The registered address is at 59 Moo 1, Suanphrikthai, Muang, Pathumthani.

The Company principally engages in the provision of electric system construction, all service works in the field of electric engineering and telecommunication engineering, sale of electric systems equipment and construction materials, including investment in projects of renewable energy and utilities system.

The Company is listed on the Stock Exchange of Thailand. For the reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except some transactions are valued at fair price as disclosed in the accounting policies below.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are issued in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Basis of preparation consolidated financial statements

(1) The consolidated financial statements included the accounts of the Group, after elimination of significant intercompany transactions, of which the percentage of shareholding, is as follows:

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--------------------------|--|--------------------------|----------------------------|------|
| | | | 2019 | 2018 |
| Direct subsidiaries | | | | |
| Demco Industry Co., Ltd. | Manufacture and installation of fabricated steel structure, high pressure vessel and pipe systems. Manufacture and sale steel structure and telecommuni-cation tower | Thailand | 100 | 100 |
| Demco Power Co., Ltd. | | Thailand | 100 | 100 |
| Demco De Lao Co., Ltd. | | Lao PDR | 100 | 90 |

(2) The financial statement of subsidiary, which is juristic entity organized under foreign law and is treated as oversea unit, the functional currency and the financial statement is presented in currencies into Baht because most of business activity use Baht.

(3) Accounting policy of The consolidated financial statements as disclosed in Notes 4.28

2.3 Presentation currency

The financial statements are prepared and presented in Thai Baht.

2.4 Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the effect on the amount recognized in the financial statements is included in the following notes:

2.4.1 Estimated construction project costs

The company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

2.4.2 Provision for losses on construction projects

Management applied judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

2.4.3 Leases

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

2.4.4 Allowance for doubtful accounts

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

2.4.5 Allowance for obsolete, slow-moving and defective inventories

The company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

2.4.6 Impairment of assets

The Company treats assets as impaired when the management judges that there has been a significant decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” requires.

2.4.7 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the company's plant and equipment and to review estimate useful lives and residual values when there are any changes. In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

2.4.8 Deferred tax assets

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

2.4.9 Retirement employee benefits

The company has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the company determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the company considers the current yields on long-term government bonds.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2018) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

| | |
|-------------------------|--|
| TAS 11 (revised 2017) | Construction Contracts |
| TAS 18 (revised 2017) | Revenue |
| TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers. With revenue being recognized at an for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group apply the standard boved effect the Group as disclosed additional information in note 41

3.2 Financial reporting standards related to the set of financial instruments that will become effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. The new financial reporting standards renovated or made available in order to have the same content as the international financial reporting standards, most are clear explanations of accounting practices. And providing accounting practice guidelines to standard users. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

| | |
|----------|---|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| TAS 32 | Financial Instruments: Presentation |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are

effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group's management expects the adoption of this standard, May have effects from the following items

- Classification and measurement of fair value of investments in non-listed company – The Group has to measure the fair value of the investments in equity securities of non-listed companies and classify the investments as financial assets that measure fair value to profit and loss or to other comprehensive income. However, if the company choose the option of changing in the fair value of any investment to other comprehensive income, it cannot be changed.
- Recognition of credit loss – The group company has to recognize the expected credit losses to financial assets without waiting for the credit impairment's events to occur. The group company will apply the simplified method to determine the allowance for loss over time for account receivables.
- Recognition of derivative instruments - The group company has to recognize derivative transactions at fair value on the date of entering into the contract and then measure with fair value at the end of the reporting period. The changes in the fair value of derivatives are recognized to profit and loss.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Recognition of revenues from services

Recognition of Revenues from Services Construction contracts

Revenue and cost incurred for the period from service construction contract is recognized as soon as it can be estimated reliably, revenue from service construction contract is recognized in accordance with fixed price contract by percentage the ratio of entire cost of completion method which is computed in accordance with construction incurred over the total cost which estimated to be used in the construction in accordance with the contract. It task compared with the ratio of task completion which determined. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately as an expense in the statement of income.

Installment due under contract but not yet received is shown as "Account receivable". The excess of revenue recognized under the percentage of completion method over the amount of installment due under contract is shown as "Unbilled completed work" under current assets. The excess of installment due under the contract over the revenue recognized under the percentage of method is shown as "advance from customer for services" under current liabilities.

The Group recognizes revenue from service contracts with a term by overtime on a straight line basis over the term of the contracts.

Other services income is recognized as revenue when services have been rendered by overtime with reference to the stage of completion.

Recognition of revenues from sales of goods

Sales of goods are recognized at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Dividends are recognized when the right to receive the dividends is established.

Cost and other expenses recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, deposits held at call at banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and are not pledged as collateral.

4.3 Trade receivables

Trade receivables are carried at the original invoice amount and subsequently, measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the end of year year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Allowance for doubtful and bad debt occurred during year are recognized in the statement of income under administrative.

4.4 Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost of made to order inventory is determined by the specific method, other cost of goods is determined by first in first out method (FIFO).

The net realisable value is estimated of selling price in the ordinary course of business, minus the costs of completion and selling expenses.

The cost of purchase comprises both the purchase price and direct cost which related to that purchasing expenses, such as transportation charge less all attributable discounts and allowances or rebates (if any).

The cost of finished goods and work in progress comprised of direct materials, direct labour, other direct costs and overhead cost.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4.5 Investments

Investments in subsidiary associate company and jointventures companies

Investments in subsidiary associates company and jointventures companies are accounted for in the separate financial statements carried at cost less an allowance for impairment in value (if any), income from investments in subsidiaries and associate company will be recorded when dividends are declared.

Investments in associates and jointventures are accounted for in the consolidated financial statements using the equity method.

Accounting policies of associates and investment on jointventures companies have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognized in the profit or loss.

Investment in other equity securities

General investment are investments in non-marketable equity securities which are classified as general investment carried at cost less an allowance for impairment in value (if any).

A test for impairment is carried out when there is a indicating factor that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the company of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

4.6 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognized as gain in profit or loss.

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

4.7 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the parent company is land held for a currently undetermined future use. The parent company has not determined that it will use the land as owner-occupied property or as capital appreciation.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are expensed when incurred.

4.8 Property, plant and equipment

Land is stated at cost less allowance for loss on impairment of assets (if any).

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to write off the cost of each asset, to their residual values over their estimated useful lives as follows.

No depreciation is provided on land and assets under installation.

Estimated useful lives are follower:

| | <u>Estimated useful lives</u> |
|---|-------------------------------|
| - Land improvements | 5 and 20 year |
| - Building and improvements | 5 and 20 year |
| - Machines and equipment | 5 and 15 year |
| - Equipment of electricity from solar power | 5 and 25 year |
| - Fixtures and office equipment | 3 and 15 year |
| - Vehicles | 5 and 15 year |

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized within "other gains or losses, net" in profit or loss.

The interest costs of borrowings to finance the construction of asset, are capitalized as part of the asset, during the period of time requirement so that the asset is properly prepared for use

4.9 Service concession arrangements

Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the company as the operator provides construction or upgrade services, revenue and costs relating to construction or upgrade services shall be accounted for based on the stage of completion on the construction contract. The consideration received or receivable by the operator shall be recognized at its fair value of a financial asset or an intangible asset.

The company shall recognize a financial asset to extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and recognize an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. Revenue and costs relating to operation services shall be recognized when service is provided by reference to the contract term.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognized and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

4.10 Intangible assets

Computer software

Acquired computer software licences are capitalised as intangible assets on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 years.

Intangible assets are recorded at cost and will not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered as necessary.

Right on asset under concession

Right on asset under concession is carried at cost less accumulated amortization and any impairment losses (if any). The group company amortizes it on a unit of production basis and tested for impairment whenever there is an indication that it may be impaired. The amortization period and the amortization method for rights to produce and sell treated water are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

4.11 Impairment of assets

Assets that have an indefinite useful life, (for example goodwill), are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income.

Calculation of recoverable amount

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

Reversals of impairment

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

4.12 Loans

Borrowings are recognized initially at the fair value, net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

4.13 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.14 Provision

Provision are recognized when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimation of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.15 Employee benefits

Short term employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognized as expenses when incurred.

Post-employment benefits employee benefits

Defined contribution plans

The group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the company. The fund's assets are separated from trust fund and the company, and recognized as expenses when incurred.

Defined benefit plans employee benefits

The group has obligations in respect of the severance payments which paid to employees when their retirement have incurred under labor law. The group treats these severance payment obligations as a defined benefit plan.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turn over rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognized in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognized restructuring-related costs.

4.16 Ordinary shares

Ordinary shares are classified as equity.

4.17 Treasury stock

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

4.18 Equity-settled share-based payment transactions

The company recognizes share-based payment transactions after the service has been rendered by employees, based on the fair value of the share options on the grant date. Together with recognition the increase in “capital reserve for share-based payment transactions” in owners’ equity, the expenses are recorded over the vesting period in accordance with the employee service conditions in the plan.

In order to estimate fair value the fair value of the share options, management applied assumptions, such as the expected life of the options, share price volatility and dividend yield, etc.

4.19 Legal reserve

Parent company

Section 116 of the Public Companies Act B.E. 2535 requires that the company shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribute.

Subsidiary company

The subsidiary companies in Thailand shall allocate not less 5 percent of its annual net profit each time a dividend is declared, to a reserve account (“legal reserve”) until the reserve reaches 10 percent of authorized share capital. The legal reserve is not available for dividend distribution.

4.20 Dividends

Dividends are recorded in the consolidated and company’s financial statements in the period in which they are approved by the shareholders.

4.21 Income tax

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period or highly probable to be effective at the end of the reporting period.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The group recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The group company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4.22 Accounting for leases - where the company is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

The outstanding rental obligations, net of finance charges, are included in other long-term payable. The interest element of the financial cost is charged to the statement of income.

Asset acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lesser by way of penalty is recognized as an expense in the period in which termination takes places.

4.23 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the profit or loss.

The statements of comprehensive income and cash flows of foreign entities are translated into the group's reporting currency at the weighted average exchange rates. Statement of financial position are translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognized in the statement of comprehensive income as part of the gain or loss on sale.

4.24 Management benefit expenses

Management benefit expenses represents the benefits paid to the company's management such as salaries and related benefit.

4.25 Earnings (loss) per share

Primary earnings (loss) per share

Primary earnings (loss) per share is calculated by dividing net profit (loss) with weighted average the number of issued and paid-up shares.

4.26 Operating segments

Operating Segments is requires the presentation and disclosure of segment information based on the internal reports regularly reviewed by the company's chief operating decision maker in order to assess each segment's performance and to allocate resources to those segments.

4.27 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The group use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the financial techniques approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

4.28 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

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

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

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

Subsidiaries

Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognized initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

4.29 Changes in Accounting Estimates

During 2019, the subsidiary company has changed the amortization method of intangible assets from straight line method to be unit of production method.

The Company's management has predicted the total production units by considering the relevant criteria such as building and machinery's capability, current and future demand, Government budgetary related to infrastructure development plan and also current production. Moreover, the management hired an external expert to review and analyze the business impact to ensure that the unit of production method is appropriate.

This changes in accounting estimates effective on July 1, 2019 onwards. The Company's management believes that this amortization method shall reflect the pattern in which the asset's future economic.

This changes in accounting estimates is used for prospectively in the financial statements as follow:

| Unit : Baht | | | |
|---|-----------------|------------------|----------------|
| Consolidated Financial Statements | | | |
| | Prior estimate | Current estimate | Variance |
| Statement of Financial Position | | | |
| As at December 31, 2019 | | | |
| Intangible assets | 838,866,665.97 | 838,866,665.97 | - |
| (Less) Accumulated amortisation | (94,423,283.49) | (87,649,087.89) | (6,774,195.60) |
| Net intangible assets | 744,443,382.48 | 751,217,578.08 | (6,774,195.60) |
| Deferred tax liabilities | 26,481,414.23 | 27,986,791.02 | 1,505,376.79 |
| Statements of Comprehensive Income | | | |
| For the year ended December 31, 2019 | | | |
| Amortisation | 31,061,167.71 | 24,286,972.11 | (6,774,195.60) |
| Income tax expenses (revenues) | 14,079,854.45 | 15,585,231.24 | 1,505,376.79 |
| Profit (loss) attributable to Owner of the parent | - | - | 5,268,818.81 |
| Basic earning (loss) per share | - | - | 0.007 |

| Unit : Baht | | | |
|---|--|--|----------------|
| Separate Financial Statements | | | |
| | Prior estimate (Straight line method) | Current estimate (Unit of Production) | Variance |
| Statement of Financial Position | | | |
| As at December 31, 2019 | | | |
| Intangible assets | 795,051,886.18 | 795,051,886.18 | - |
| (Less) Accumulated amortisation | (70,377,279.00) | (63,603,083.40) | (6,774,195.60) |
| Net intangible assets | 724,674,607.18 | 731,448,802.78 | (6,774,195.60) |
| Deferred tax liabilities | 26,481,414.23 | 27,986,791.02 | 1,505,376.79 |
| Statements of Comprehensive Income | | | |
| For the year ended December 31, 2019 | | | |
| Amortisation | 28,573,644.98 | 21,799,449.38 | (6,774,195.60) |
| Income tax expenses (revenues) | 6,345,971.10 | 7,851,347.89 | 1,505,376.79 |
| Profit (loss) attributable to Owner of the parent | - | - | 5,268,818.81 |

5. Provident fund

The company and its subsidiary one company and its employees have jointly established a provident fund scheme in accordance with the Provident Fund Act B.E. 2530. Such fund is monthly contributed by the company and its employees at the rate of 2 percent of their basic salaries. The fund is managed by Finance Asset Management, and will be paid to the employees upon termination in accordance with the rules of fund.

6. Benefit from Investment Promotion

Subsidiary (Demco Power Company Limited)

The Company has received the promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment as follows:

Investment promotion certificate no. 1611(1)/2557

The company receives investment promotion certificate no. 1611(1)/2557 dated on May 19, 2014 from the Board of Investment for infrastructure and basic services in type of 7.1 (generation of electricity from solar power). Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (February 6, 2015).

The company's operation revenues are below shown divided according to promoted and non-promoted operations.

| | | | | | | Unit : Baht |
|-----------------------------------|---------------------|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Consolidated financial statements | | | | | | |
| Activities with Investment | | Activities without Investment | | Total | | |
| Promotional Benefits | | Promotional Benefits | | | | |
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | |
| Sales and Services | | | | | | |
| - Domestic | | | | | | |
| - STEEL | | | | | | |
| STRUCTURE | - | - | 286,160,465.30 | 414,687,252.19 | 286,160,465.30 | 414,687,252.19 |
| - Equipment of | | | | | | |
| electricity from | | | | | | |
| solar power | 7,973,627.20 | 7,623,739.20 | - | - | 7,973,627.20 | 7,623,739.20 |
| Total | 7,973,627.20 | 7,623,739.20 | 286,160,465.30 | 414,687,252.19 | 294,134,092.50 | 422,310,991.39 |

7. RELATED PARTY TRANSACTIONS AND BALANCES

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 direction of the Company's operations.

Relationships between the Group and the Company with related parties are as follows:

| Company's name and related person | Nature of relationship |
|---|--|
| Demco Industry Co., Ltd. | Subsidiary of the Company by direct holding and common director |
| Demco Power Co., Ltd. | Subsidiary of the Company by direct holding and common director |
| Demco De lao Co., Ltd. | Subsidiary of the Company by direct holding and common director |
| Udon Thani Solar Power Co., Ltd. | Joint venture |
| Indochina Green Energy Co., Ltd. | Joint venture |
| Mekhong Green Power Co., Ltd. | Joint venture |
| Fraser's Property Demco Power 6 Co., Ltd. | Joint venture* |
| Fraser's Property Demco Power 11 Co., Ltd. | Joint venture* |
| Demco Power 15 Co., Ltd. | Joint venture |
| Demco Power 16 Co., Ltd. | Joint venture |
| Demco Power 17 Co., Ltd. | Joint venture |
| Aeolus Power Co., Ltd. | Associate of the Company by direct holding and common director |
| K.R.Two Co., Ltd. | Subsidiary of Aeolus Power Co., Ltd. |
| First Korat Wind Co., Ltd. | Subsidiary of Aeolus Power Co., Ltd. |
| CIN (Thailand) Co., Ltd. | Associate of the Company by direct holding and common directors |
| CIN Gas Lopburi Co., Ltd. | Subsidiary of CIN (Thailand) Co., Ltd. |
| CIN Gas Maha Sarakham Co., Ltd. | Subsidiary of CIN (Thailand) Co., Ltd. |
| Khao Kor Wind Power Co., Ltd. | The Company is shareholder of Khao Kor Wind Power Co., Ltd. |
| Sustainable energy corporation Co., Ltd. | The Company is shareholder of Sustainable energy corporation Co., Ltd. |
| Mr. Sawasd Puipunthavong | Shareholder |
| *During the year 2019 Joint venture Has changed the company name as follows | |
| Ticon Demco Power 6 Co., Ltd. change to Fraser Property Demco Power 6 Co., Ltd. | |
| Ticon Demco Power 11 Co., Ltd. change to Fraser Property Demco Power 11 Co., Ltd. | |

The pricing policies for particular type of transactions are explained further below:

| Transaction | Pricing policy |
|--------------------------------|--|
| Revenue from sale | Cost plus margin |
| Revenue from rendering service | Based on contract |
| Interest income | Interest rates of 1.00% - 12.00% per annum |
| Other income | Agreement price |
| Purchase of good | Cost plus margin |
| Cost of service | Based on contract |
| Rental expense | Based on contract |
| Advisory fee | Based on contract |
| Loss production | By addendum |

7.1 Significant balances with related parties and others as at December 31, are as follows:

| Account name / Company's name | Consolidated | | Separate | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables - related parties | | | | |
| Demco Power Co., Ltd. | - | - | 838.20 | 58,712.96 |
| Frasers Property Demco Power 6 Co., Ltd. | 1,157,779.51 | 1,157,779.51 | 1,157,779.51 | 1,157,779.51 |
| Frasers Property Demco Power 11 Co., Ltd. | 1,958,974.10 | 2,061,858.72 | 1,958,974.10 | 2,061,858.72 |
| Demco Power 15 Co., Ltd. | 1,365,000.00 | 1,365,000.00 | 1,365,000.00 | 1,365,000.00 |
| Demco Power 16 Co., Ltd. | 1,169,000.00 | 1,222,500.00 | 1,169,000.00 | 1,222,500.00 |
| Demco Power 17 Co., Ltd. | 666,000.00 | 719,500.00 | 666,000.00 | 719,500.00 |
| K.R. Two Co., Ltd. | 56,709,999.79 | 56,709,999.79 | 56,709,999.79 | 56,709,999.79 |
| First Korat Wind Co., Ltd. | 50,290,000.02 | 50,810,997.79 | 50,290,000.02 | 50,810,997.79 |
| Khao Kor Wind Power Co., Ltd | 77,040.00 | - | 77,040.00 | - |
| Total | <u>113,393,793.42</u> | <u>114,047,635.81</u> | <u>113,394,631.62</u> | <u>114,106,348.77</u> |
| Other receivables - related parties | | | | |
| Demco Industry Co.,Ltd. | - | - | - | 428,000.00 |
| Demco Power Co., Ltd. | - | - | 145,350.55 | 148,461.04 |
| Total | <u>-</u> | <u>-</u> | <u>145,350.55</u> | <u>576,461.04</u> |
| Advance payments - related parties | | | | |
| Frasers Property Demco Power 6 Co.,Ltd. | 115,000.00 | 85,000.00 | 115,000.00 | 85,000.00 |
| Demco Power 15 Co., Ltd. | 1,260,000.00 | 960,000.00 | 1,260,000.00 | 960,000.00 |
| Demco Power 16 Co., Ltd. | 310,000.00 | 110,000.00 | 310,000.00 | 110,000.00 |
| Demco Power 17 Co.,Ltd. | 360,000.00 | 210,000.00 | 360,000.00 | 210,000.00 |
| Total | <u>2,045,000.00</u> | <u>1,365,000.00</u> | <u>2,045,000.00</u> | <u>1,365,000.00</u> |
| Retention receivables - related parties | | | | |
| Udon Thani Solar Power Co., Ltd. | - | 1,700,000.00 | - | 1,700,000.00 |
| Indochina Green Energy Co., Ltd. | - | 1,100,000.00 | - | 1,100,000.00 |
| Mekhong Green Power Co., Ltd. | 3,800,000.00 | 4,800,000.00 | 3,800,000.00 | 4,800,000.00 |
| Total | <u>3,800,000.00</u> | <u>7,600,000.00</u> | <u>3,800,000.00</u> | <u>7,600,000.00</u> |
| Accrued interest income - related parties | | | | |
| Demco De lao Co., Ltd. | - | - | 3,193,640.42 | 37,051,176.84 |
| Mekhong Green Power Co., Ltd. | 83,178.09 | 202,158.90 | 83,178.09 | 202,158.90 |
| Total | <u>83,178.09</u> | <u>202,158.90</u> | <u>3,276,818.51</u> | <u>37,253,335.74</u> |
| Accrued income - related parties | | | | |
| Aeolus Power Co., Ltd. | - | 48,148,148.84 | - | 48,148,148.84 |
| Total | <u>-</u> | <u>48,148,148.84</u> | <u>-</u> | <u>48,148,148.84</u> |

| Account name / Company's name | Unit : Baht | | | |
|--|----------------------|--------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Loans to related parties | | | | |
| Demco De lao Co., Ltd. | | | | |
| Balance as of beginning | - | - | 343,763,839.71 | 344,720,903.02 |
| Increase | - | - | 42,329,653.74 | - |
| Less | - | - | - | (957,063.31) |
| Balance as of ending | - | - | 386,093,493.45 | 343,763,839.71 |
| Mekhong Green Power Co., Ltd. | | | | |
| Balance as of beginning | 1,750,000.00 | 2,500,000.00 | 1,750,000.00 | 2,500,000.00 |
| Less | (750,000.00) | (750,000.00) | (750,000.00) | (750,000.00) |
| Balance as of ending | 1,000,000.00 | 1,750,000.00 | 1,000,000.00 | 1,750,000.00 |
| CIN (Thailand) Co., Ltd. | | | | |
| Balance as of beginning | 85,000.00 | 77,500.00 | 85,000.00 | 77,500.00 |
| Increase | 30,000.00 | 7,500.00 | 30,000.00 | 7,500.00 |
| Less | (115,000.00) | - | (115,000.00) | - |
| Total | - | 85,000.00 | - | 85,000.00 |
| Less Allowance for doubtful account | - | (85,000.00) | - | (85,000.00) |
| Balance as of ending | - | - | - | - |
| CIN Gas Lopburi Co., Ltd. | | | | |
| Balance as of beginning | 60,000.00 | 52,500.00 | 60,000.00 | 52,500.00 |
| Increase | 20,000.00 | 7,500.00 | 20,000.00 | 7,500.00 |
| Total | 80,000.00 | 60,000.00 | 80,000.00 | 60,000.00 |
| Less Allowance for doubtful account | (80,000.00) | (60,000.00) | (80,000.00) | (60,000.00) |
| Balance as of ending | - | - | - | - |
| CIN Gas Maha Sarakham Co., Ltd. | | | | |
| Balance as of beginning | 60,000.00 | 52,500.00 | 60,000.00 | 52,500.00 |
| Increase | 20,000.00 | 7,500.00 | 20,000.00 | 7,500.00 |
| Less | (80,000.00) | - | (80,000.00) | - |
| Total | - | 60,000.00 | - | 60,000.00 |
| Less Allowance for doubtful account | - | (60,000.00) | - | (60,000.00) |
| Balance as of ending | - | - | - | - |
| Total Loans - related parties | 1,000,000.00 | 1,750,000.00 | 387,093,493.45 | 345,513,839.71 |
| Trade payables - related parties | | | | |
| Demco Industry Co., Ltd. | - | - | 34,999,997.46 | 34,999,997.46 |
| Demco Power Co., Ltd. | - | - | - | 451,979.77 |
| Total | - | - | 34,999,997.46 | 34,451,977.23 |
| Project payables - related parties | | | | |
| Demco Industry Co., Ltd. | - | - | 106,783,902.15 | 125,135,897.68 |
| Demco Power Co., Ltd. | - | - | 21,436,059.00 | 119,412.00 |
| Total | - | - | 128,219,961.15 | 125,255,309.68 |
| Retention payable - related parties | | | | |
| Demco Industry Co., Ltd. | - | - | 20,720,196.08 | 18,819,345.01 |
| Total | - | - | 20,720,196.08 | 18,819,345.01 |

| Account name / Company's name | Unit : Baht | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | Financial Statements | Financial Statements | Financial Statements | Financial Statements |
| | 2019 | 2018 | 2019 | 2018 |
| Share subscription payable-related parties | | | | |
| Sustainable energy corporation Co.,Ltd. | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 |
| Total | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 |
| Assets payable - related parties | | | | |
| Demco Power Co., Ltd. | - | - | - | 823,900.00 |
| Total | - | - | - | 823,900.00 |
| Accrued expenses- related parties | | | | |
| Demco Power Co., Ltd. | - | - | 314,045.00 | 57,245.00 |
| Demco De lao Co., Ltd. | - | - | 950,000.00 | - |
| K.R. Two Co., Ltd. | 1,095,965.69 | 28,804,496.27 | 1,095,965.69 | 28,804,496.27 |
| First Korat Wind Co., Ltd. | 1,700,215.68 | 9,395,891.30 | 1,700,215.68 | 9,395,891.30 |
| Total | 2,796,181.37 | 38,200,387.57 | 4,060,226.37 | 38,257,632.57 |
| Accrued Interest expenses-a related parties | | | | |
| Sustainable energy corporation Co.,Ltd. | 3,967,117.38 | 3,085,804.02 | 3,967,117.38 | 3,085,804.02 |
| Total | 3,967,117.38 | 3,085,804.02 | 3,967,117.38 | 3,085,804.02 |
| Short - term borrowing from a related parties | | | | |
| CIN (Thailand) Co., Ltd. | - | 1,300,000.00 | - | 1,300,000.00 |
| Total | - | 1,300,000.00 | - | 1,300,000.00 |

7.2 Significant transactions with related parties and others for the year ended December 31, are as follows:

| Account name/Company's name | Unit : Baht | | | |
|--|------------------------------|----------------|------------------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements 2019 | 2018 | Financial Statements 2019 | 2018 |
| Revenue from sale | | | | |
| Demco Power Co., Ltd. | - | - | 312,267.58 | 174,472.57 |
| Demco De Lao Co., Ltd. | - | - | 1,342,117.15 | 49,345.00 |
| Total | - | - | 1,654,384.73 | 223,817.57 |
| Other income | | | | |
| Demco Industry Co., Ltd. | - | - | 600,000.00 | 2,400,000.00 |
| Demco Power Co., Ltd. | - | - | 893,704.00 | 893,536.00 |
| Total | - | - | 1,493,704.00 | 3,293,536.00 |
| Dividend income | | | | |
| Demco Power Co., Ltd. | - | - | 60,000,000.00 | - |
| Udon Thani Solar Power Co., Ltd. | 1,120,000.00 | - | 1,120,000.00 | - |
| Indochina Green Energy Co., Ltd. | 1,120,000.00 | - | 1,120,000.00 | - |
| Aeolus Power Co., Ltd. | 168,703,956.38 | 193,525,526.97 | 168,703,956.38 | 193,525,526.97 |
| Total | 170,943,956.38 | 193,525,526.97 | 230,943,956.38 | 193,525,526.97 |
| Interest income | | | | |
| Demco De Lao Co., Ltd. | - | - | 8,472,117.32 | 15,222,998.59 |
| Mekhong Green Power Co., Ltd. | 187,315.07 | 276,131.50 | 187,315.07 | 276,131.50 |
| Total | 187,315.07 | 276,131.50 | 8,659,432.39 | 15,499,130.09 |
| Sale of fix asset | | | | |
| Demco De Lao Co., Ltd. | - | - | 16,653.45 | 17,769.59 |
| Total | - | - | 16,653.45 | 17,769.59 |
| Cost of sale | | | | |
| Demco Power Co., Ltd. | - | - | 1,159,683.90 | 2,801,976.07 |
| Total | - | - | 1,159,683.90 | 2,801,976.07 |
| Cost of service | | | | |
| Demco Industry Co., Ltd. | - | - | 1,701,374.00 | 79,324,894.80 |
| Demco Power Co., Ltd. | - | - | 138,487,783.40 | 96,568,827.00 |
| Total | - | - | 140,189,157.40 | 175,893,721.80 |
| Purchase of fix asset | | | | |
| Demco Power Co., Ltd. | - | - | 120,983.90 | 902,636.00 |
| Total | - | - | 120,983.90 | 902,636.00 |
| Other expense | | | | |
| Demco Power Co., Ltd. | - | - | - | 2,190.00 |
| K.R. Two Co., Ltd. | 13,478,273.33 | - | 13,478,273.33 | - |
| First Korat Wind Co., Ltd. | 2,050,612.37 | 100,361.02 | 2,050,612.37 | 100,361.02 |
| Total | 15,528,885.70 | 100,361.02 | 15,528,885.70 | 102,551.02 |
| Interest | | | | |
| Sustainable Energy Corporation Co.,Ltd | 881,313.36 | 881,313.36 | 881,313.36 | 881,313.36 |
| Total | 881,313.36 | 881,313.36 | 881,313.36 | 881,313.36 |
| Production loss | | | | |
| K.R. Two Co., Ltd. | 172,253,030.06 | 36,536,771.81 | 172,253,030.06 | 36,536,771.81 |
| Total | 172,253,030.06 | 36,536,771.81 | 172,253,030.06 | 365,367,71.81 |
| Advisory fee | | | | |
| Mr. Sawasd Puipunthavong | 480,000.00 | 480,000.00 | 480,000.00 | 480,000.00 |
| Total | 480,000.00 | 480,000.00 | 480,000.00 | 480,000.00 |

According to the additional notes attached to the construction contract, DEMCO will be responsible for loss of production opportunities (Loss Production) related to the WTG's foundation remedy work for the employer according to the actual loss with the Loss Production calculation method agreed by both parties.

In 2018 (December 21, 2018) onwards, the company and the employer concluded a written agreement regarding the method of calculating Loss Production to use Neighboring Turbine method (which is a method of calculating loss production based on the electricity production value of The nearest turbine that is still working) which is the method that external experts consider together. So, Financial Statements for the year ending December 31, 2019 and 2018 Loss production recognition of Company would be according to the method that external experts agreed together as mentioned above.

7.3 Directors' and management's remuneration

The Group had employee benefit expenses of directors and management for the year ended December 31, are as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|----------------------------|--|----------------------|--|----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Short-term benefits | 39,951,997.66 | 42,110,592.33 | 36,759,838.66 | 38,093,942.33 |
| Post - employment benefits | 1,227,541.00 | 7,135,512.00 | 868,013.00 | 6,021,332.00 |
| Total | <u>41,179,538.66</u> | <u>49,246,104.33</u> | <u>37,627,851.66</u> | <u>44,115,274.33</u> |

8. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

Additional information of expenses by nature were shown for the year ended December 31, are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--------------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| 8.1 Changes in inventories of finished goods and work in progress | 1,111,471.89 | 121,991,529.88 | 11,636,133.15 | 47,942,082.78 |
| 8.2 Loss (reversal) allowance for decrease in value of inventories | (10,693,985.91) | 945,096.61 | (10,549,679.20) | 4,354,156.39 |
| 8.3 Purchase | 849,130,060.68 | 1,648,641,054.80 | 828,437,988.03 | 1,629,199,647.06 |
| 8.4 Raw materials and consumables used | 175,330,486.86 | 223,771,239.34 | - | - |
| 8.5 Work performed by the entity and capitalized | 97,900.00 | (379,316.94) | - | - |
| 8.6 Management benefit expenses | 41,179,538.66 | 49,246,104.33 | 37,627,851.66 | 44,115,274.33 |
| 8.7 Employee benefit expenses | 365,787,318.52 | 413,665,110.82 | 280,371,486.53 | 322,837,819.48 |
| 8.8 Depreciation | 41,571,209.60 | 40,474,948.49 | 26,221,308.13 | 24,357,606.77 |
| 8.9 Amortization expenses | 24,286,972.11 | 31,725,952.53 | 2,024,446.09 | 2,585,200.62 |
| 8.10 Hire of work | 1,118,927,784.96 | 1,191,022,715.42 | 1,255,392,250.64 | 1,284,804,606.70 |
| 8.11 Fee expenses | 56,241,849.01 | 56,060,366.82 | 55,361,364.79 | 54,952,171.83 |
| 8.12 Gasoline expenses | 26,227,693.68 | 35,954,577.86 | 25,323,397.65 | 34,790,617.29 |
| 8.13 Transportation fee | 20,812,266.70 | 14,859,581.76 | 20,221,236.69 | 15,672,379.01 |

9. SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION

The significant non-cash transactions for the year ended December 31, are as follows:

| | Consolidated | | Unit : Million Baht | |
|---|-----------------------------|-------------|----------------------------|-------------|
| | Financial Statements | | Separate | |
| | 2019 | 2018 | 2019 | 2018 |
| Payable for purchase of fixed assets and intangible asset | 5.94 | 9.69 | 2.41 | 4.42 |
| Converting loans to investment in subsidiaries | 18.33 | - | 18.33 | - |

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

| | Consolidated | | Unit : Baht | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|
| | Financial Statements | | Separate | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash on hand | 2,667,044.43 | 2,674,440.95 | 1,671,331.84 | 1,712,544.95 |
| Cash at banks - current accounts | 85,147,287.71 | 86,754,426.63 | 66,983,272.58 | 44,969,158.23 |
| Cash at banks - savings accounts | 104,464,775.71 | 130,223,472.68 | 102,176,732.13 | 126,223,596.28 |
| Time deposits with maturity not more than 3 months | 255,289.95 | 155,934.21 | 255,289.95 | 155,934.21 |
| Total | 192,534,397.80 | 219,808,274.47 | 171,086,626.50 | 173,061,233.67 |

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, consist of:

| | Consolidated | | Unit : Baht | |
|---|-----------------------------|-----------------------|-----------------------|-----------------------|
| | Financial Statements | | Separate | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables | | | | |
| Trade receivables - other companies | 717,403,581.74 | 660,520,400.09 | 647,183,470.16 | 643,169,478.25 |
| Trade receivables - related parties | 113,393,793.42 | 114,047,635.81 | 113,394,631.62 | 114,106,348.77 |
| Total | 830,797,375.16 | 774,568,035.90 | 760,578,101.78 | 757,275,827.02 |
| <u>Less</u> Allowance for doubtful accounts | (49,169,889.66) | (46,143,976.36) | (49,169,889.66) | (46,143,976.36) |
| Total | 781,627,485.50 | 728,424,059.54 | 711,408,212.12 | 711,131,850.66 |

| | Consolidated | | Separate | |
|---|----------------------|----------------|----------------------|----------------|
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Other receivables | | | | |
| Accrued interest incomes related parties | 83,178.09 | 202,158.90 | 3,276,818.51 | 37,253,335.74 |
| Advance to suppliers for goods and services | 29,423,462.42 | 78,349,217.67 | 29,020,262.42 | 78,285,717.67 |
| Prepaid expenses | 18,451,115.99 | 24,657,839.77 | 17,108,055.00 | 23,040,101.82 |
| Accrued dividend income | - | 48,148,148.84 | - | 48,148,148.84 |
| Advance payments | 2,361,320.91 | 4,085,686.83 | 2,194,625.37 | 4,037,287.35 |
| Retention receivables | 54,073,858.74 | 26,609,697.58 | 54,073,858.74 | 26,609,697.58 |
| Revenue Department receivable | 9,042,993.80 | 5,616,126.87 | 3,481,556.02 | - |
| Other receivables | 3,083,292.07 | 2,800,792.19 | 4,128,137.57 | 3,320,843.17 |
| Others | 2,662,157.59 | 422,091.09 | 13,199.02 | 12,139.22 |
| Total | 119,181,379.61 | 190,891,759.74 | 113,296,512.65 | 220,707,271.39 |
| Total | 900,808,865.11 | 919,315,819.28 | 824,704,724.77 | 931,839,122.05 |

Trade receivables are classified by aging as at December 31, as follows:

| | Consolidated | | Separate | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables - other parties | | | | |
| Current | 407,041,627.08 | 438,925,375.82 | 394,374,033.37 | 424,244,975.50 |
| Overdue | | | | |
| Less than or up to 3 months | 134,037,517.52 | 53,434,613.24 | 120,739,225.82 | 50,764,091.72 |
| Over 3 months up to 6 months | 612,196.30 | 40,809,377.04 | 612,196.30 | 40,809,377.04 |
| Over 6 months up to 9 months | 35,517,902.93 | 5,219,724.58 | - | 5,219,724.58 |
| Over 9 months up to 12 months | 32,272,284.15 | 9,168,936.46 | 23,535,960.91 | 9,168,936.46 |
| Over 12 months | 107,922,053.76 | 112,962,372.95 | 107,922,053.76 | 112,962,372.95 |
| Total | 717,403,581.74 | 660,520,400.09 | 647,183,470.16 | 643,169,478.25 |
| <u>Less Allowance for doubtful accounts</u> | (49,169,889.66) | (46,143,976.36) | (49,169,889.66) | (46,143,976.36) |
| Total | 668,233,692.08 | 614,376,423.73 | 598,013,580.50 | 597,025,501.89 |
| Cheques returned | 1,046,625.00 | 1,046,625.00 | 1,046,625.00 | 1,046,625.00 |
| <u>Less Allowance for doubtful accounts</u> | (1,046,625.00) | (1,046,625.00) | (1,046,625.00) | (1,046,625.00) |
| Total | - | - | - | - |
| Total | 668,233,692.08 | 614,376,423.73 | 598,013,580.50 | 597,025,501.89 |

| | | | Unit : Baht | |
|---|----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivable - related parties | | | | |
| Current | - | 520,997.77 | - | 521,652.61 |
| Overdue | | | | |
| Less than or equal to 3 months | 77,040.00 | - | 77,878.20 | 58,058.12 |
| Over 12 months | 113,316,753.42 | 113,526,638.04 | 113,316,753.42 | 113,526,638.04 |
| Total | 113,393,793.42 | 114,047,635.81 | 113,394,631.62 | 114,106,348.77 |
| Total Trade receivable | 781,627,485.50 | 728,424,059.54 | 711,408,212.12 | 711,131,850.66 |

As at December 31, 2019, trade receivables is overdue over 12 months are Baht 172.07 million. The Group expects to receive the remaining amount later on.

As at December 31, 2019 and 2018, the Company has transferred the calling right for the collections from the debtors of certain projects of Baht 347.81 million and Baht 304.61 million, respectively, to financial institutions to secure the credit facilities of the Company granted by those financial institutions (See Notes 26)

12. UNBILLED INSTALLMENTS ON COMPUTED WORKS

As at December 31, 2019 and 2018, the Company has assigned authority for collection or transferred the right of claim to be received repayment from unbilled receivables of Baht 151.42 million and Baht 142.96 million, respectively, as collateral for credit facilities granted by financial institutions (See Notes 26).

13. SHORT - TERM LOANS

short - term loans as at December 31, consist of:

| | | | Unit : Baht | |
|---------------------------------------|----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Other short - term loans | | | | |
| Short - term loans to others | 3,108,000.00 | 21,946,184.78 | 3,108,000.00 | 21,946,184.78 |
| Short - term loans to related parties | 1,080,000.00 | 1,955,000.00 | 1,080,000.00 | 50,476,366.42 |
| Less Allowance for doubtful debt | (80,000.00) | (205,000.00) | (80,000.00) | (205,000.00) |
| Total | 1,000,000.00 | 1,750,000.00 | 1,000,000.00 | 50,271,366.42 |
| Total | 4,108,000.00 | 23,696,184.78 | 4,108,000.00 | 72,217,551.20 |

14. INVENTORIES

Inventories as at December 31, consist of:

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Finished goods | 92,802,442.14 | 60,642,864.41 | 83,408,196.97 | 51,761,326.79 |
| Work in progress | 22,277,106.63 | 12,187,584.73 | 21,182.18 | 21,182.18 |
| Project word in progress | 139,912.00 | 779,139.40 | 139,912.00 | 779,139.40 |
| Raw materials | 126,968,199.98 | 173,643,370.94 | 8,268.58 | 8,268.58 |
| Consumable supplies | 1,231,705.48 | 1,380,343.67 | - | - |
| Total | 243,419,366.23 | 248,633,303.15 | 83,577,559.73 | 52,569,916.95 |
| <u>Less</u> Allowance for diminution | | | | |
| in value of inventories | (14,259,782.99) | (24,953,768.90) | (6,603,030.53) | (17,152,709.73) |
| Total | 229,159,583.24 | 223,679,534.25 | 76,974,529.20 | 35,417,207.22 |

15. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of:

| | Consolidated | | Separate | |
|-----------------|-----------------------------|----------------|-----------------------------|---------------|
| | Financial Statements | | Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Withholding tax | 117,619,727.56 | 77,212,122.04 | 113,187,996.94 | 66,822,534.08 |
| Undue input VAT | 23,080,249.13 | 23,105,746.83 | 23,020,763.25 | 22,069,480.29 |
| Others | 242,697.05 | 184,237.81 | 232,503.12 | 174,091.97 |
| Total | 140,942,673.74 | 100,502,106.68 | 136,441,263.31 | 89,066,106.34 |

16. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2019 and 2018, deposits at financial institutions of Baht 42.20 million and Bath 38.50 million are used as collateral against the credit facilities from financial institutions (See Notes 26 and 32)

17. INVESTMENTS IN ASSOCIATED

17.1 Reconciles investments in associated company as at December 31, consist of:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------------|--------------------------------------|-------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Investments in associated company balance forward | 1,304,521,642.83 | 1,317,875,207.95 | 1,208,409,236.78 | 1,208,409,236.78 |
| <u>Plus/(Less)</u> Share of net profit of associates | 203,120,964.00 | 180,171,961.85 | - | - |
| Share of other comprehensive income | 451,565.33 | - | - | - |
| <u>Less</u> Dividend income | (168,703,956.38) | (193,525,526.97) | - | - |
| Total | 1,339,390,215.78 | 1,304,521,642.83 | 1,208,409,236.78 | 1,208,409,236.78 |
| <u>Less</u> Allowance for impairment of investment | (568,449.92) | (568,449.92) | (1,560,000.00) | (1,560,000.00) |
| Investments in associated company balance ending | 1,338,821,765.86 | 1,303,953,192.91 | 1,206,849,236.78 | 1,206,849,236.78 |

17.2 Detail of Investments in associated dividend income and Share of net profit of associates company

All of the associated company are founded in Thailand with as at December 31, the following details

Unit : Baht

| Company's name | Nature of business | Consolidated Financial Statements | | | | | | | |
|---|---|-----------------------------------|-------------------------|----------------------------|----------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Paid - up capital | | Percentage of shareholding | | Cost method | | Equity method | |
| | | 2019 | 2018 | 2019 (%) | 2018 (%) | 2019 | 2018 | 2019 | 2018 |
| Aeolus Power Co., Ltd. | Holding company | 1,301,301,300.00 | 1,301,301,300.00 | 25.00 | 25.00 | 1,206,849,236.78 | 1,206,849,236.78 | 1,338,821,765.86 | 1,303,953,192.91 |
| CIN (Thailand) Co., Ltd. | Generation and supply of electricity from waste | 6,000,000.00 | 6,000,000.00 | 26.00 | 26.00 | 1,560,000.00 | 1,560,000.00 | 568,449.92 | 568,449.92 |
| <u>Less</u> Allowance for impairment of investments | | - | - | | | (1,560,000.00) | (1,560,000.00) | (568,449.92) | (568,449.92) |
| Total | | <u>1,307,301,300.00</u> | <u>1,307,301,300.00</u> | | | <u>1,206,849,236.78</u> | <u>1,206,849,236.78</u> | <u>1,338,821,765.86</u> | <u>1,303,953,192.91</u> |

Unit : Baht

| Consolidated financial statements | | | | |
|-----------------------------------|-----------------------------------|-----------------------|-------------------------------------|------------------|
| Company 's name | Share of net profit of associates | | Share of other comprehensive income | |
| | For the years ended | | For the years ended | |
| | December 31,2019 | December 31,2018 | December 31,2019 | December 31,2018 |
| 1 Aeolus Power Co., Ltd | 203,120,964.00 | 180,171,961.85 | 451,565.33 | - |
| 2 CIN (THAILAND) Co., Ltd | - | - | - | - |
| Total | 203,1120,964.00 | 180,171,961.85 | 451,565.33 | - |

| | | Unit : Baht | | | | | | | |
|---|---|-------------------------------|-------------------------|----------------------------|----------|-------------------------|-------------------------|-----------------------|-----------------------|
| Company's name | Nature of business | Separate Financial Statements | | | | | | | |
| | | Paid - up capital | | Percentage of shareholding | | Cost method | | Dividend income | |
| | | 2019 | 2018 | 2019 (%) | 2018 (%) | 2019 | 2018 | 2019 | 2018 |
| Aeolus Power Co., Ltd. | Holding company | 1,301,301,300.00 | 1,301,301,300.00 | 25.00 | 25.00 | 1,206,849,236.78 | 1,206,849,236.78 | 168,703,956.38 | 193,525,526.97 |
| CIN (Thailand) Co., Ltd. | Generation and supply of electricity from waste | 6,000,000.00 | 6,000,000.00 | 26.00 | 26.00 | 1,560,000.00 | 1,560,000.00 | - | - |
| <u>Less</u> Allowance for impairment of investments | | - | - | | | (1,560,000.00) | (1,560,000.00) | - | - |
| Total | | 1,307,301,300.00 | 1,307,301,300.00 | | | 1,206,849,236.78 | 1,206,849,236.78 | 168,703,956.38 | 193,525,526.97 |

None of the Company's associates are publicly listed do not have published price quotations.

The company has to recognize share of net profit of associates for the years ended December 31, 2019 and 2018 at company's percentage of holdings only which the financial statements have been audited by their auditors.

In accordance with the minutes of the board of directors' meeting No.8/2019 held on December 20, 2019, Aeolus Power Co., Ltd. has entitled to receive dividends from First Korat Wind Co., Ltd. ("FKW") and K.R.TWO Co., Ltd. ("KR2") of Baht 225 Million and Bath 210 Million, respectively. Aeolus Power Co., Ltd. approved interim dividends payment from the retained earnings as of September 30, 2019 and from the company's performance operation periods ended October 1, 2019 to December 20, 2019 profits of Baht 435 Million. The Company has entitled to receive such interim dividend from Aeolus Power Co., Ltd. of Baht 108.75 Million. The dividend is determined to be payable with in December, 2019.

In accordance with the minutes of the board of directors' meeting No.4/2019 held on June 20, 2019, Aeolus Power Co., Ltd. has entitled to receive dividends from First Korat Wind Co., Ltd. ("FKW") and K.R.TWO Co., Ltd. ("KR2") of Baht 155.93 Million and Bath 83.97 Million, respectively. Aeolus Power Co., Ltd. approved interim dividends payment from H1-2019 dividend of Baht 239.83 Million. The Company has entitled to receive such interim dividend from Aeolus Power Co., Ltd. of Baht 59.96 Million. The dividend is determined to be payable with in June, 2019.

In accordance with the minutes of the board of directors' meeting No.7/2018 held on December 20, 2018, Aeolus Power Co., Ltd. has entitled to receive dividends from First Korat Wind Co., Ltd. ("FKW") and K.R.TWO Co., Ltd. ("KR2") of Baht 210.06 Million and Bath 192.27 Million, respectively. FKW and KR2 will. Aeolus Power Co., Ltd. approved interim dividends payment for periods ended May 1, 2018 to November 30, 2018 of Baht 402.10 Million and will pay when already received dividend from FKW and KR2. The Compnay has entitled to receive such interim dividend from Aeolus Power Co., Ltd. of Baht 100.53 Million. Round of dividend will be paid when received dividend from FKW and KR2.

In accordance with the minutes of the board of directors' meeting No.2/2018 held on June 15, 2018, Aeolus Power Co., Ltd. has entitled to receive dividends from First Korat Wind Co., Ltd. ("FKW") and K.R.TWO Co., Ltd. ("KR2") of Baht 240 Million and Bath 132 Million, respectively. FKW and KR2 will distribute the dividends to its shareholders no later July 15, 2018. Aeolus Power Co., Ltd. approved interim dividends payment for periods ended December 1, 2017 to April 30, 2018 of Baht 372 Million and will pay when already received dividend from FKW and KR2. The Compnay has entitled to receive such interim dividend from Aeolus Power Co., Ltd. of Baht 93 Million. Round of Dividend will be paid when received dividend from FKW and KR2.

17.3 Financial information under consolidated financial statements of the associated companies

Detail of net assets

Unit : Baht

| | | As at December 31, 2019 | | | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------|------------------|
| Company's name | | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Net- assets |
| 1 | Aeolus Power Co., Ltd | 1,358,308,834.00 | 8,229,366,703.00 | 1,211,057,438.00 | 3,693,399,140.00 | 4,683,218,959.00 |
| 2 | CIN (THAILAND) Co., Ltd | 473,863.18 | - | 160,197.81 | - | 313,665.37 |

Unit : Baht

| | | As at December 31, 2018 | | | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------|------------------|
| Company's name | | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Net- assets |
| 1 | Aeolus Power Co., Ltd | 1,817,327,172.00 | 8,762,003,428.00 | 1,504,111,600.00 | 4,626,639,543.00 | 4,448,579,457.00 |
| 2 | CIN (THAILAND) Co., Ltd | 1,303,316.33 | 196,261.68 | 840,000.00 | - | 659,678.01 |

Detail of Statements of Comprehensive Income

Unit : Baht

| | Aeolus Power Co., Ltd* | | CIN (THAILAND) Co.,Ltd* | |
|--|---|--------------------------------|---|------------------------------|
| | For the years ended December 31, 2019 | December 31, 2018 | For the years ended December 31, 2019 | December 31, 2018 |
| Revenues | 2,563,520,895.27 | 2,421,262,908.35 | 1,667,500.04 | 0.04 |
| Profit (loss) from continuing operations | 1,356,373,150.33 | 1,200,967,357.39 | 398,579.04 | (1,526,494.76) |
| Other comprehensive income | 3,010,435.00 | - | - | - |
| Total comprehensive income | <u>1,359,383,585.33</u> | <u>1,200,967,357.39</u> | <u>398,579.04</u> | <u>(1,526,494.76)</u> |

*The consolidate financial statement of associates consist of parent company interest and non-controlling intrest.

Detail of Group's interest in net assets of investee

Unit : Baht

| | Aeolus Power Co., Ltd.* | | CIN (THAILAND) Co.,Ltd.* | |
|---|-------------------------|-------------------------|--------------------------|----------------------|
| | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| Group's interest in net assets of investee | | | | |
| at balance forward | 668,942,510.81 | 682,296,075.93 | - | - |
| Plus/Less Total comprehensive income | 203,572,529.33 | 180,171,961.85 | - | - |
| (Loss) attributable of the Group | | | | |
| Less Dividends received during the year | (168,703,956.38) | (193,525,526.97) | - | - |
| Allowance for impairment of investments | - | - | - | - |
| Group's interest in net assets of investee | | | | |
| at balance ending | 703,811,083.76 | 668,942,510.81 | - | - |
| Goodwill | 635,010,682.10 | 635,010,682.10 | - | - |
| Carrying amount of interest in investee at | | | | |
| at balance ending | 1,338,821,765.86 | 1,303,953,192.91 | - | - |

18. INVESTMENTS IN SUBSIDIARIES

18.1 Reconciles Investments in subsidiary company as at December 31, are as follow:

Unit : Baht

| | Separate financial statements | |
|--|-------------------------------|-----------------------|
| | 2019 | 2018 |
| Investments in subsidiary company balance forward | 718,326,464.03 | 658,531,209.95 |
| Plus capital increase | 32,628,977.28 | 59,795,254.08 |
| Transfer of ownership proportion | 18,325,184.78 | - |
| Total | 769,280,626.09 | 718,326,464.03 |
| Less Allowance for impairment of investment | (6,294,995.70) | (3,757,495.67) |
| Investments in subsidiary company balance ending | 762,985,630.39 | 714,568,968.36 |

18.2 DETAIL OF INVESTMENTS AND DIVIDEND INCOME OF SUBSIDIARY COMPANY

| | | Unit : Baht | | | | | | | |
|--------------------------------------|--------------------------|-------------------------------|-------------------|----------------------------|-------------------|-------------------|-------------------|-------------------------|------|
| Company's name | Authorised share capital | Separate Financial Statements | | | | | | | |
| | | Paid - up capital | | Percentage of shareholding | | Cost method | | Dividend income | |
| | | As at | As at | As at | As at | As at | As at | For the year | |
| | | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | ended December 31, 2019 | 2018 |
| | | | | (%) | (%) | | | | |
| Demco Industry Co., Ltd. | 260,000,000.00 | 190,000,000.00 | 190,000,000.00 | 100.00 | 100.00 | 167,600,000.00 | 167,600,000.00 | - | - |
| <u>Less</u> Allowance for impairment | | | | | | (6,294,995.70) | (3,757,495.67) | - | - |
| Net | | | | | | 161,305,004.30 | 163,842,504.33 | - | - |
| Demco Power Co., Ltd. | 200,000,000.00 | 200,000,000.00 | 200,000,000.00 | 100.00 | 100.00 | 200,000,000.00 | 200,000,000.00 | 60,000,000.00 | - |
| Demco De lao Co., Ltd. | 639,600,000.00 | 401,680,626.09 | 369,051,648.81 | 100.00 | 90.00 | 401,680,626.09 | 350,726,464.03 | - | - |
| Total | | 791,680,626.09 | 759,051,648.81 | | | 762,985,630.39 | 714,568,968.36 | 60,000,000.00 | - |

None of the subsidiary company are publicly listed and consequently do not have published price quotations.

Demco De lao Co., Ltd.

For the year ended December 31, 2019, the Company invested in Demco De Lao Company Limited (DDL), increasing by Baht 18.32 million by converting loans to investments in subsidiaries. As a result of this change, the company has a 100% investment in DDL.

For the year ended December 31, 2019, Demco De lao Co., Ltd. called for additional paid - up share capital for 1.73 million shares at par value of USD 0.65 per share, totalling USD 1.12 million (equivalent of Baht 32.63 million)

For the year ended December 31, 2018, Demco De lao Co., Ltd. called for additional paid - up share capital for 1.92 Million shares, with a par value of 1.13 USD per share, totalling USD 2.17 million. (Equivalent of Baht 65.27 million) Percentage of shareholding unchanged.

Subsidiary (Demco Power Co., Ltd.)

In accordance with the minutes of Board Directors' meeting no. 4/2019, held on August 29, 2019, it was resolved to appropriated legal reserve amount Baht 0.32 Million from the company's performance operation January 2019 to June 2019 and resolved to pay dividend for the period since January, 2019 to June, 2019 of Baht 15 per share, amount Baht 30 Million. The dividend is determined to be payable with in December 30, 2019.

In accordance with the minutes of the annual general shareholders' meeting no. 1/2019, held on April 25, 2019, it was resolved to appropriated legal reserve amount Baht 3.76 Million from the company's performance operation October, 2016 to December, 2018 and resolved to pay dividend for the period since October, 2016 to December, 2018 of Baht 15 per share, amount Baht 30 Million. The dividend is determined to be payable with in September 30, 2019.

18.3 Non-controlling interests

| | Unit : Baht | |
|--|-----------------------------------|-----------------------|
| | Consolidated financial statements | |
| | As at | |
| | December 31, 2019 | December 31, 2018 |
| Non-controlling interest percentage | - | 10% |
| Current assets | 10,643,876.98 | 7,667,024.11 |
| Non-current assets | 754,567,422.08 | 773,722,957.52 |
| Current liabilities | (8,900,221.58) | (121,408,694.80) |
| Non-current liabilities | (415,235,341.70) | (315,413,172.93) |
| Net assets | 341,075,735.78 | 344,568,113.90 |
| Carrying amount of non-controlling interest | - | 15,876,831.27 |

Unit : Baht

| | Consolidated financial statements | |
|--|--|------------------------------|
| | For the years ended December 31, 2019 | December 31, 2018 |
| Revenue | 2,293,378.56 | 36,124,416.65 |
| Net profit (Loss) | (6,776,682.38) | (30,571,205.25) |
| Other comprehensive income | - | - |
| Total comprehensive income | (6,776,682.38) | (30,571,205.25) |
| Loss allocated to non-controlling interest | (677,668.24) | (3,057,120.53) |
| Other comprehensive income allocated to non-controlling interest | - | - |
| Cash flows from (used in) operating activities | (549,758.34) | 131,855.97 |
| Cash flows from (used in) investing activities | 48,081.87 | (5,865,499.98) |
| Cash flows from financing activities | 3,011,534.21 | 5,975,525.41 |
| Net increase in cash and cash equivalents | 2,509,857.74 | 245,931.40 |

19. INVESTMENTS IN JOINT VENTURES

19.1 Reconciles investments in joint ventures as at December 31, consist of:

Unit : Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--------------------------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Investments in joint ventures-balance forward | 91,121,207.24 | 81,700,473.87 | 60,823,500.00 | 60,823,500.00 |
| <u>Plus/(Less)</u> Share of net profit of associates | 8,378,619.26 | 9,420,733.37 | - | - |
| (Less) Dividend | (2,240,000.00) | - | - | - |
| Investments in joint ventures -balance ending | 97,259,826.50 | 91,121,207.24 | 60,823,500.00 | 60,823,500.00 |

19.2 Detail of investments

All of the joint ventures company are founded in Thailand:

| Company's name | Nature of business | Consolidated Financial Statements | | | | | | | | Unit : Baht |
|---|-----------------------------------|-----------------------------------|-----------------------|----------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| | | Paid - up capital | | Percentage of shareholding | | Cost method | | Equity method | | |
| | | As at | As at | As at | As at | As at | As at | As at | As at | |
| | | December 31, 2019 | December 31, 2018 | December 31, 2019 (%) | December 31, 2018 (%) | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | |
| Frasers Property Demco Power 6 Co., Ltd. | Generation and supply electricity | 5,000,000.00 | 5,000,000.00 | 49.00 | 49.00 | 2,449,700.00 | 2,449,700.00 | 3,091,233.98 | 2,805,871.34 | |
| Frasers Property Demco Power 11 Co., Ltd. | Generation and supply electricity | 4,000,000.00 | 4,000,000.00 | 49.00 | 49.00 | 1,959,700.00 | 1,959,700.00 | 2,494,256.09 | 2,289,090.81 | |
| Demco Power 15 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | 3,152,069.53 | 3,040,788.74 | |
| Demco Power 16 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | 4,040,868.50 | 3,693,945.70 | |
| Demco Power 17 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | 4,097,931.50 | 3,743,092.91 | |
| Udon Thani Solar Power Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | 27,638,409.09 | 25,666,204.90 | |
| Indochina Green Energy Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | 27,148,141.69 | 26,095,224.55 | |
| Mekhong Green Power Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | 25,596,916.12 | 23,786,988.29 | |
| Total | | <u>130,500,000.00</u> | <u>130,500,000.00</u> | | | <u>60,823,500.00</u> | <u>60,823,500.00</u> | <u>97,259,826.50</u> | <u>91,121,207.24</u> | |

| Unit : Baht | | |
|---|---------------------|---------------------|
| Consolidated financial statements | | |
| Share of net profit of associates | | |
| For the years ended | | |
| Company's name | December 31, 2019 | December 31, 2018 |
| Frasers Property Demco Power 6 Co., Ltd. | 285,362.64 | 194,531.86 |
| Frasers Property Demco Power 11 Co., Ltd. | 205,165.28 | 178,112.37 |
| Demco Power 15 Co., Ltd. | 111,280.79 | 120,818.37 |
| Demco Power 16 Co., Ltd. | 346,922.80 | 311,669.78 |
| Demco Power 17 Co., Ltd. | 354,838.59 | 338,462.56 |
| Udon Thani Solar Power Co.,Ltd. | 3,092,204.19 | 2,782,322.73 |
| Indochina Green Energy Co.,Ltd. | 2,172,917.14 | 2,983,653.92 |
| Mekhong Green Power Co.,Ltd. | 1,809,927.83 | 2,511,161.78 |
| | 8,378,619.26 | 9,420,733.37 |

| Company's name | Nature of business | Separate Financial Statements | | | | | | Unit : Baht | |
|---|-----------------------------------|-------------------------------|-----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | Paid - up capital | | Percentage of shareholding | | Cost method | | Dividend income | |
| | | As a | As a | As a | | As a | As a | For the year ended | |
| | | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| | | | | (%) | (%) | | | | |
| Frasers Property Demco Power 6 Co., Ltd. | Generation and supply electricity | 5,000,000.00 | 5,000,000.00 | 49.00 | 49.00 | 2,449,700.00 | 2,449,700.00 | - | - |
| Frasers Property Demco Power 11 Co., Ltd. | Generation and supply electricity | 4,000,000.00 | 4,000,000.00 | 49.00 | 49.00 | 1,959,700.00 | 1,959,700.00 | - | - |
| Demco Power 15 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | - | - |
| Demco Power 16 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | - | - |
| Demco Power 17 Co., Ltd. | Generation and supply electricity | 5,500,000.00 | 5,500,000.00 | 51.00 | 51.00 | 2,804,700.00 | 2,804,700.00 | - | - |
| Udon Thani Solar Power Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | 1,120,000.00 | - |
| Indochina Green Energy Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | 1,120,000.00 | - |
| Mekhong Green Power Co., Ltd. | Generation and supply electricity | 35,000,000.00 | 35,000,000.00 | 45.71 | 45.71 | 16,000,000.00 | 16,000,000.00 | - | - |
| Total | | <u>130,500,000.00</u> | <u>130,500,000.00</u> | | | <u>60,823,500.00</u> | <u>60,823,500.00</u> | <u>2,240,000.00</u> | <u>-</u> |

None of the joint ventures are publicly listed and consequently do not have published price quotations.

Udon Thani Solar Power Co., Ltd.

In accordance with the minutes of Board Directors' meeting no. 2/2019, held on September 4, 2019, it was resolved to pay dividend for the period since January 1, 2019 to December 31, 2019 of Baht 7 per share total 350,000 shares, amount Baht 2.45 Million. The Company has entitled to receive such interim dividend of Baht 1.12 Million. The dividend is determined to be payable with in December 31, 2019.

Indochina Green Energy Co., Ltd.

In accordance with the minutes of Board Directors' meeting no. 2/2019, held on September 4, 2019, it was resolved to pay dividend for the period since January 1, 2019 to December 31, 2019 of Baht 7 per share total 350,000 shares, amount Baht 2.45 Million. The Company has entitled to receive such interim dividend of Baht 1.12 Million. The dividend is determined to be payable with in December 31, 2019.

19.3 Financial information under financial statements of the joint ventures

Detail of net assets

| | | | | | | Unit : Baht |
|---|--|-------------------------|--------------------|---------------------|-------------------------|---------------|
| | | As at December 31, 2019 | | | | |
| Company's name | | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Net- assets |
| Frasers Property Demco Power 6 Co., Ltd. | | 1,336,297.38 | 12,329,756.66 | 2,535,682.79 | 4,863,000.00 | 6,267,371.25 |
| Frasers Property Demco Power 11 Co., Ltd. | | 1,267,581.40 | 9,244,405.46 | 2,711,361.22 | 2,751,500.00 | 5,049,125.64 |
| Demco Power 15 Co., Ltd. | | 1,488,984.66 | 13,842,191.91 | 4,069,804.43 | 5,250,398.53 | 6,010,973.61 |
| Demco Power 16 Co., Ltd. | | 1,779,872.90 | 13,782,575.47 | 2,946,278.22 | 4,894,000.00 | 7,722,170.15 |
| Demco Power 17 Co., Ltd. | | 1,728,134.87 | 13,868,274.10 | 2,505,795.02 | 5,245,000.00 | 7,845,613.95 |
| Udon Thani Solar Power Co.,Ltd. | | 42,688,110.08 | 49,851,568.75 | 7,496,438.41 | 24,581,531.40 | 60,461,709.02 |
| Indochina Green Energy Co.,Ltd. | | 42,604,018.49 | 49,947,308.65 | 8,788,699.20 | 24,380,479.42 | 59,382,148.52 |
| Mekhong Green Power Co.,Ltd. | | 43,652,873.91 | 50,042,977.29 | 12,709,562.00 | 24,997,994.46 | 55,988,294.74 |
| | | | | | | Unit : Baht |
| | | As at December 31, 2018 | | | | |
| Company's name | | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Net- assets |
| Frasers Property Demco Power 6 Co., Ltd. | | 1,316,098.30 | 12,932,156.67 | 2,500,256.45 | 6,063,000.00 | 5,684,998.52 |
| Frasers Property Demco Power 11 Co., Ltd. | | 1,193,021.99 | 9,697,605.45 | 2,806,706.46 | 3,453,500.00 | 4,630,420.98 |
| Demco Power 15 Co., Ltd. | | 1,687,579.64 | 14,522,191.88 | 3,763,693.42 | 6,653,302.12 | 5,792,775.98 |
| Demco Power 16 Co., Ltd. | | 1,663,120.59 | 14,462,575.44 | 2,785,766.67 | 6,298,000.00 | 7,041,929.36 |
| Demco Power 17 Co., Ltd. | | 1,645,165.29 | 14,548,274.07 | 2,394,587.34 | 6,649,000.00 | 7,149,852.02 |
| Udon Thani Solar Power Co.,Ltd | | 42,690,778.54 | 52,382,140.14 | 8,041,704.06 | 30,884,336.48 | 56,146,878.14 |
| Indochina Green Energy Co.,Ltd | | 42,632,283.88 | 52,473,074.98 | 7,395,180.28 | 30,631,731.96 | 57,078,446.62 |
| Mekhong Green Power Co.,Ltd. | | 44,074,424.92 | 52,556,129.00 | 13,194,260.27 | 31,407,587.26 | 52,028,706.39 |

Detail of comprehensive income

Unit : Baht

| Company's name | For the years ended December 31, 2019 | | | | | |
|---|---------------------------------------|---------------|---------------|---------------------|---------------|---------------|
| | Total comprehensive | | | Total comprehensive | | |
| | Revenue | Net profit | income | Revenue | Net profit | income |
| Frasers Property Demco Power 6 Co., Ltd. | 1,958,844.93 | 582,372.73 | 582,372.73 | 1,838,927.53 | 397,003.79 | 397,003.79 |
| Frasers Property Demco Power 11 Co., Ltd. | 1,384,724.33 | 418,704.66 | 418,704.66 | 1,367,039.33 | 363,494.63 | 363,494.63 |
| Demco Power 15 Co., Ltd. | 1,598,521.93 | 218,197.63 | 218,197.63 | 1,678,601.93 | 236,898.76 | 236,898.76 |
| Demco Power 16 Co., Ltd. | 2,005,081.93 | 680,240.79 | 680,240.79 | 1,965,041.93 | 611,117.21 | 611,117.21 |
| Demco Power 17 Co., Ltd. | 2,254,561.93 | 695,761.93 | 695,761.93 | 2,288,441.93 | 663,652.08 | 663,652.08 |
| Udon Thani Solar Power Co.,Ltd. | 13,292,123.66 | 6,764,830.88 | 6,764,830.88 | 12,516,565.16 | 6,086,901.61 | 6,086,901.61 |
| Indochina Green Energy Co.,Ltd. | 13,496,154.86 | 4,753,701.90 | 4,753,701.90 | 12,761,745.72 | 6,527,354.90 | 6,527,354.90 |
| Mekhong Green Power Co.,Ltd. | 12,782,163.98 | 3,959,588.35 | 3,959,588.35 | 12,301,875.91 | 5,493,681.43 | 5,493,681.43 |
| Total | 48,772,177.55 | 18,073,398.87 | 18,073,398.87 | 46,718,239.44 | 20,380,104.41 | 20,380,104.41 |

Detail of Group's interest in net assets of investee

| | For the years ended December 31, 2019 | | | | | | | Unit : Baht |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|---|---|--|
| | Frasers Property Demco Power 6 Co., Ltd. | Frasers Property Demco Power 11 Co.,Ltd. | Demco Power 15 Co., Ltd. | Demco Power 16 Co., Ltd. | Demco Power 17 Co., Ltd. | Udon Thani Solar Power Co., Ltd. | Indochina Green Energy Co., Ltd. | Mekhong Green Power Co., Ltd. |
| Group's interest in net assets of investee at balance forward | 2,805,871.34 | 2,289,090.81 | 3,040,788.74 | 3,693,945.70 | 3,743,092.91 | 25,666,204.90 | 26,095,224.55 | 23,786,988.29 |
| <u>Plus /Less</u> Total comprehensive income | | | | | | | | |
| (loss) attributable to the Group | 285,362.64 | 205,165.28 | 111,280.79 | 346,922.80 | 354,838.59 | 3,092,204.19 | 2,172,917.14 | 1,809,927.83 |
| <u>Less</u> Dividends received during the year | - | - | - | - | - | (1,120,000.00) | (1,120,000.00) | - |
| Group's interest in net assets of investee at balance ending | <u>3,091,233.98</u> | <u>2,494,256.09</u> | <u>3,152,069.53</u> | <u>4,040,868.50</u> | <u>4,097,931.50</u> | <u>27,638,409.09</u> | <u>27,148,141.69</u> | <u>25,596,916.12</u> |

| | For the years ended December 31, 2018 | | | | | | | Unit : Baht |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|---|---|--|
| | Frasers Property Demco Power 6 Co., Ltd. | Frasers Property Demco Power 11 Co.,Ltd. | Demco Power 15 Co., Ltd. | Demco Power 16 Co., Ltd. | Demco Power 17 Co., Ltd. | Udon Thani Solar Power Co., Ltd. | Indochina Green Energy Co., Ltd. | Mekhong Green Power Co., Ltd. |
| Group's interest in net assets of investee at balance forward | 2,611,339.48 | 2,110,978.44 | 2,919,970.37 | 3,382,275.92 | 3,404,630.35 | 22,883,882.17 | 23,111,570.63 | 21,275,826.51 |
| <u>Plus /Less</u> Total comprehensive income | | | | | | | | |
| (loss) attributable to the Group | 194,531.86 | 178,112.37 | 120,818.37 | 311,669.78 | 338,462.56 | 2,782,322.73 | 2,983,653.92 | 2,511,161.78 |
| Group's interest in net assets of investee at balance ending | <u>2,805,871.34</u> | <u>2,289,090.81</u> | <u>3,040,788.74</u> | <u>3,693,945.70</u> | <u>3,743,092.91</u> | <u>25,666,204.90</u> | <u>26,095,224.55</u> | <u>23,786,988.29</u> |

20. OTHER LONG - TERM INVESTMENTS

Other long - term investments as at December 31, consist of:

| Unit : Baht | | | | | |
|--|------------------|------------------|--------------------------------|--|------------------|
| Company's name | Paid-up Capital | | Percentage of shareholding (%) | Consolidated and Separate Financial Statements | |
| | 2019 | 2018 | | Cost method | |
| | | | | 2019 | 2018 |
| Sustainable Energy Corporation Co., Ltd. | 712,500,000.00 | 712,500,000.00 | 12.87 | 114,114,285.00 | 114,114,285.00 |
| <u>Less</u> Allowance for doubtful account | - | - | | (21,858,829.85) | (23,195,213.37) |
| Net | 712,500,000.00 | 712,500,000.00 | | 92,255,455.15 | 90,919,071.63 |
| Wind Energy Holding Co., Ltd. | 1,088,373,000.00 | 1,088,373,000.00 | 3.87 | 799,999,940.00 | 799,999,940.00 |
| Khao Kor Wind Power Co., Ltd. | 1,530,000,000.00 | 1,530,000,000.00 | 14.28 | 218,571,420.00 | 218,571,420.00 |
| Total | 3,330,873,000.00 | 3,330,873,000.00 | | 1,110,826,815.15 | 1,109,490,431.63 |

21. LONG - TERM LOANS

Long - term loans at December 31, consist of:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|--------------------------|-----------------------------------|------|-------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Long - term loans | | | | |
| - Loans to related party | - | - | 386,093,493.45 | 295,242,473.29 |
| Total | - | - | 386,093,493.45 | 295,242,473.29 |

Long-term loan to related party are subject to interest at a certain percentage per annum.

22. INVESTMENT PROPERTIES

Investment properties as at December 31, consist of:

| | Consolidated and Separate Financial Statements | |
|--|--|---------------------|
| | 2019 | 2018 |
| | | |
| Cost | 8,000,000.00 | 8,000,000.00 |
| <u>Less</u> Accumulated allowance impairment | (1,200,000.00) | (1,200,000.00) |
| Net book value | <u>6,800,000.00</u> | <u>6,800,000.00</u> |

As at December 31, 2019 and 2018, land of the Company of Baht 6.80 million is the fair value determined by independent appraiser based on the market comparison approach.

23. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the year ended December 31, 2019 are as follows:

| Consolidated Financial Statements | | | | | | | | Unit : Baht |
|---|------------------|--------------------------|----------------------------|--------------------------------|----------------|-----------------------|-------------------------|-----------------|
| | Land Improvement | Building and Improvement | Manchineries and Equipment | Furniture and Office equipment | Vehicles | Solar Power Equipment | Contruction in Progress | Total |
| Cost | | | | | | | | |
| As at December 31, 2018 | 72,167,377.18 | 90,584,538.08 | 248,831,167.26 | 53,203,600.05 | 112,930,800.26 | 48,281,487.38 | 16,116,356.47 | 642,115,326.68 |
| Purchase | 936,000.00 | - | 4,109,036.38 | 2,752,022.04 | 4,123,612.15 | - | 8,941,590.87 | 20,862,261.44 |
| Transfer in (out) | - | 1,828,410.00 | 8,666,783.94 | 4,885,890.00 | - | - | (15,381,083.94) | - |
| Disposal | - | - | (2,013,696.88) | (2,394,062.63) | (6,529,760.16) | - | - | (10,937,519.67) |
| As at December 31, 2019 | 73,103,377.18 | 92,412,948.08 | 259,593,290.70 | 58,447,449.46 | 110,524,652.25 | 48,281,487.38 | 9,676,863.40 | 652,040,068.45 |
| Accumulated depreciation | | | | | | | | |
| As at December 31, 2018 | 24,182,011.67 | 35,058,436.90 | 145,874,667.62 | 32,267,216.83 | 54,117,385.89 | 6,699,666.57 | - | 298,199,385.48 |
| Depreciation for the year | 4,563,513.29 | 3,707,798.44 | 19,827,020.11 | 5,531,806.99 | 6,222,958.44 | 1,718,122.33 | - | 41,571,209.60 |
| Disposal | - | - | (874,722.02) | (1,875,844.90) | (6,282,153.12) | - | - | (9,032,720.04) |
| As at December 31, 2019 | 28,745,524.96 | 38,766,235.34 | 164,826,965.71 | 35,923,178.92 | 54,058,191.21 | 8,417,778.90 | - | 330,737,875.04 |
| Book value as at December 31, | | | | | | | | |
| 2019 | 44,357,852.22 | 53,646,712.74 | 94,766,324.99 | 22,524,270.54 | 56,466,461.04 | 39,863,708.48 | 9,676,863.40 | 321,302,193.41 |
| 2018 | 47,985,365.51 | 55,526,101.18 | 102,956,499.64 | 20,936,383.22 | 58,813,414.37 | 41,581,820.81 | 16,116,356.47 | 343,915,941.20 |
| Depreciation for the year ended December 31, | | | | | | | | |
| 2019 | 41,571,209.60 | | | | | | | |
| 2018 | 40,474,948.49 | | | | | | | |

Unit : Baht

| Separate Financial Statement | | | | | | |
|---|---------------------|-----------------------------|-------------------------------|-----------------------------------|----------------|-----------------------------|
| | Land Improvement | Building and Improvement | Manchineries and Equipment | Furniture and Office equipment | Motor Vehicles | Contruction in Progress |
| Cost | | | | | | Total |
| As at December 31, 2018 | 60,676,463.17 | 42,679,459.35 | 92,946,875.14 | 44,237,840.16 | 87,982,725.44 | - 328,523,363.26 |
| Purchase | 936,000.00 | - | 2,265,083.91 | 2,257,587.94 | 4,123,612.15 | 8,971,357.95 18,853,641.95 |
| Transfer in (out) | - | 1,828,410.00 | - | 4,885,890.00 | - | (6,714,300.00) - |
| Disposal | - | - | (2,013,696.88) | (2,374,459.19) | (6,529,760.16) | - (10,917,916.23) |
| As at December 31, 2019 | 61,612,463.17 | 44,507,869.35 | 93,198,262.17 | 49,306,858.91 | 85,576,577.43 | 2,257,057.95 336,459,088.98 |
| Accumulated depreciation | | | | | | |
| As at December 31, 2018 | 19,305,792.37 | 15,926,866.88 | 48,125,227.33 | 25,283,937.13 | 34,311,597.94 | - 142,953,421.65 |
| Depreciation for the year | 4,423,240.30 | 1,990,295.79 | 10,157,614.92 | 4,717,664.67 | 4,932,492.45 | - 26,221,308.13 |
| Disposal | - | - | (874,722.02) | (1,859,879.26) | (6,282,153.12) | - (9,016,754.40) |
| As at December 31, 2019 | 23,729,032.67 | 17,917,162.67 | 57,408,120.23 | 28,141,722.54 | 32,961,937.27 | - 160,157,975.38 |
| Book value as at December 31, | | | | | | |
| 2019 | 37,883,430.50 | 26,590,706.68 | 35,790,141.94 | 21,165,136.37 | 52,614,640.16 | 2,257,057.95 176,301,113.60 |
| 2018 | 41,370,670.80 | 26,752,592.47 | 44,821,647.81 | 18,953,903.03 | 53,671,127.50 | - 185,569,941.61 |
| Depreciation for the year ended December 31, | | | | | | |
| 2019 | 26,221,308.13 | | | | | |
| 2018 | 24,357,606.77 | | | | | |

As at December 31, 2019 and 2018 the Group's land, building and improvement are pledged against credit facility which received from financial institutions in accordance and additional the Group had the gross carry amount of the fully depreciated of fixed assets, that are still is as follows:

| | Consolidated Financial Statements | | Unit : Million Baht Separate Financial Statements | |
|--|--|-------------|--|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| Book value before accumulated depreciation | 58.25 | 51.31 | 44.19 | 46.34 |
| Book value | 0.03 | 0.19 | 0.01 | 0.17 |

24. INTANGIBLE ASSET

Movement of intangible asset for the year ended December 31, 2019 is as follows:

| | Consolidated Financial Statement | | | | Separate Financial Statement | | |
|---|---|------------------------------|--|----------------|-------------------------------------|--|----------------|
| | Concession right of water supply | Computer Software | During development Software | Total | Computer | During development Software | Total |
| Cost | | | | | | | |
| As at December 31, 2018 | 795,051,886.18 | 30,870,110.23 | 9,458,820.00 | 835,380,816.41 | 27,072,762.26 | 9,458,820.00 | 36,531,582.26 |
| Purchase | - | 1,991,253.56 | 5,632,000.00 | 7,623,253.56 | 1,372,336.00 | 5,632,000.00 | 7,004,336.00 |
| Disposal | - | (4,137,404.00) | - | (4,137,404.00) | (4,137,404.00) | - | (4,137,404.00) |
| As at December 31, 2019 | 795,051,886.18 | 28,723,959.79 | 15,090,820.00 | 838,866,665.97 | 24,307,694.26 | 15,090,820.00 | 39,398,514.26 |
| Accumulated depreciation | | | | | | | |
| As at December 31, 2018 | 41,803,634.02 | 25,695,810.76 | - | 67,499,444.78 | 22,979,976.88 | - | 22,979,976.88 |
| Depreciation for the year | 21,799,449.38 | 2,487,522.73 | - | 24,286,972.11 | 2,024,446.09 | - | 2,024,446.09 |
| Disposal | - | (4,137,329.00) | - | (4,137,329.00) | (4,137,329.00) | - | (4,137,329.00) |
| As at December 31, 2019 | 63,603,083.40 | 24,046,004.49 | - | 87,649,087.89 | 20,867,093.97 | - | 20,867,093.97 |
| Book value as at December 31, | | | | | | | |
| 2019 | 731,448,802.78 | 4,677,955.30 | 15,090,820.00 | 751,217,578.08 | 3,440,600.29 | 15,090,820.00 | 18,531,420.29 |
| 2018 | 753,248,252.16 | 5,174,299.47 | 9,458,820.00 | 767,881,371.63 | 4,092,785.38 | 9,458,820.00 | 13,551,605.38 |
| Depreciation for the year ended December 31, | | | | | | | |
| 2019 | | | | 24,286,972.11 | | | 2,024,446.09 |
| 2018 | | | | 31,725,952.53 | | | 2,585,200.62 |

25. DEFERRED TAX ASSETS (DEFERRED TAX LIABILITIES)

Deferred tax assets (Deferred tax liabilities) as at December 31 is as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|--------------------------------------|--|-----------------------|--|-----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax assets | 179,166,524.86 | 187,005,627.46 | 171,860,253.92 | 180,195,532.72 |
| <u>Less</u> Deferred tax liabilities | <u>(6,754,911.32)</u> | <u>(6,860,130.57)</u> | <u>(6,249,260.41)</u> | <u>(6,211,572.86)</u> |
| Net deferred tax assets | <u>172,411,613.54</u> | <u>180,145,496.89</u> | <u>165,610,993.51</u> | <u>173,983,959.86</u> |
| Deferred tax liabilities | 27,986,791.02 | 20,135,443.13 | - | - |

Movements in total deferred tax assets and liabilities during the year ended December 31, 2019 and 2018 were as follows:

| | Unit : Baht | | | |
|--|--|--|---|--|
| | Consolidated financial statements | | | |
| | As at January 1, 2019 | Movement increase/(decrease) Profit or loss | Other comprehensive income | As at December 31, 2019 |
| Deferred tax assets | | | | |
| Deferred tax assets | | | | |
| Allowance for Trade receivable | 9,438,120.29 | - | - | 9,438,120.29 |
| Allowance for diminution in value of inventories | 4,934,224.93 | (2,082,268.31) | - | 2,851,956.62 |
| Allowance impairment of investment property | 240,000.00 | - | - | 240,000.00 |
| Employee benefit obligations | 16,893,680.21 | 588,627.80 | - | 17,482,308.01 |
| Short-term provisions | 36,831,206.39 | (36,831,206.39) | - | - |
| Loss carry forward | 116,798,377.30 | 30,574,388.04 | - | 147,372,765.34 |
| Other | 1,870,018.34 | (88,643.74) | - | 1,781,374.60 |
| Total Deferred tax assets | <u>187,005,627.46</u> | <u>(7,839,102.60)</u> | <u>-</u> | <u>179,166,524.86</u> |
| Deferred tax liabilities | | | | |
| Liabilities by contract of financial lease | 5,912,575.89 | 82,937.42 | - | 5,995,513.31 |
| Depreciation of assets | 947,554.68 | (188,156.67) | - | 759,398.01 |
| Total Deferred tax liabilities | <u>6,860,130.57</u> | <u>(105,219.25)</u> | <u>-</u> | <u>6,754,911.32</u> |
| Net | <u>180,145,496.89</u> | <u>(7,733,883.35)</u> | <u>-</u> | <u>172,411,613.54</u> |
| Deferred tax liabilities | | | | |
| Other | 20,135,443.13 | 7,851,347.89 | - | 27,986,791.02 |

Unit : Baht

| Consolidated financial statements | | | | | |
|--|--------------------------|-----------------------------|--|----------------------------------|-------------------------------|
| | | As at January 1, 2018 | Movement increase/(decrease) Profit or loss | Other comprehensive income | As at December 31, 2018 |
| Deferred tax assets | | | | | |
| Deferred tax assets | | | | | |
| Allowance for Trade receivable | | 10,222,096.51 | (783,976.22) | - | 9,438,120.29 |
| Allowance for other current assets | | 3,066,200.15 | (3,066,200.15) | - | - |
| Allowance for diminution in value of inventories | | 4,801,734.48 | 132,490.45 | - | 4,934,224.93 |
| Allowance impairment of investment property | | 240,000.00 | - | - | 240,000.00 |
| Employee benefit obligations | | 11,635,071.81 | 5,330,718.80 | (72,110.40) | 16,893,680.21 |
| Short-term provisions | | 30,176,200.66 | 6,655,005.73 | - | 36,831,206.39 |
| Loss carry forward | | 151,565,474.20 | (34,767,096.90) | - | 116,798,377.30 |
| Other | | 1,958,662.07 | (88,643.73) | - | 1,870,018.34 |
| Total | Deferred tax assets | 213,665,439.88 | (26,587,702.02) | (72,110.40) | 187,005,627.46 |
| Deferred tax liabilities | | | | | |
| Liabilities by contract of financial lease | | 5,688,736.72 | 223,839.17 | - | 5,912,575.89 |
| Depreciation of assets | | 1,124,352.46 | (176,797.78) | - | 947,554.68 |
| Total | Deferred tax liabilities | 6,813,089.18 | 47,041.39 | - | 6,860,130.57 |
| Net | | 206,852,350.70 | (26,634,743.41) | (72,110.40) | 180,145,496.89 |
| Deferred tax liabilities | | | | | |
| Other | | 13,789,472.03 | 6,345,971.10 | - | 20,135,443.13 |

Unit : Baht

| Separate financial statements | | | | | |
|--|--------------------------|-----------------------------|--|----------------------------------|-------------------------------|
| | | As at January 1, 2019 | Movement increase/(decrease) Profit or loss | Other comprehensive income | As at December 31, 2019 |
| Deferred tax assets | | | | | |
| Deferred tax assets | | | | | |
| Allowance for Trade receivable | | 9,438,120.27 | - | - | 9,438,120.27 |
| Allowance for diminution in value of inventories | | 3,430,541.95 | (2,109,935.84) | - | 1,320,606.11 |
| Allowance impairment of investment property | | 240,000.00 | - | - | 240,000.00 |
| Employee benefit obligations | | 13,457,286.80 | 31,475.40 | - | 13,488,762.20 |
| Short-term provisions | | 36,831,206.40 | (36,831,206.40) | - | - |
| Loss carry forward | | 116,798,377.30 | 30,574,388.04 | - | 147,372,765.34 |
| Total | Deferred tax assets | 180,195,532.72 | (8,335,278.80) | - | 171,860,253.92 |
| Deferred tax liabilities | | | | | |
| Liabilities by contract of financial lease | | 5,264,018.20 | 225,844.20 | - | 5,489,862.40 |
| Depreciation of assets | | 947,554.66 | (188,156.65) | - | 759,398.01 |
| Total | Deferred tax liabilities | 6,211,572.86 | 37,687.55 | - | 6,249,260.41 |
| Net | | 173,983,959.86 | (8,372,966.35) | - | 165,610,993.51 |

Unit : Baht

| | Separate financial statements | | | |
|--|-------------------------------|------------------------------|----------------------------------|-----------------------|
| | As at January 1, | Movement increase/(decrease) | | As at December 31, |
| | 2018 | Profit or loss | Other comprehensive income | 2018 |
| Deferred tax assets | | | | |
| Deferred tax assets | | | | |
| Allowance for Trade receivable | 10,222,096.49 | (783,976.22) | - | 9,438,120.27 |
| Allowance for other current assets | 3,066,200.15 | (3,066,200.15) | - | - |
| Allowance for diminution in value of inventories | 2,559,710.67 | 870,831.28 | - | 3,430,541.95 |
| Allowance impairment of investment property | 240,000.00 | - | - | 240,000.00 |
| Employee benefit obligations | 10,282,009.60 | 3,906,416.80 | (731,139.60) | 13,457,286.80 |
| Short-term provisions | 30,176,200.67 | 6,655,005.73 | - | 36,831,206.40 |
| Loss carry forward | 151,565,474.20 | (34,767,096.90) | - | 116,798,377.30 |
| Total | 208,111,691.78 | (27,185,019.46) | (731,139.60) | 180,195,532.72 |
| Deferred tax liabilities | | | | |
| Liabilities by contract of financial lease | 4,696,260.39 | 567,757.81 | - | 5,264,018.20 |
| Depreciation of assets | 1,124,352.45 | (176,797.79) | - | 947,554.66 |
| Total | 5,820,612.84 | 390,960.02 | - | 6,211,572.86 |
| Net | 202,291,078.94 | (27,575,979.48) | (731,139.60) | 173,983,959.86 |

26. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short - term loans from financial institutions as at December 31, is as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|-----------------|--------------------------------------|------------------|----------------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Trust receipt | 773,007,045.68 | 825,347,480.26 | 773,007,045.68 | 825,347,480.26 |
| Promissory note | 470,000,000.00 | 227,299,356.00 | 380,000,000.00 | 157,299,356.00 |
| Total | 1,243,007,045.68 | 1,052,646,836.26 | 1,153,007,045.68 | 982,646,836.26 |

Details of bank overdraft and short - term loans from financial institutions as at December 31, are classified as follows:

| | Interest rate % per annum | Due (months) | 2019 | Unit : Baht 2018 |
|------------------------------|------------------------------|-----------------|-------------------------|-------------------------|
| Demco Plc. Co., Ltd. | | | | |
| Trust receipt | 2.30 - 3.90 | 2 - 7 | 773,007,045.68 | 825,347,480.26 |
| Promissory note | 3.20 - 5.25 | 1 - 5 | 380,000,000.00 | 157,299,356.00 |
| Total | | | <u>1,153,007,045.68</u> | <u>982,646,836.26</u> |
| Demco Power Co., Ltd. | | | | |
| Promissory note | 4.50 - 6.50 | 3 - 4 | 90,000,000.00 | 70,000,000.00 |
| Total | | | <u>90,000,000.00</u> | <u>70,000,000.00</u> |
| Total | | | <u>1,243,007,045.68</u> | <u>1,052,646,836.26</u> |

The Group has credit facilities for bank overdraft, letters of guarantee, and short - term loans from financial institutions which are guaranteed by deposits at financial institutions (See Note 16), the land, buildings and some machinerirs (See Notes 22 and 23) . In addition, the Company has transferred the calling right for the collections from the debtors of certain projects (See Note 11), unbilled receivables (See Note 12) and beneficiary from asset insurance of the Group to financial institutions to secure such credit facilities. For credit facilities of such subsidiary, also have been guaranteed by parent company.

27. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, is as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|----------------------------|--------------------------------------|-----------------------|----------------------------------|-------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Trade payables | 276,193,587.49 | 156,263,036.20 | 278,172,223.28 | 186,302,999.25 |
| Payables for project | 224,711,514.98 | 222,992,726.02 | 350,733,976.13 | 334,259,416.80 |
| Advance received | 184,183,641.59 | 247,583,351.08 | 181,743,091.64 | 247,307,551.08 |
| Retention payables | 55,644,783.40 | 67,122,682.42 | 76,303,045.40 | 65,082,917.22 |
| Share subscription payable | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 | 97,923,706.42 |
| Accrued expenses | 42,151,075.11 | 86,702,931.14 | 38,650,885.32 | 69,847,255.04 |
| Others | 16,927,104.62 | 32,238,702.59 | 8,295,580.72 | 25,744,284.30 |
| Total | <u>897,735,413.61</u> | <u>910,827,135.87</u> | <u>1,031,822,508.91</u> | <u>1,026,468,130.11</u> |

28. SHORT-TERM LOANS

Short-term loans as at December 31, is as follows:

| | Unit : Baht | |
|-----------------|-----------------------------------|--------------|
| | Consolidated financial statements | |
| | /Separate financial statements | |
| | 2019 | 2018 |
| Short-term loan | - | 1,300,000.00 |
| Total | - | 1,300,000.00 |

All amount of Short-term loan are in related companies no securities guarantee and on call.

29. SHORT - TERM PROVISIONS

Short - term provisions as at December 31, is as follows:

| | Unit : Baht | |
|-------------------------------|-----------------------------------|-------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| | 2019 | 2018 |
| Remedy work provisions | - 181,576,032.00 | - 181,576,032.00 |
| Other short - term provisions | - 2,580,000.00 | - 2,580,000.00 |
| Total | - 184,156,032.00 | - 184,156,032.00 |

As at December 31, 2019 and 2018, the detail of WTG foundations remedy for First Korat Wind Co.,Ltd.and K.R.TWO Co., Ltd. as follows

| | Unitt : Million Baht | | | | |
|---------------------------------|-------------------------------|-------|--------|------------------------|--------------------------------------|
| | Separate financial statements | | | | |
| | Provisions | | | | Expenses |
| | as at December 31, 2019 | | | | |
| | Provisions Beginning balance | Add | Paid | Provisions End balance | For the year ended December 31, 2019 |
| - Remedy work expense | 161.33 | 24.43 | 185.76 | - | 24.43 |
| - Consultants and Other expense | 20.25 | 13.31 | 33.56 | - | 13.31 |
| Total | 181.58 | 37.74 | 219.32 | - | 37.74 |

Unit : Million Baht

| Separate financial statements | | | | | |
|------------------------------------|---------------|--------------|------------------------------|-------------------|--------------------|
| Provisions | | | | | Expenses |
| as at December 31, 2018 | | | | | For the year ended |
| Provisions Beginning balance | Add | Paid | Provisions End balance | December 31, 2018 | |
| - Remedy work expense | 130.71 | 36.34 | 5.72 | 161.33 | 36.34 |
| - Consultants and Other expense | 20.17 | 17.36 | 17.28 | 20.25 | 17.36 |
| Total | 150.88 | 53.70 | 23.00 | 181.58 | 53.70 |

As DEMCO signed a contract to construct wind turbine power plants with First Korat Wind Co., Ltd. and KR2 Co., Ltd., (Employers) both companies started their operation to sell electricity. After one year (end of the year 2013), a partial surface of the foundations of the wind turbines was cracked, so DEMCO, has a responsibility for the 5-year guarantee since the delivered date.

On March 28, 2014, DEMCO and their employers, had an agreement called “Addendum to BOP Agreement” for foundation adjustment.

In year 2018, the company reviewed and revised the estimated expenditure of the wind turbine foundations remedy work as of December 31, 2017 in the additional amount of 53.70 million baht. It was the result from;

- There has been an extended period of WTG foundations remedy work because the work plan has been approved delay by employer. Therefore resulting in a delay in the remedy of the remaining work, which DEMCO has recently approved the work remedy plan from the employer in January, 2019 and during February, 2019, both parties have coordinated to deliver the agreed work schedule, including the method of quality inspection. Based on the above information, DEMCO has to revise the estimate remedial expenditure as the last revision conforming to the type and method of work that has been agreed upon.
- From reviewing the estimate of the WTGs foundations remedial work in accordance with the schedule and method of improvement agreed upon, resulting in DEMCO having to recognize the rising both material costs and labor cost.

During the year 2019, the Company completed the wind turbine foundation remedy work that has been approved by the employer. Currently, the work is being inspected by the employer. Which is the delivery and acceptance of the whole project.

The improved cost of WTGs foundation remedy was beyond the amount estimated from December 31, 2018, of amount Baht 37.74 million with the following reasons;

- Delays in job improvement due to changing the supervisor of the employer.
- Methods of modify and revision of work had changed according to the opinion of the employer.

30. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, is as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|------------------|--|----------------------|--|----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Undue output VAT | 44,450,428.10 | 39,141,709.03 | 34,502,676.65 | 31,065,528.08 |
| Others | 81,400.00 | 89,400.00 | 76,200.00 | 89,400.00 |
| Total | 44,531,828.10 | 39,231,109.03 | 34,578,876.65 | 31,154,928.08 |

Unit : Baht

31. FINANCE LEASE LIABILITIES

Finance lease liabilities represent liabilities from the lease vehicles and other assets. The future lease payments are summarized as at December 31, as follows:

| | Consolidated Financial Statements | | | |
|--|--|----------------------|--|----------------------|
| | Minimum lease payments | | Present value of minimum lease payments | |
| | 2019 | 2018 | 2019 | 2018 |
| Payment period | | | | |
| Not later than 1 year | 7,415,704.18 | 5,817,796.28 | 6,940,515.53 | 5,395,629.26 |
| Later than 1 year and not later than 5 years | 7,159,419.09 | 5,731,777.64 | 6,919,513.24 | 5,514,723.42 |
| Total | 14,575,123.27 | 11,549,573.92 | 13,860,028.77 | 10,910,352.68 |
| <u>Less</u> Future finance charges | (715,094.50) | (639,221.24) | - | - |
| Present value of minimum lease payments | 13,860,028.77 | 10,910,352.68 | 13,860,028.77 | 10,910,352.68 |
| <u>Less</u> Current portion of finance lease liabilities | (6,940,515.53) | (5,395,629.26) | (6,940,515.53) | (5,395,629.26) |
| Total | 6,919,513.24 | 5,514,723.42 | 6,919,513.24 | 5,514,723.42 |

Unit : Baht

| | Separate Financial Statements | | | |
|--|--------------------------------------|----------------------|--|---------------------|
| | Minimum lease payments | | Present value of minimum lease payments | |
| | 2019 | 2018 | 2019 | 2018 |
| Payment period | | | | |
| Not later than 1 year | 6,989,432.23 | 4,703,515.40 | 6,519,033.97 | 4,326,283.93 |
| Later than 1 year and not later than 5 years | 7,159,419.09 | 5,305,505.69 | 6,919,513.24 | 5,093,241.92 |
| Total | 14,148,851.32 | 10,009,021.09 | 13,438,547.21 | 9,419,525.85 |
| <u>Less</u> Future finance charges | (710,304.11) | (589,495.24) | - | - |
| Present value of minimum lease payments | 13,438,547.21 | 9,419,525.85 | 13,438,547.21 | 9,419,525.85 |
| <u>Less</u> Current portion of finance lease liabilities | (6,519,033.97) | (4,326,283.93) | (6,519,033.97) | (4,326,283.93) |
| Total | 6,919,513.24 | 5,093,241.92 | 6,919,513.24 | 5,093,241.92 |

Unit : Baht

Parent company

The parent company performed the contract of hire purchase of vehicle with several companies. In addition, ownership of such asset will transfer to ownership of the company when the company pays the final installment in accordance with the lease contract.

Subsidiary (Demco Power Co., Ltd.)

The company performed the contract of hire purchase of vehicle with several companies. Such lease contract comprises the company's directors as guarantors. In addition, ownership of such asset will transfer to ownership of the company when the company pays the final installment in accordance with the lease contract.

32. LONG - TERM BORROWINGS

Long - term borrowings as at December 31, is as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|---|--|------------------------|--|------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Unit : Baht | | | | |
| Long - term borrowings from financial institutions | 491,987,500.00 | 406,125,000.00 | 472,457,500.00 | 382,155,000.00 |
| <u>Less</u> Current portion of long - term borrowings | <u>(171,962,500.00)</u> | <u>(77,000,000.00)</u> | <u>(167,522,500.00)</u> | <u>(72,560,000.00)</u> |
| Total | <u>320,025,000.00</u> | <u>329,125,000.00</u> | <u>304,935,000.00</u> | <u>309,595,000.00</u> |

Long - term borrowings from financial institutions as at December 31, are as follows:

| | | Consolidated Financial Statement | | Separate Financial Statement | |
|--------------------|---------------------|---|------------------------|---|------------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Unit : Baht | | | | | |
| Borrowing | Baht 41.73 million | 19,530,000.00 | 23,970,000.00 | - | - |
| Borrowing | Baht 200.00 million | 46,820,000.00 | 86,780,000.00 | 46,820,000.00 | 86,780,000.00 |
| Borrowing | Baht 345.00 million | 240,637,500.00 | 290,375,000.00 | 240,637,500.00 | 290,375,000.00 |
| Borrowing | Baht 300.00 million | 185,000,000.00 | 5,000,000.00 | 185,000,000.00 | 5,000,000.00 |
| | Total | 491,987,500.00 | 406,125,000.00 | 472,457,500.00 | 382,155,000.00 |
| <u>Less</u> | Current portion | <u>(171,962,500.00)</u> | <u>(77,000,000.00)</u> | <u>(167,522,500.00)</u> | <u>(72,560,000.00)</u> |
| | Total | <u>320,025,000.00</u> | <u>329,125,000.00</u> | <u>304,935,000.00</u> | <u>309,595,000.00</u> |

Movement of long - term borrowings for the year ended December 31, 2019 is as follows:

| | | Unit : Baht | | | |
|-----------------------|---------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2019 | 2018 | 2019 | 2018 |
| Beginning Balance | | 406,125,000.00 | 538,125,000.00 | 382,155,000.00 | 509,715,000.00 |
| <u>Add</u> | Received loans during the year | 235,000,000.00 | - | 235,000,000.00 | - |
| <u>Less</u> | Repayment loans during the year | (149,137,500.00) | (132,000,000.00) | (144,697,500.00) | (127,560,000.00) |
| Ending Balance | | 491,987,500.00 | 406,125,000.00 | 472,457,500.00 | 382,155,000.00 |

Parent company

The parent company has long-term loan of a credit lines from financial institution as follows:

- The loan of amount Baht 300 Million was made to a bank for WTGs foundation remedy works with the monthly pay back interest at the rate MLR per year
- The loan of amount Baht 200 Million was made to a bank for WTGs foundation remedy works with the monthly pay back interest at the rate MLR-2 % per year with no mortgage securities.
- The loan of amount Baht 345 Million was made to a bank for water treatment and water supply development project in Laos PDR with the monthly pay back interest at the rate MLR-1.75 % per year with no mortgage securities.

Subsidiary (Demco Power Co., Ltd.)

The subsidiary company has long-term loan of a credit lines from financial institution as follows:

- The credit line of Baht 41.73 Million, to take on loan by contract. Principal of loan has been paid back THB 370,000 per month within 126 months since July 6, 2009. Interest rate was MLR-1 for the 1st year and changed to MLR-0.50 during year 1-3, the company bring asset to guarantee and has the parent company guarantee too.

The Group has credit facilities for long - term borrowings from financial institutions which are guaranteed by deposits at financial institutions (See Note 16) , the land, buildings and some machineries (See Notes 22 and 23). In addition, the Company has transferred the calling right for the collections from the debtors of certain projects (See Note 11), unbilled receivables (See Note 12) and beneficiary from asset insurance of the Group to financial institutions to secure such credit facilities. For credit facilities of such subsidiary, also have joint guarantee by the Company as its parent company.

33. EMPLOYEE BENEFIT OBLIGATIONS

Movement for employee benefit obligations for the year ended December 31, 2019 and 2018 is as follows:

| | Unit : Baht | |
|---|--|--|
| | Consolidated Financial statements | Separate Financial statements |
| Employee benefit obligations as at January 1, 2018 | 64,426,397.00 | 51,410,048.00 |
| <u>Add</u> Current service cost | 10,965,067.51 | 8,194,361.00 |
| Previous service cost | 13,823,240.00 | 9,930,211.00 |
| Financial cost (interest) during the year | 1,900,543.00 | 1,407,512.00 |
| <u>Add(less)</u> Actuarial (gains) losses arising from post-employment benefits | <u>(360,552.00)</u> | <u>(3,655,698.00)</u> |
| Employee benefit obligations as at December 31, 2018 | 90,754,695.51 | 67,286,434.00 |
| <u>Add</u> Current service cost | 11,512,575.72 | 8,560,747.00 |
| Financial cost (interest) during the year | 1,961,369.00 | 1,403,240.00 |
| Paying retired employees during the year | (8,904,754.00) | (8,310,470.00) |
| <u>Add(less)</u> Actuarial (gains) losses arising from post-employment benefits | <u>(1,601,751.00)</u> | <u>(1,496,140.00)</u> |
| Employee benefit obligations as at December 31, 2019 | 93,722,135.23 | 67,443,811.00 |

Employee benefit expenses the company recognized in the profit (loss) for the year ended December 31, 2019 and 2018 amount Baht 11.87 Million and Baht 26.69 Million respectively. (Separate financial statements for the year ended December 31, 2019 and 2018 amount Baht 8.47 Million and Baht 19.53 Million respectively).

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

| | Unit : Baht | | | |
|-----------------------|--|--------------|--|----------------|
| | For the years ended December 31, | | | |
| | Consolidated Financial statements | | Separate Financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Experience adjustment | - | (360,552.00) | - | (3,655,698.00) |
| Total | - | (360,552.00) | - | (3,655,698.00) |

Principal actuarial assumptions at the valuation date were as follows:

| | Unit : Percentage | | | |
|-----------------------------|-------------------------|-------------------|-------------------------|-------------------|
| | As at December 31, 2019 | | As at December 31, 2018 | |
| | <u>Parent company</u> | <u>Subsidiary</u> | <u>Parent company</u> | <u>Subsidiary</u> |
| Discount rate | 2.44 | 2.44 | 2.44 | 2.44 |
| Future salary increase rate | 5 | 5 | 5 | 5 |

Amounts of defined benefit obligation for the current and previous periods are as follows:

| | <u>Defined benefit obligation</u> | |
|-----------|---|--------------------------------------|
| | <u>Consolidated financial statement</u> | <u>Separate financial statements</u> |
| Year 2019 | 93,722,135.23 | 67,443,811.00 |
| Year 2018 | 90,754,695.51 | 67,286,434.00 |
| Year 2017 | 64,426,397.00 | 51,410,048.00 |
| Year 2016 | 55,122,951.00 | 43,738,827.00 |
| Year 2015 | 46,447,419.00 | 36,727,481.00 |

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 | | | |
|------------------------------------|--|-----------------|--------------------------------------|-----------------|
| | <u>For the years ended December 31, 2019</u> | | | |
| | <u>Consolidated Financial statements</u> | | <u>Separate Financial statements</u> | |
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| Discount rate (1% movement) | 84,760,695.00 | 104,338,239.00 | 60,737,028.00 | 75,271,516.00 |
| Future salary growth (1% movement) | 105,947,420.00 | 83,278,242.00 | 76,422,427.00 | 59,677,811.00 |
| Turnover rate (1% movement) | 84,250,161.00 | 97,199,783.00 | 60,357,839.00 | 70,012,934.00 |

Unit : Baht

For the years ended December 31, 2018

| | Consolidated Financial statements | | Separate Financial statements | |
|------------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | 76,227,782.00 | 92,742,908.00 | 61,210,321.00 | 74,396,282.00 |
| Future salary growth (1% movement) | 93,125,656.00 | 75,750,117.00 | 74,843,833.00 | 60,711,621.00 |
| Turnover rate (1% movement) | 75,793,004.00 | 86,843,097.00 | 60,863,019.00 | 69,723,201.00 |

On 13 December 2018, the National Legislative Assembly have had a resolution to pass the new Labor Protection Act which such law is waiting to be announced in the Government Gazette. This new Labor Protection Act stipulates additional compensation rates for employers be terminated employment. Employees who have worked continuously for 20 years or more, they are entitled to compensation of not less than the last 400 days of the final wage.

Such change is considered as an improvement for the post-employment benefits program. And affecting the group Provision liability for long-term employee benefits increased. The Group has recorded the effects of such changes by recognizing past service expenditure to be the immediately paid in the income statement for the year 2018.

34. Dividend Payment and Legal Reserve

Parent company

In accordance with the minutes of the annual general shareholders' meeting for the year 2019, held on April 29, 2019, it was resolved to appropriated legal reserve amount Baht 0.63 Million from the company's performance operation for the year 2018 and resolved to pay dividend of Baht 0.05 per share, the dividend is determined to be payable on May 24, 2019. and resolved to pay dividend of Baht 36.52 Million

35. Other Income

Other Income for the year ended December 31, is as follows:

| | Consolidated Financial Statements | | Unit : Baht Separate Financial Statements | |
|-----------------|--------------------------------------|----------------------|---|-----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Dividend | - | - | 230,943,956.38 | 193,525,526.97 |
| Interest income | 769,939.88 | 589,264.74 | 8,945,285.49 | 15,756,608.62 |
| Other income | 45,785,264.90 | 62,653,331.95 | 26,860,419.21 | 14,406,811.15 |
| Total | 46,555,204.78 | 63,242,596.69 | 266,749,661.08 | 223,688,946.74 |

36. INCOME TAX EXPENSE (REVENUE)

Interim corporate income tax was calculated on profit before income tax for the year, using the estimated effective tax rate for the year.

| | Unit : Baht | | | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Current income tax : | | | | |
| corporate income tax charge | - | 1,082,515.91 | - | - |
| Deferred tax : | | | | |
| Relating to origination and reversal of temporary differences | 15,585,231.24 | 32,980,714.51 | 8,372,966.35 | 27,575,979.48 |
| Income Tax reported in the Statements of income and comprehensive income | 15,585,231.24 | 34,063,230.42 | 8,372,966.35 | 27,575,979.48 |

Income tax relating to each component of other comprehensive income for the year ended December 31, are as follows:

| | Unit : Baht | | | |
|--|-----------------------------------|-------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax relating to | | | | |
| Actuarial gains(losses) on defined employee benefit plans | - | (72,110.40) | - | (731,139.60) |

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31 as follow :

| | Unit : Baht | | | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Accounting profit (loss) before tax | 49,869,950.39 | 179,608,445.96 | 91,980,428.57 | 204,793,011.41 |
| Tax rate | 20%-24% | 20%-24% | 20% | 20% |
| Accounting profit (loss) before tax- net | 9,350,689.79 | 34,952,679.82 | 18,396,085.71 | 40,958,602.28 |
| <u>Loss</u> carry forward | (517,558.53) | - | - | - |
| Effects of: | | | | |
| Tax exempted revenue and Tax exempted revenue | (41,928,194.74) | (30,353,835.67) | (44,702,938.50) | (30,252,049.53) |
| Promotional privileges expenses | 6,060,483.96 | 5,161,048.76 | - | - |
| Deferred tax was from temporary different items and reversal of temporary different items | 42,619,810.76 | 23,304,041.57 | 34,679,819.14 | 16,869,426.73 |
| Not recognized tax loss as deferred tax assets | - | 999,295.95 | - | - |
| Income tax expenses reported in the statements of comprehensive income | 15,585,231.24 | 34,063,230.42 | 8,372,966.35 | 27,575,979.48 |

37. BASIC EARNINGS (LOSS) PER SHARE

Basic earning per share for the year ended December 31 are as follows:

| | Unit : Baht per share | | | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Basic earnings per share | | | | |
| Net profit attributable to equity holders of | | | | |
| the parent company Unit : Baht | 34,962,387.39 | 148,602,336.07 | 83,607,462.22 | 177,217,031.93 |
| Weighted average number of ordinary | | | | |
| shares in issue (Unit : share) | 730,344,251 | 730,344,251 | 730,344,251 | 730,344,251 |
| Basic earnings per share (Baht per share) | 0.05 | 0.20 | 0.11 | 0.24 |

38. COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Commitments for letters of credit, domestic letter of credit, letters of guarantee and aval as at December 31, are as follows:

| | Currency (Million) | Consolidated Financial Statements | | Separate Financial Statements | |
|----------------------------|-----------------------|--------------------------------------|----------|----------------------------------|----------|
| | | 2019 | 2018 | 2019 | 2018 |
| Letters of credit | EUR | 0.02 | - | 0.02 | - |
| | USD | 0.24 | 0.42 | 0.24 | 0.42 |
| Domestic letters of credit | THB | 5.14 | - | 5.14 | - |
| Letters of guarantee | EUR | 0.37 | 0.37 | 0.37 | 0.37 |
| | USD | 3.94 | 3.16 | 3.94 | 3.16 |
| | THB | 2,771.29 | 3,328.87 | 2,759.57 | 3,318.48 |

38.2 Commitments under agreements

Subcontractor agreements

As at December 31, 2019 and 2018, the Company had commitments in respect of subcontractor agreements payable in the future of Baht 226.54 million and Baht 584.54 million, respectively.

Power Purchase Agreements

The parent company has entered into a contract to purchase electricity from solar roof mounted roof with outsiders. The contract is for a period of 15 years under the terms of the contract. The company must comply with the obligations and various conditions as specified in the agreement.

The Company's subsidiaries, associates and joint ventures entered into the Power Purchase Agreement with the Provincial Electricity Authority ("PEA") and the Metropolitan Electricity Authority ("MEA") for 25 years. The sales quantity and its price have to be stipulated in the agreement. Such associates and joint ventures shall abide by the terms and conditions as specified in the agreements.

38.3 Litigation

38.3.1 Litigation against the Company by contractor

As of December 31, 2019, the Company have a contingent liability from litigation as follows:

Case 1 According to the Board of Director's meeting no. 7/2019 held on November 4, 2019, the meeting has a solution to settle the case with the contractor only by the Appeal Court. The Company has to pay the construction cost in accordance with the judgement of the Court amounting to Baht 8.42 million with an interest at 7.5 percent per annum and the Company has already placed a deposit with the Court on November 12, 2019.

Case 2 During the year 2019, the Appeal Court has sentenced the company to return the retention amounting to Baht 5 million with an interest at 7.50 percent per annum and return the warranty bond including the payment of the fee. The Company's management has a solution to settle the case with the contractor only by the Appeal Court. The Company recognized expenses in the financial statement for the year ended December 31, 2019 and has already placed the money amount of Baht 6.63 million in accordance with the judgment of the Appeal Court on February 5, 2020.

Case 3 The company was sued in a criminal case. The court has not yet accepted the case and is in the process of mediation. Both parties are in the process of negotiating a contract to end the case. The court postponed the appointment for mediation on April 27, 2020.

38.3.2 Litigation against the Company by customer

As of December 31, 2019, the Company sued 2 debtors as follows:

Case 1 The company has filed a lawsuit demanding a debtor to pay for construction and maintenance costs for a renewable energy power plant because the debtor has breached the contract. Currently, both parties have agreed to signed off the compromise contract to enter into a compromise agreement in court to settle disputes. The amount of debt to be paid under the compromise agreement is Baht 85 million, divided into 96 installments. On January 31, 2020, the first payment was paid by debtor under the compromise agreement in court.

Case 2 During the year 2019, the company has filed a lawsuit demanding a debtor to pay for the construction of a substation because the debtor has breached the contract amounting of Baht 16.67 million. Currently, both parties have agreed to prepare compromise agreement on March 3, 2020. In order to enter into a compromise contract in court to settle disputes.

However, on January 31, 2020, the debtor made payment of 0.83 million in accordance with the draft compromise agreement.

39. CONSTRUCTION CONTRACTS IN PROGRESS

As at December 31, 2019 and 2018, the Company has construction cost incurred and profits or losses to date for contracts in progress recognized of Baht 10,133.63 million and Baht 11,524.03 million, respectively.

As at December 31, 2019 and 2018, Demco Industry Co., Ltd, a subsidiary, has construction cost incurred and profits or losses to date for contracts in progress recognized of Baht 95.00 million and Baht 93.30 million, respectively.

40. DICLOSURE OF FINANCIAL INSTRUMENTS INFORMATION

40.1 Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes. Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

40.2 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

40.3 Credit risk

Credit risk means the risk that the party of the one part will be unable to execute according to commitments, which is specified with financial instruments and it makes the party of other part damage in term of finance. The company is exposed to credit risk primarily with respect to trade accounts receivable other accounts receivable and advance to supplier. The company's management manages such risk by establishing credit limits for customers and counterparties and analysing their financial position on an ongoing basis. As a result, the company does not expect to incur material financial losses.

40.4 Interest rate risk

Interest rate risk means the risk that the value of financial instruments will change because the changes of interest rate. The company is exposed to interest rate risk relating primarily to its deposits, short term loans and loans from financial institutions. So the company is exposed to the risk of the fluctuation in the future market rate.

Significant financial assets and liabilities as at December 31, 2019 and 2018 classified by type of interest rates are summarised in the table below:

| | Consolidated financial statements | | | | | | (Unit : Million Baht) | | (Unit : %) |
|--|-----------------------------------|--------|---------------------|----------|----------------------|--------|-----------------------|----------|---------------|
| | Floating interest rate | | Fixed interest rate | | Non-interest bearing | | Total | | Interest rate |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | % per annum |
| <u>Financial assets</u> | | | | | | | | | |
| Cash and cash equivalents | 104.46 | 130.22 | 0.26 | 0.16 | 87.81 | 89.43 | 192.53 | 219.81 | 0.25-0.90 |
| Trade and other receivable | - | - | - | - | 900.81 | 919.32 | 900.81 | 919.32 | - |
| Unbilled installments on completed work | - | - | - | - | 578.69 | 538.79 | 578.69 | 538.79 | - |
| Short-term loans | - | - | 4.11 | 23.70 | - | - | 4.11 | 23.70 | 7.50-12 |
| Restricted deposits at financial institutions | - | - | 42.20 | 38.50 | - | - | 42.20 | 38.50 | 0.125-0.90 |
| <u>Financial liabilities</u> | | | | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | - | - | 1,243.01 | 1,052.65 | - | - | 1,243.01 | 1,052.65 | MOR-6.50 |
| Trade and other payable | - | - | - | - | 897.74 | 910.83 | 897.74 | 910.83 | - |
| Long-term loans and Finance Lease Liabilities | - | - | 505.85 | 417.04 | - | - | 505.85 | 417.04 | MLR-2.00 |
| Employee benefit obligation | - | - | - | - | 93.72 | 90.75 | 93.72 | 90.75 | - |

40.5 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows

40.6 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the company in the current reporting and in future years. The company expects that there may be an effect from changes in exchange rates resulted from a portion of assets and liabilities in foreign currencies which has not been hedge.

The company has exposure to foreign exchange rate risk because the company has liabilities dominated in foreign currencies. However, the management believe that the risk does not have a significant impact on the company's financial statements.

As at December 31, 2019 and 2018, the group company has financial assets and financial liabilities denominated in foreign currencies are as follow:

| | Currency | Consolidated Financial Statements | | Separate Financial Statements | |
|------------------------------|-----------|--------------------------------------|------|----------------------------------|------|
| | (Million) | 2019 | 2018 | 2019 | 2018 |
| Financial liabilities | | | | | |
| Foreign trade payables | EUR | 0.07 | - | 0.07 | - |
| | USD | 0.16 | 0.80 | 0.16 | 0.80 |
| Trust receipts | EUR | 0.01 | 0.08 | 0.01 | 0.08 |
| | USD | 0.14 | - | 0.14 | - |
| Obligations | | | | | |
| Letters of credit | EUR | 0.02 | - | 0.02 | - |
| | USD | 0.24 | 0.42 | 0.24 | 0.42 |
| Letters of guarantee | EUR | 0.37 | 0.37 | 0.37 | 0.37 |
| | USD | 3.94 | 3.16 | 3.94 | 3.16 |

40.7 Fair Value

Since the majority of the Company's financial assets and liabilities are short - term and the interest rate is close to the market rate, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

41. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue that is expected to be realized in the future for the contract made with existing customers as at December 31, as below:

| Unit : Million | | | | |
|---|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenue from contract with customers | 189.80 | 366.79 | 189.53 | 347.32 |
| Unit : Million | | | | |
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Within one year | 1,679.82 | 1,765.88 | 1,679.82 | 1,765.88 |
| More than 1 year | 818.49 | 354.38 | 818.49 | 354.38 |
| Total | 2,498.31 | 2,120.26 | 2,498.31 | 2,120.26 |

42. SEGMENT INFORMATION

The chief operating decision-maker (CODM) has been identified as the Managing Director (MD) who regularly reviews the Group's internal reporting in order to assess performance and allocate resources. Segmental profit is used as an assessment and allocation criteria.

The group has determined 6 reportable segments as follows:

| Reportable segment | Detail of goods and services |
|------------------------------|--|
| Sales | Produce and sell steel structure fabrications for electrical works, telecommunication works |
| Electrical work services | Designs, constructs and manages electrical work on a complete service basis. |
| Mechanical work services | Designs, constructs and manages mechanical and electric systems and facilities such as electrical system, water management, air-conditioning and ventilation, steam and hot water system, on a complete service basis. |
| Engagement work services | Engaged in produce and install fabricated steel structure and high pressure vessel. |
| Electricity from solar power | Electricity generation and sale from solar power |
| Other services | Civil work, communication and other services |

Operating segment information is classified by industries for the year ended December 31, are as follows:

Unit : Baht

Consolidated Financial Statements
For the year ended December 31, 2019

[illegible]

[illegible][illegible]

Segmental assets

Unit : Baht

Consolidated Financial Statements
As at December 31, 2019

| | Sales | Services | | | | | Total | Intersegmental elimination | Grand total |
|----------------|------------------|------------------|--------------------|--------------------|---------------------------------|---------------|------------------|-------------------------------|------------------|
| | | Electrical work | Mechanical work | Engagement work | Electricity from solar power | Others | | | |
| Segment assets | 1,162,383,104.34 | 1,459,326,112.26 | 5,071,067.13 | 170,560,037.54 | 43,278,278.80 | 32,619,124.52 | 2,873,237,724.59 | - | 2,873,237,724.59 |

Unit : Baht

Consolidated Financial Statements
As at December 31, 2018

| | Sales | Services | | | | | Total | Intersegmental | Grand total |
|----------------|------------------|------------------|-----------------|-----------------|------------------------------|---------------|------------------|----------------|------------------|
| | | Electrical work | Mechanical work | Engagement work | Electricity from solar power | Others | | elimination | |
| Segment assets | 1,178,647,968.08 | 1,306,731,779.62 | 8,096,980.43 | 189,885,653.73 | 45,439,609.77 | 34,263,090.96 | 2,763,065,082.59 | - | 2,763,065,082.59 |

Reconciliation of total reportable segment assets and total assets as at December 31, are as follows:

| | Unit : Baht | |
|---------------------------------|-----------------------------------|------------------|
| | Consolidated Financial Statements | |
| | 2019 | 2018 |
| Total reportable segment assets | 2,873,237,724.59 | 2,763,065,082.59 |
| Unallocated assets | 3,111,382,246.28 | 3,143,819,373.10 |
| Total assets | 5,984,619,970.87 | 5,906,884,455.69 |

Major customers information

The Group's revenues from major customers for the year ended December 31, as follows:

| | Consolidated Financial Statements | | | | | |
|----------------------------------|-----------------------------------|-----------------------|------------------------------|---------------------|-----------------------|------------------------------|
| | 2019 | | | 2018 | | |
| | Number of customers | Amount (Million Baht) | Percentage of net income (%) | Number of customers | Amount (Million Baht) | Percentage of net income (%) |
| Revenues from sales and services | 5 | 2,003.57 | 69.29 | 7 | 2,381.32 | 58.25 |

The Group acknowledged the revenue from Water Supply actual sell. Currently, the Agreement of Water Treatment and Supply for Luang Prabang (The Lao PDR) is under the review for additional details.

43. RECLASSIFICATIONS

Some items in the statements of comprehensive income for the year ended December 31, 2018 Has reclassified to conform with the classification in the statements of comprehensive income for the year ended December 31, 2019 as follows:

| | Unit : Baht | | |
|-------------------------|----------------------------------|----------------|-----------------|
| | Consolidated Financial Statement | | |
| | December 31, 2018 | | |
| | Previously presented as | Reclassify | Reclassified to |
| Selling expenses | 12,185,599.84 | (6,308,528.84) | 5,877,071.00 |
| Administrative expenses | 438,519,928.10 | 6,308,528.84 | 444,828,456.94 |

44. EVENTS AFTER THE REPORTING PERIOD

According to the Board of Director's meeting no. 1/2020, held on February 28, 2020, it was resolved to approved interim dividends payment from the company's performance operation periods January 1, 2019 to December 31, 2019 of Baht 0.03 per share, amount Baht 21.91 Million.

45. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on February 28, 2020.