

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jun 29, 2018
2. SEC Identification Number
36359
3. BIR Tax Identification No.
000-438-702-000
4. Exact name of issuer as specified in its charter
BASIC ENERGY CORPORATION
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
7th Floor Basic Petroleum Building 104 C. Palanca St., Legaspi Village, Makati City
Postal Code
1229
8. Issuer's telephone number, including area code
817-8596
9. Former name or former address, if changed since last report
None
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	2,708,500,714
11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Basic Energy Corporation

BSC

PSE Disclosure Form 5-1 - Substantial Acquisitions
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 and/or Section 5 of the Revised Disclosure Rules

Subject of the Disclosure

Equity investment of Basic Energy Corporation up to 15% of the total capital of Vintage EPC Company Limited (Thailand) (VEPC) and VTE International Construction Company Limited (Thailand) (VINTER)

Background/Description of the Disclosure

On November 9, 2017, the Company signed an Investment Term Sheet with Vintage Engineering Public Co. Ltd. for a possible equity investment in Vintage EPC Company Limited (Thailand) and VTE International Construction Company Limited (Thailand) up to 12.5%, with an option to increase up to 20% of the total equity of said companies. In the last Board meeting of the Company held last March 21, 2018, the Board confirmed the increase in equity investment up to 15%.

Date of Approval by Board of Directors	Mar 21, 2018
Date of Approval by Stockholders	N/A
Other Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Relevant Regulatory Agency	N/A

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

The equity investment will enhance the project portfolio of the Company as a renewable energy and power company, as Vintage EPC Company Limited (Thailand) and VTE International Construction Company Limited (Thailand) are the primary EPC contractors of the 220 MW solar power plant located in Minbu District, Magway region, Myanmar. The investment is expected to provide a continuing stream of revenues in the short and midterms for the Company.

Description of the transaction including the timetable for implementation and related regulatory requirements, if any

The Company will invest in Vintage EPC Company Limited (Thailand) and VTE International Construction Company Limited (Thailand) (the investee companies) up to 15% of the total capital of said companies, subject to compliance with certain conditions precedents resulting from the due diligence work on the investee companies, the requisite approvals of the Board of Directors of the investee companies on the Company's investment, and the mutual agreement of the parties on the provisions of the Share Purchase Agreement and Shareholders Agreement to include directorship positions and minority rights provisions. among others, and the final Board approvals on the said agreements by the Company and the investee companies.

The Share Purchase Agreement is targeted to be executed within the month of April, 2018 and the Shareholders Agreement is targeted to be completed within the month of April or May, 2018. The regulatory requirements will be the disclosure statements on the closing of the equity investment transaction.

The Share Purchase Agreements and Shareholders Agreements with Meta Corporation Public Company Limited (formerly Vintage Engineering Public Company Limited) were signed on June 27, 2018, with the shares transfers to take effect on July 2, 2018.

Identities of the parties to the transaction

Name	Nature of Business	Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates
Vintage EPC Company Limited (Thailand)	VEPC is engaged in the engineering and construction of large projects.	Vintage Engineering Public Company Limited of Thailand (VTE) wholly owns the investee companies. VTE is a stockholder of the Company owning at present, 148,382,202 shares equivalent to 5.47% of the total outstanding shares of the Company. Mr. Supasit Pokinjaruras, a director of VTE and the investee companies, sits in the Board of Directors of the Company. VTE has changed its name to Meta Corporation Public Company Limited effective May 18, 2018.
VTE International Construction Co. Ltd. (Thailand)	VINTER s engage in the engineering and construction of large projects.	Same as above.

Terms and conditions of the transaction

The nature and amount of consideration (e.g. price per share, the aggregate amount)

Vintage EPC Co. Ltd: (VEPC)
Nature: Share Purchase from VTE
Price per Share: 10.43 Thai Baht
Number of Shares: 7,500,000
Aggregate Amount: 78.225 Million Thai Baht

VTE International Construction Co. Ltd.(VINTER)
Nature: Share Purchase for 15,000 shares and Share issuance from an Increase in capital of 2,506,864.8 shares
Price per Share: 10 Thai Baht
Number of Shares: Total of 2,521,864.8 shares
Aggregate Amount: 25,218,648 Thai Baht

Total investment by the Company is 103,443,648 Thai Baht.

Basis upon which the amount of consideration or value of the transaction was determined

The consideration for the purchase of the VEPC shares is based on the book value of the shares as of December 31, 2017, while the consideration for the purchase and issuance of the VINTER shares is based on par value of the shares.

The number of shares to be acquired	VEPC - 7,500,000 shares ; VINTER- 2,521,864.8 shares
Ratio/percentage to total outstanding capital stock	15

Terms of payment

Full payment shall be made upon execution and signing of the Share Purchase Agreement and the Shareholders Agreement. The Company has made an earnest money deposit of USD2.622 Million, as of December 31, 2017, which deposit shall be applied as partial payment of the shares and converted to paid in capital upon execution of the said agreements. The payment of the balance of the purchase price is still being negotiated and the agreed due date thereof will be specified in the Share Purchase Agreement.

The payment of the outstanding amount after applying the deposit shall be payable by the Company within one month from date of subscription (closing date of the subscription).

Conditions precedent to closing of the transaction, if any

1. Approval by the Board of Directors of the investee companies of the equity investment of the Company;
2. Compliance with conditions precedent prior to Closing of the share purchase transaction. The conditions precedent will be among the subject of the discussions on the terms and conditions of the Share Purchase Agreement;
3. Agreement by the parties on the terms and conditions of the Share Purchase Agreement and Shareholders Agreement to include directorships, minority rights provisions, among others; and
4. Final approval by the Board of Directors of the Company and the investee companies of the Share Purchase Agreement and Shareholders Agreement.

Description of the company subject of the transaction**Nature and business**

Both companies are limited companies registered in Thailand in 2016. Their principal business objectives consist of engineering business and the supply of materials and construction of large projects.

Discussion of major projects and investments

Vintage EPC Company Limited (VEPC) is the supplier of the materials and equipment for the construction of the 220MW solar power project located at Minbu District, Magway Region Myanmar., while VTE International Construction Company Limited (VINTER) handles the construction services required to build and complete the said power plant. The development of the project commenced in 2016 and the power plant will be constructed in four (4) phases, Phase 1 of which is targeted to be complete by January 2019. Completion of all 4 phases of the project is targeted on or before 2022.

List of subsidiaries and affiliates, with percentage holdings

Name	% Ownership
The parent company of VEPC and VINTER is Vintage Engineering Public Company Limited of Thailand, which owns, at present, 99.99% of both companies..	N/A

Capital structure**Authorized capital stock**

Type of Security	Amount	Number of Shares
Ordinary Shares	VEPC -500 Million Thai Baht	VEPC- 50,000,000 shares
Ordinary Shares	VINTER- 1 Million Thai Baht	VINTER - 100,000 shares

Subscribed Shares

Type of Security	Amount	Number of Shares
Ordinary Shares	VEPC- 500 Million Thai Baht	VEPC- 50,000,000 shares
Ordinary Shares	VINTER- 1 Million Thai Baht	VINTER - 100,000 shares

Paid-Up Capital

Amount	VEPC- 500 Million Thai Baht; VINTER- 1 Million Tha
Number of Shares	50,000,000

Issued Shares

Type of Security	Amount	Number of Shares
Ordinary Shares	VEPC -500 Million Thai Baht	VEPC-50,000,000
Ordinary Shares	VINTER-1 Million Thai Baht	VINTER- 100,000

Outstanding Shares

Type of Security	Amount	Number of Shares
Ordinary Shares	VEPC -500 Million Thai Baht	VEPC-50,000,000
Ordinary Shares	VINTER-1 Million Thai Baht	VINTER- 100,000

Par Value

Type of Security	Amount
Par Value of VEPC shares is at 10 Thai Baht/share	VEPC -500 Million Thai Baht
Par Value of VINTER shares is at 10 Thai Baht/share	VINTER-1 Million Thai Baht

Ownership Structure (including percentage holdings)

Name	Number of Shares	% Ownership
Vintage Engineering Public Co. Ltd.	VEPC-499,999,996	99.99%
Vintage Engineering Public Co. Ltd.	VINTER-99,996	99.99%

Board of Directors

Name	(Regular or Independent)
Soraj Rojanaberjakul	Regular director
Sirutt Ratanapaitoon	Regular director
Arunya No-In	Regular director
Chanchai Tanucharoensab	Regular director

Principal Officers

Name	Position/Designation
Soraj Rojanabenjakul	Authorized Director
Sirutt Ratanapaitoon	Authorized Director
Arunya No-In	Authorized Director

Effect(s)/impact on the business, financial condition and operations of the Issuer

The additional investment of the Company in the investee companies will increase the working capital of these companies needed to pursue the requirements of their respective contracts relative to the construction of the 220 MW solar power plant located in Minbu District, Magway Region, Myanmar and thus lessen the need for advances from stakeholders and/or bank financing.

Other Relevant Information

Share purchase for the VEPC shares will be via sale and transfer from shares owned and held by VTE, while the share purchase for the VINTER will be initially via sale and transfer of some shares from shares owned and held by VTE and the full number of shares to achieve 15% equity will be via subscription to an increase in capital to be done by VINTER. As 15% equity owner of VEPC and VINTER, the Company stands to share in the payment of the obligations of VEPC and VINTER to their EPC subcontractor, in the event of their default, to the extent of 15% of the defaulted obligations of VEPC and VINTER to said EPC subcontractor.

Please see attached 2017 Financial Reports of VEPC and VINTER prepared in-house by VEPC and VINTER, which were used in the valuation of the subject share purchase transaction.. Since VEPC and VINTER are not public companies, the 2017 audited financial statements shall be submitted by the said auditors not later than 150 days from year-end (sometime in May, 2018). Please find attached VEPC and VINTER's certifications that the aforementioned 2017 Financial Statements of said companies, were prepared by their respective management, are still subject to the audit of BPR Audit and Advisory Co. Ltd., the external auditor for the said financial statements. The submission of the audited 2017 Financial Statements by BPR Audit and Advisory Co. Ltd. shall be one of the conditions subsequent to the share purchase transaction.

The 2017 financial statements of VEPC and VINTER audited by BPR Audit and Advisory Co. Ltd (Thailand) are now attached.

The following are the changes made in this report:

1. The Share Purchase Agreements and the Shareholders Agreements were signed on June 27, 2018, instead of the targeted signing of April-May, 2018.
2. Vintage Engineering Public Company Limited has changed its name to Meta Corporation Public Company Limited effective May 18, 2018.
3. Purchase price of the VEPC shares was based on book value of the shares as of December 31, 2017 while purchase/issue price of the VINTER shares is based on par value of the shares. Hence, total purchase price for the VEPC shares is 78,225,000 Thai Baht. The number of VINTER shares purchased/to be issued from its capital increase was reduced from 3,103,500 shares to 2,521,864.8 shares.
4. Total equity investment by the Company amounts to 103,443,640 Thai Baht.
5. Payment of the outstanding amount due from the Company, after application of its deposit of USD2.622 Million, shall be payable within one month from date of subscription (closing date of the subscription)
6. Completion date for Phase I of the project was moved to January, 2019. Thus, completion of the four (4) phases of the project was likewise moved from 2021 to 2022.
7. The audited financial statements of VEPC and VINTER as of December 31, 2017, as audited by BPR Audit and Advisory Group Limited are attached to this report.
8. As the 15% equity owner of VEPC and VINTER, the Company would share in the payment of the obligations of VEPC and VINTER to their EPC subcontractor, in the event of their default, to the extent of 15% of the defaulted obligations of VEPC and VINTER.

Please note that as used in the attached in-house financial statements, "AJE" is Adjusting Journal Entry while "RJE" is Reclassifying Journal Entry.

Filed on behalf by:

Name	CORAZON BEJASA
Designation	CORPORATE SECRETARY

VTE INTERNATIONAL CONSTRUCTION CO., LTD.

Financial Statements
For the Year Ended December 31, 2017
and Independent Auditor's Report

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors



บริษัท บีพีอาร์ ออดิท แอนด์ แอดไวเซอรี จำกัด BPR AUDIT AND ADVISORY CO.,LTD.

152 อาคารชาร์เตอร์ด์ สแควร์ ชั้น 12 เอ ห้อง 08 ถนนสาทรเหนือ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500 ประเทศไทย โทร. 02-6345398 แฟกซ์ 02-6345399
152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand Tel. (+662) 6345398 Fax. (+662) 6345399 www.bpraudit.co.th

Independent Auditor's Report

To the Shareholders and the Board of Directors of VTE International Construction Co., Ltd.

OPINION

I have audited the financial statements of VTE International Construction Co., Ltd. ("the Company"), which comprise the statement of financial position as at December 31, 2017, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

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 Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled our 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.

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 for Non-Publicly Accountable Entities, 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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.



(Ms. Piyanuch Kasemsupakorn)
Independent Auditor
Registration No. 6303

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
February 27, 2018

VTE INTERNATIONAL CONSTRUCTION CO., LTD.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

ASSETS

		In Baht	
	Notes	2017	2016
CURRENT ASSETS			
Cash and cash equivalents	5	397,039	918,689
Trade and other receivables	6	18,560,274	20,233,848
Unbilled receivables - Related parties	7	232,283,465	208,855,434
Advance payment for subcontractor	7	196,713,330	215,735,740
Total Current Assets		447,954,108	445,743,711
NON-CURRENT ASSETS			
Deferred tax assets	9	343,982	1,943,771
Total Non-Current Assets		343,982	1,943,771
TOTAL ASSETS		448,298,090	447,687,482



[Handwritten signature] *[Handwritten initials]*

VTE INTERNATIONAL CONSTRUCTION CO., LTD.
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht	
	Notes	2017	2016
CURRENT LIABILITIES			
Trade and other payables			
- Related parties	4	20,219,187	20,312,957
- Other parties	8	191,975,146	200,157,512
Short-term loans and interest payables from related parties	4	140,307,420	90,638,630
Advances received from customers	7	110,143,207	120,794,185
Corporate income tax payable		-	4,511,853
Total Current Liabilities		462,644,960	436,415,137
TOTAL LIABILITIES			
		462,644,960	436,415,137
SHAREHOLDERS' EQUITY			
Share capital - common shares, Baht 10 par value			
Authorized share capital - 100,000 shares, Baht 10 par value		1,000,000	1,000,000
Issued and fully paid-up share capital - 100,000 shares, Baht 10 par value		1,000,000	1,000,000
Retained earnings (deficit)		(15,346,870)	10,272,345
Total Shareholders' Equity		(14,346,870)	11,272,345
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		448,298,090	447,687,482



Two handwritten signatures in blue ink. The signature on the left is a stylized, cursive signature. The signature on the right is a more formal, blocky signature.

VTE INTERNATIONAL CONSTRUCTION CO., LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		In Baht	
	Notes	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
REVENUES			
Service income	7	34,701,781	212,163,995
Interest income		6,989,223	1,745,776
Total Revenues		41,691,004	213,909,771
EXPENSES			
Cost of services	10	49,499,960	199,746,182
Administrative expenses		11,240,443	1,184,528
Total Expenses		60,740,403	200,930,710
Profit (Loss) before finance costs and income tax		(19,049,399)	12,979,061
Finance costs	4	(4,970,027)	(138,630)
PROFIT (LOST) BEFORE INCOME TAX		(24,019,426)	12,840,431
Income tax expenses	9	(1,599,789)	(2,568,086)
NET PROFIT (LOSS)		(25,619,215)	10,272,345



A handwritten signature in blue ink, appearing to be "S. any" or similar, written in a cursive style.

VTE INTERNATIONAL CONSTRUCTION CO., LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	In Baht		
	Issued and fully paid-up share capital	Retained earnings (Deficit)	Total
Balance as at July 15, 2016	1,000,000	-	1,000,000
Net profit	-	10,272,345	10,272,345
Balance as at December 31, 2016	1,000,000	10,272,345	11,272,345
Net loss	-	(25,619,215)	(25,619,215)
Balance as at December 31, 2017	1,000,000	(15,346,870)	(14,346,870)



VTE International Construction Co., Ltd.
Notes to Financial Statements
For the year ended December 31, 2017

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on February 27, 2018.

1. GENERAL INFORMATION

VTE International Construction Co., Ltd. ("the Company") was incorporated as limited company under the laws of Thailand on July 15, 2016. The registered office of the Company is at 128 Soi Liang Muang Nonthaburi 10, Tambon Bangkrasor, Amphur Muang Nonthaburi, Nonthaburi, 11000, Thailand.

The Company is principally engaged in engineering, procurement and construction with financing support for the construction and supply the loan resources for support the business.

The Company's major shareholders are Vintage Engineering Public Company Limited 99.99% shareholding.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

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

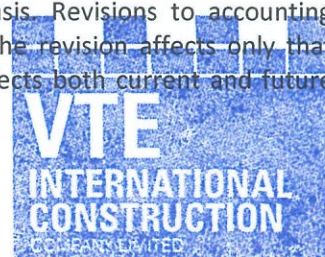
The financial statements are prepared in accordance with Thai Financial Reporting Statements for Non-Publicly Accountable Entities and guidelines promulgated by the Federal of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543. In addition, the Company adopted Thai Financial Reporting Standards as follows :

TAS 12 (Revised 2016)	Income Taxes
TAS 24 (Revised 2016)	Related Party Disclosures

The financial statements are presented in Thai Baht. They are prepared on the historical cost basis except where otherwise disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



A handwritten signature in blue ink, appearing to be "S. S. S.", is written over the bottom right corner of the logo.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, cash in-transit, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Trade and Other Receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Unbilled Receivables/Advance Received from Customers

Unbilled receivables comprises the costs of materials and labor, subcontractor charges, services and overheads plus the attributable net gains or losses less the amounts already billed to customers.

The excess of the value of a contracted work in progress over the amount billed to the customer is presented as current assets. The excess of the amount billed to a customer over the value of the contracted work in progress is presented as "Advance received from customers" under current liabilities.

Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.



A handwritten signature in blue ink, appearing to be 'S. 27/8'.

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

The Company presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within unbilled receivables and trade and other receivables. The Company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Impairment of Assets

The carrying amounts of assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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 of other assets 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 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 amortization, if no impairment loss had been recognized.

Trade and Other Payables

Trade and other payables (including related parties) are stated at cost.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



9

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Revenues

Revenues from installation services

The Group recognised revenues from provision of installation services for building engineering systems on a percentage of completion basis. The percentage of completion is measured based on comparison of actual installation costs incurred up to the end of the period and total anticipated installation costs to be incurred to completion. If the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" under Current Assets. The progress billings changed to the customers greater than recognized revenue has been presented under the caption of "Advances received from customers" under Current Liabilities in the statement of financial position.

Provision for losses on projects is made in the accounts in full when the possibility of loss is ascertained.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Expenses

Finance costs

Interest expenses and similar costs are recognized in the statement of income using the effective interest rate method.

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 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.



A handwritten signature in blue ink, appearing to be "K. K. K." or similar.

A handwritten signature in blue ink, appearing to be "J. J. J." or similar.

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

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

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

4. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

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

The Company's name	Type of business	Type of relationship
Vintage Engineering Public Company Limited	The provision of installation and maintenance services for building engineering systems and investment in power plant business	Parent company
Vintage EPC Co., Ltd.	Engineering, procurement and construction with financing support for the construction and supply the loan resources for support the business	The subsidiary of parent company
Green Earth Power (Thailand) Co., Ltd.	Investment in developing business and solar power plant management	Co - directors
GEP (Myanmar) Company Limited	Solar power plant	Co - directors

Pricing policies for each transaction are described as follows:

Type of transactions	Pricing policy
Management expenses	Contract price
Finance cost	5% p.a.

Significant expenses derived from transactions with related persons and parties for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are summarized as follows:

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Management expenses		
Vintage Engineering Public Company Limited	1,575,438	-
Finance cost		
Vintage Engineering Public Company Limited	4,970,027	138,630



Handwritten signature

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Significant outstanding balances with its persons and related parties as at December 31, 2017 and 2016 are summarized as follows:

	In Baht	
	2017	2016
Trade and other payables		
Accrued project cost		
GEP (Myanmar) Company Limited	18,449,725	20,233,835
Advance payments		
Vintage Engineering Public Company Limited	1,769,462	79,122
Total	20,219,187	20,312,957
Short-term loans and interest payable		
Vintage Engineering Public Company Limited		
Principal	135,322,530	90,500,000
Interest payable	4,984,890	138,630
Total	140,307,420	90,638,630

The movements of short-term loans and interest payable to related parties for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht			
	December 31, 2016	Increase	Decrease	December 31, 2017
Vintage Engineering Public Company Limited				
Principal	90,500,000	45,600,000	(777,470)	135,322,530
Interest payable	138,630	4,970,027	(123,767)	4,984,890
Total	90,638,630	50,570,027	(901,237)	140,307,420

	In Baht			
	July 15, 2016	Increase	Decrease	December 31, 2016
Vintage Engineering Public Company Limited				
Principal	-	90,500,000	-	90,500,000
Interest payable	-	138,630	-	138,630
Total	-	90,638,630	-	90,638,630

Significant agreements with related parties

Deed of Novation

1. The Company has 2 Deed of Novation with GEP (Myanmar) Company Limited. The Company agreed to novate and transfer the rights, duties and benefits of the construction contract for transmission line and distribution line for the Solar Power Plant Project in Minbu, Myanmar to the contract party. The agreements are effective from November 3, 2016.

2. The Company has 2 Deed of Novation with GEP (Myanmar) Company Limited. The Company agreed to novate and transfer the rights, duties and benefits of the construction contract for civil works and land grading for the Solar Power Plant Project in Minbu, Myanmar to the contract party. The agreements are effective from November 29, 2016.



any 12

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

5. CASH AND CASH EQUIVALENTS

	In Baht	
	2017	2016
Bank deposits	397,039	918,689

As at December 31, 2017 and 2016 the Company has bank deposits in saving accounts, bearing the interest rates at 0.25 per annum.

6. TRADE AND OTHER RECEIVABLES

	In Baht	
	2017	2016
Trade receivables	18,449,725	20,233,835
Other receivables	110,549	13
Total	18,560,274	20,233,848

7. UNBILLED RECEIVABLES – RELATED PARTIES

	In Baht	
	2017	2016
Unbilled receivables	234,003,373	218,574,289
Less Deferred interest income	(1,719,908)	(9,718,855)
Net	232,283,465	208,855,434
Amount of contract revenue recognized in the year	34,701,781	212,163,995
Aggregate amount of service costs incurred to date	249,246,142	199,746,182
Adjust with the recognized profits (loss) to date	(2,380,365)	12,417,813
	246,865,777	212,163,995
Sum of progress billings	-	-
Gross amounts due from customers for contract work	246,865,777	212,163,995
Less Advance payment from subcontractor	(5,053,909)	(5,054,337)
	241,811,868	207,109,658
Add Realized interest income in the year	6,989,223	1,745,777
	248,801,091	208,855,435
Less Unrealised loss on foreign exchange rate	(16,517,626)	-
Unbilled receivables	232,283,465	208,855,435
Advances received from customers	110,143,207	120,794,185

Revenue Project Contract and the related contracts

On August 3, 2016, the Company, Vintage EPC Company Limited ("Vintage EPC") and GEP (Myanmar) Company Limited ("GEPM") entered into the contracts related to Solar Power Plant Project in Minbu, Myanmar for 4 phases. Whereas the 1st phase of this project installed with the capacity of 50 MWDC. Subsequently, on December 21, 2017 the Company, Vintage EPC and the China Subcontractor mutually negotiated and agreed to amend and restate the payment term in the Turnkey Engineering, Procurement and Construction Contract which executed with the China Subcontractor. From aforesaid, result to the contracts made with GEPM have amendment and restatement per detail as follow.



13

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

1. Construction Service Contract

On August 3, 2016, the Company entered into the Construction Service Contract with GEPM to design, engineering, construction, installation, testing and commissioning for such project. Subsequently, on December 21, 2017, such contract was amended and restated. The significant detail was as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 3, 2016	This contract is effective as of December 21, 2017 by the Company conducted as required in the primary conditions and condition precedence in the Amendment and Restatement to the Turnkey Engineering, Procurement and Construction Contract as of December 21, 2017 ("the Amended Turnkey Contract") and the result is satisfied to the China Subcontractor.
1 st phase of project value Advance payment from GEPM	USD 16.9 million The advance payment is 20% of the 1 st phase of project value equivalent to USD 3.4 million. As of December 31, 2017 and 2016, the Company received the advance payment from GEPM by executed the 4 Deed of Novation in total amount of USD 3.4 million which equivalent to Baht 110.1 million as of December 31, 2017.	USD 16.7 million The advance payment is 21.9% of the 1 st phase of project value as amended and restated or equivalent to USD 3.7 million.
Payment Term	Within 120 days after the later of Provisional Acceptance Date of each such phase or the date specified in contract documents which agreed. However, due to the payment term is longer than normal credit term (4 months). The Company recorded the revenue from construction and realize as interest income in the period of time by the effective interest rate.	GEPM will pay the payable amount within 120 days after the Provisional Acceptance Date and after the Company issued the agreed documents showing the total amount that GEPM due to the Company ("Final Statement"). In case that GEPM does not pay such amount as required in the payment term of such contract, the Company shall be entitled to receive the interest as specified in such contract.



Q77

[Signature] 14

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

2. Pledge of Share Agreement

On August 3, 2016, the Company and Vintage EPC entered into the Pledge of Share Agreement with the shareholders of Green Earth Power (Thailand) Company Limited ("GEPT") as a collateral during the construction and condition precedent of the Supply Contract and Construction Contract. Subsequently, the Pledge of Share Agreement was amended and restated which cause from the change in payment term. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	October 25, 2016	The effective start when the Company and Vintage EPC completed all condition precedent which specified in the Amended Turnkey Contract.
Collateral	60% of the total shares in GEPT and pledge to the Company and Vintage EPC.	60% of the total shares in GEPT and pledge to the Company and Vintage EPC and the China Subcontractor.
Release of collateral	The Company and Vintage EPC will release all those pledges when receive the entire payment of 4 phases or depend on the consideration of the Company and Vintage EPC.	The Company and Vintage EPC will release all those pledges when the China Subcontractor receives the confirmation letter or other evidences from the GEPM's lender that the financing under GEPM's Financing Documents are available to be drawn.

3. Master Coordination Agreement

The Company and Vintage EPC entered into the Master Coordination Agreement with GEPM and China Subcontractor to coordinate the performance of rights and obligations among the parties under the Construction Contract and Supply Contract. Subsequently, the Master Coordination Agreement was amended and restated which cause from the change in payment term. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 3, 2016	This contract is effected as of December 21, 2017 by the Company and Vintage EPC conducted as required in the primary conditions and condition precedence in the Amended Turnkey Contract and the result is satisfied to the China Subcontractor.
Terminate of contract	When the parties have writing the notice to the others under the conditions of the this contract.	Same as the original conditions.
Rights to claim to GEPM	GEPM shall use its entitle to directly claim against the China Subcontractor. The China Subcontractor will warranty for all work which consisted of 1) the procurement of the supply and delivery of all equipment and 2) the design, engineering, construction, installation and commissioning of that project.	Same as the original conditions.



C. M. J. 15

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Conditions which amended and restated	Original conditions	Amended and restated conditions
Payment arrangement	Not specified in the original conditions.	GEPM will transfer the contract price (which shall pay to the Company and Vintage EPC) direct to the China Subcontractor. When the contract price transferred, it deem that the obligation of GEPM for payment the contract price to the Company and Vintage EPC was released.

4. The Turnkey Engineering, Procurement and Construction Contract

On August 4, 2016, the Company and Vintage EPC entered into the Turnkey Engineering, Procurement and Construction Contract ("the Turnkey Contract") with the China Subcontractor. Subsequently, on December 21, 2017, the Company, Vintage EPC and the China Subcontractor mutually negotiated and agreed to amend the payment term which result to the amendment in the Turnkey Contract. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 4, 2016	This contract is primary effective as of December 21, 2017 by the Company and Vintage EPC conducted as required in the primary conditions and condition precedence in the Amended Turnkey Contract and the result is satisfied to the China Subcontractor, and will completely effective when the Company and Vintage EPC complete all conditions precedent and conditions subsequent.
1 st phase of project value	USD 60.5 million	USD 66.3 million
Advance Payment and the conditions to pay	<p><u>Advance Payment</u></p> <p>The Company and Vintage EPC will pay the advance payment for the 1st phase in percentage of 10 of the 1st phase project value which equivalent to USD 6.05 million. In 2016, the Company made and entered in to the 4 Deed of Novation with the China Subcontractor which is consequent from the made of 4 Deed of Novation with GEPM and partial payment of construction from the Company which is totaling amount USD 4.44 million, and the Company paid the remaining payment in the amount of USD 1.61 million. So as at December 31, 2017 and 2016, the Company was paid that advance payment in the total amount of USD 6.05 million or equivalents to Baht 196.7 million as at December 31, 2017.</p>	<p><u>Advance Payment</u></p> <p>The Advance Payment is 30% of the 1st phase project value or equivalent to USD 18.31 million. When the Company and Vintage EPC paid in full amount, the Amended Turnkey Contract will completely effective.</p> <p><u>The Remaining Payment</u></p> <p>The Remaining Payment is 70% of the 1st phase project value or equivalent to USD 48 million. For the 1st phase, the Company and Vintage EPC will pay within 120 days after the Provisional Acceptance Date and following the issuance of an Agreed Final Statement from the China Subcontractor. In case that the Company and Vintage EPC do not pay such amount as required in the payment term, the China Subcontractor shall be entitled to receive the interest</p>



[Handwritten signature] 16

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Conditions which amended and restated	Original conditions	Amended and restated conditions
	<u>The Remaining Payment</u> Pay by milestone payment as specified in the contract.	and enforced its rights under the Security documents as specified in the contract.
Pledge for payment of the Company and Vintage EPC	Not specified in the original conditions.	The China Subcontractor required the Company, the Parent Company, Vintage EPC, GEPM, and GEPM's related companies entered into the pledge agreement to provide the pledge for payment the contract price and the performance as required in the Amended Turnkey Contract as follow: 1. Guarantee Contract by Vintage Engineering Public Company Limited 2. Share Pledge Agreement of GEPT and GEPM 3. Assignment of Lease of GEPM 4. Deed of Pledge of GEPM

8. TRADE AND OTHER PAYABLES

	In Baht	
	2017	2016
Trade Payables	6,502,920	-
Accrued project cost	185,340,727	199,697,512
Other payables	131,499	460,000
	<u>191,975,146</u>	<u>200,157,512</u>

9. INCOME TAX

Income tax (expenses) income of the Company for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Current income tax income (expenses):		
Current income tax income (expenses)	-	(4,511,857)
Deferred tax:		
The recognition and reversal of temporary differences	(1,599,789)	1,943,771
Income tax income (expense) reported in the statement of income	<u>(1,599,789)</u>	<u>(2,568,086)</u>



[Signature] 17

VTE International Construction Co., Ltd.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Reconciliation of effective tax rate for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht			
	For the year ended December 31, 2017		For the period from July 15, 2016 to December 31, 2016	
	Rate (%)	Amount	Rate (%)	Amount
Accounting profit (loss) before tax		(24,019,426)		12,840,431
Income tax by applicable tax rate	20	4,803,885	20	(2,568,086)
Effects of:				
Tax - exempt revenue		1,397,619		(1,943,771)
Current year losses for which no deferred tax asset was recognised		(6,201,504)		-
Current income tax		-		(4,511,857)
Movement in temporary differences		(1,599,789)		1,943,771
Income tax income (expense) reported in the statement of income	6.67	(1,599,789)	20	(2,568,086)

Movement of deferred tax assets for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht				
	At July 15, 2016	(Charged) / Credited to profit or loss	At December 31, 2016	(Charged) / Credited to profit or loss	At December 31, 2017
Deferred tax assets					
Deferred interest income	-	1,943,771	1,943,771	(1,599,789)	343,982

As at December 31, 2017, the Company had temporary differences for future tax deductible which has not been recognized as deferred tax assets in the Statement of financial position amounted of Baht 31.0 million, since it is not probable that it will be able to utilize the tax benefit in the foreseeable future.

10. EXPENSES BY NATURE

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Subcontractor costs	49,499,960	199,746,182
Loss on foreign exchange rate	9,048,953	637,981
Other expenses	2,191,490	546,547
Total	60,740,403	200,930,710

11. COMMITMENTS

As at December 31, 2017 and 2016, the company has commitments in of Turnkey Engineering Procurement and construction contract for solar power plant of US Dollar 9.0 million and US Dollar 15.1 million, respectively.



any 18

VINTAGE EPC CO., LTD.

Financial Statements
For the Year Ended December 31, 2017
and Independent Auditor's Report

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors



บริษัท บีพีอาร์ ออดิท แอนด์ แอดไวเซอรี จำกัด BPR AUDIT AND ADVISORY CO.,LTD.

152 อาคารชาร์เตอร์ด์ สแควร์ ชั้น 12 เอ ห้อง 08 ถนนสาทรเหนือ แขวงสีลม เขตบางรัก กรุงเทพฯ 10500 ประเทศไทย โทร. 02-6345398 แฟกซ์ 02-6345399
152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand Tel. (+662) 6345398 Fax. (+662) 6345399 www.bpraudit.co.th

Independent Auditor's Report

To the Shareholders and the Board of Directors of Vintage EPC Co., Ltd.

OPINION

I have audited the financial statements of Vintage EPC Co., Ltd. ("the Company"), which comprise the statement of financial position as at December 31, 2017, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

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 Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are 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.

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 for Non-Publicly Accountable Entities, 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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.



(Ms. Piyanuch Kasemsupakorn)
Independent Auditor
Registration No. 6303

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
February 27, 2018

VINTAGE EPC CO., LTD.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

ASSETS

		In Baht	
	Notes	2017	2016
CURRENT ASSETS			
Cash and cash equivalents	5	1,820,302	2,962,231
Trade and other receivables	6	606,548,159	646,459,148
Advance payment for goods	6	165,160,800	-
Guarantee for sale of goods contract	6	171,018,537	152,254,019
Total Current Assets		944,547,798	801,675,398
NON-CURRENT ASSETS			
Deferred tax assets	10	14,595,259	3,193,732
Total Non-Current Assets		14,595,259	3,193,732
TOTAL ASSETS		959,143,057	804,869,130



G. N. J.

[Signature]

VINTAGE EPC CO., LTD.
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht	
	Notes	2017	2016
CURRENT LIABILITIES			
Trade and other payables			
Related parties	4	742,835	55,945
Other parties	7	74,335,018	69,354,360
Short-term loans and interest payables to related parties	4	363,332,001	147,821,781
Corporate income tax payable		-	20,077,559
Total Current Liabilities		438,409,854	237,309,645
TOTAL LIABILITIES			
		438,409,854	237,309,645
SHAREHOLDERS' EQUITY			
Share capital - common shares, Baht 10 par value			
Authorized share capital - 50,000,000 shares, Baht 10 par value	8	500,000,000	500,000,000
Issued and fully paid-up share capital - 50,000,000 shares, Baht 10 par value	8	500,000,000	500,000,000
Retained earnings		20,733,203	67,559,485
Total Shareholders' Equity		520,733,203	567,559,485
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		959,143,057	804,869,130



VINTAGE EPC CO., LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		In Baht	
	Notes	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
REVENUES			
Revenues from sales and service		-	625,028,428
Interest income	6	39,884,919	21,705,822
Total Revenues		<u>39,884,919</u>	<u>646,734,250</u>
EXPENSES			
Cost of sales and services	9	-	536,826,188
Administrative expenses		84,878,042	24,513,638
Total Expenses		<u>84,878,042</u>	<u>561,339,826</u>
Profit (Loss) before finance costs and income tax		(44,993,123)	85,394,424
Finance costs	4	(13,234,686)	(945,068)
PROFIT (LOSS) BEFORE INCOME TAX		(58,227,809)	84,449,356
Income tax income (expenses)	10	11,401,527	(16,889,871)
NET PROFIT (LOSS)		<u>(46,826,282)</u>	<u>67,559,485</u>



VINTAGE EPC CO., LTD.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Notes	In Baht		
		Issued and fully paid-up share capital	Retained earnings	Total
Balance as at July 15, 2016		1,000,000	-	1,000,000
Increase share capital	8	499,000,000	-	499,000,000
Net profit		-	67,559,485	67,559,485
Balance as at December 31, 2016		500,000,000	67,559,485	567,559,485
Net loss		-	(46,826,282)	(46,826,282)
Balance as at December 31, 2017		500,000,000	20,733,203	520,733,203



VINTAGE EPC CO., LTD.
Notes to Financial Statements
For the year ended December 31, 2017

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on February 27, 2018.

1. GENERAL INFORMATION

Vintage EPC Co., Ltd. ("the Company") was incorporated as limited company under the laws of Thailand on July 15, 2016. The registered office of the Company is at 128 Soi Liang Muang Nonthaburi 10, Tambon Bangkrasor, Amphur Muang Nonthaburi, Nonthaburi, 11000, Thailand.

The Company is principally engaged in engineering, procurement and construction with financing support for the construction and supply the loan resources for support the business.

The Company's major shareholders are Vintage Engineering Public Company Limited 99.99% shareholding.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

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

The financial statements are prepared in accordance with Thai Financial Reporting Statements for Non-Publicly Accountable Entities and guidelines promulgated by the Federal of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543. In addition, the Company adopted Thai Financial Reporting Standards as follows :

TAS 12 (Revised 2016)	Income Taxes
TAS 24 (Revised 2016)	Related Party Disclosures

The financial statements are presented in Thai Baht. They are prepared on the historical cost basis except where otherwise disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



Signature

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statements of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, cash in-transit, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Trade and Other Receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Inventories

Inventories are valued at the lower of cost (weighted average) and net realisable value.

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

Impairment of Assets

The carrying amounts of assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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 of assets 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.



amj

[Signature] 8

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Reversals of impairment

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 amortization, if no impairment loss had been recognized.

Trade and Other Payables

Trade and other payables (including related parties) are stated at cost.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenues

Revenue from sales

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

Rendering of services

Service revenue is recognised when services have been rendered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Expenses

Finance costs

Interest expenses and similar costs are recognized in the statement of income using the effective interest rate method.



AM

[Signature] 9

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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

4. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

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

The Company's name	Type of business	Type of relationship
Vintage Engineering Public Company Limited	The provision of installation and maintenance services for building engineering systems and investment in power plant business	Parent company
Vintage Holding Japan Co., Ltd.	Holding company	The subsidiary of Parent company
VTE International Construction Co., Ltd	Engineering, procurement and construction with financing support for the construction and supply the loan resources for support the business	The subsidiary of Parent company



Signature

Signature

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

The Company's name	Type of business	Type of relationship
Green Earth Power (Thailand) Co., Ltd.	Investment in developing business and solar power plant management	Co - directors
GEP (Myanmar) Company Limited	Solar power plant	Co - directors

Pricing policies for each transaction are described as follows:

Type of transactions	Pricing policy
Management expenses	Contract price
Finance cost	5% p.a.

Significant expenses derived from transactions with related persons and parties for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are summarized as follows:

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Management expenses		
Vintage Engineering Public Company Limited	600,000	-
Finance cost		
Vintage Engineering Public Company Limited	12,062,631	945,068
Vintage Holding Japan Co., Ltd.	1,172,055	-
Total	13,234,686	945,068

Significant outstanding balances with its persons and related parties as at December 31, 2017 and 2016 are summarized as follows:

	In Baht	
	2017	2016
Trade and other payables		
Advance payments		
Vintage Engineering Public Company Limited	742,835	55,945
Short-term loans and interest payable		
Vintage Engineering Public Company Limited		
Principal	327,385,519	147,000,000
Interest payable	274,427	821,781
	327,659,946	147,821,781
Vintage Holding Japan Co., Ltd.		
Principal	34,500,000	-
Interest payable	1,172,055	-
	35,672,055	-
Total	363,332,001	147,821,781



Signature

Signature 11

VINTAGE EPC CO., LTD.**Notes to Financial Statements (Continued)****For the year ended December 31, 2017**

The movements of short-term loans and interest payable to related parties for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht		
	December 31, 2016	Increase	Decrease
Vintage Engineering Public Company Limited			
Principal	147,000,000	191,600,000	(11,214,481)
Interest payable	821,781	12,062,631	(12,609,985)
	<u>147,821,781</u>	<u>203,662,631</u>	<u>(23,824,466)</u>
Vintage Holding Japan Co., Ltd.			
Principal	-	34,500,000	-
Interest payable	-	1,172,055	-
	<u>-</u>	<u>35,672,055</u>	<u>-</u>
Total	<u>147,821,781</u>	<u>239,334,686</u>	<u>(23,824,466)</u>

	In Baht		
	July 15, 2016	Increase	Decrease
Vintage Engineering Public Company Limited			
Principal	-	183,000,000	(36,000,000)
Interest payable	-	945,068	(123,287)
	<u>-</u>	<u>183,945,068</u>	<u>(36,123,287)</u>

5. CASH AND CASH EQUIVALENTS

	In Baht	
	2017	2016
Bank deposits	<u>1,820,302</u>	<u>2,962,231</u>

As at December 31, 2017 and 2016 the Company has bank deposits in saving accounts, bearing the interest rates at 0.25% - 0.375% per annum

6. TRADE AND OTHER RECEIVABLES

	In Baht	
	2017	2016
Trade receivables	602,550,048	660,817,345
Less Deferred interest income	-	(15,968,657)
Net	602,550,048	644,848,688
Other receivables	3,998,111	1,610,460
Total	<u>606,548,159</u>	<u>646,459,148</u>

Solar power plant in Biliran, Philippines

In August 2016, the Company entered into a supply contract with E&P Green Energy Company Limited (Buyer) in Philippines to provide equipment for the 25.6 MW Solar Power Project, value of contract of USD 32.2 million. Such the Company delivers certain goods and performs services contemplated under such contract. The payment is due on June 15, 2017. Such the Company records sales, service income and

VINTAGE EPC CO., LTD.

Notes to Financial Statements (Continued)

For the year ended December 31, 2017

unearned interest for the term of payment which is longer than normal credit term (4 months) and realize as interest income in the period of time by the effective rate. Such receivables are secured by pledge of share of the buyer's company and chattel mortgage of the buyer's director.

In addition, the supply contract specified the Company shall deliver performance security in cash form in several tranches according to the shipment which the aggregate amount shall not exceed than USD 9.8 million and the Company will be received back in the entire amount on June 15, 2017. As at December 31, 2017 and 2016, the Company transferred the cash as performance security in the amount of USD 5.3 million and USD 4.3 million or equivalent to Baht 171.0 million and Baht 152.3 million, respectively.

In August 2016, the Company entered into the Guarantee Contract with the buyer, the subcontractor and the local contractor for that solar power project whereas the subcontractor will perform as guarantor and will compensate for the losses from the performance to the buyer until the completion of the project.

On July 10, 2017, the Company and the buyer entered into the Restated and Amended of Supply Contract for that solar power plant project. Such contract had materiality detail as follow:

1. The total contract price changed from USD 32.2 million to the new contract price USD 28.9 million. The due date for payment change from June 15, 2017 to the new payment date which divided to two phases. The due date for the 1st phase in total amount of USD 25.5 million is August 28, 2018 and for the 2nd phase in total amount of USD 3.4 million is June 29, 2019.
2. Charging the interest for the overdue invoices in the rate of 7.5% per annum of each invoices value which based on the old due date (June 15, 2017). The total amount of those overdue invoices is USD 18.5 million or Baht 605.6 million. The Company will charge the interest from June 15, 2017 until the receive date. Furthermore, on August 14, 2017, the Company amended the agreement that the buyer will pay an interest in every 6 months. The Company received those interest in the amount of USD 0.7 million or equivalents to Baht 25.1 million on December 14, 2017.
3. Changing the repayment due date of performance guarantee follow the new contract by indicate that the Company will receive repayment of the guarantee divided to 2 phases, for the 1st phase on August 28, 2018 and the 2nd phase on June 29, 2019.

In addition, on July 10, 2017, the Company entered into the Amended and Restated Supply Subcontract with a Chinese Subcontractor and Amended and Restated Guarantee Contract which amending the overall content in order to accordance the amendment of Supply Contract and Supply Subcontract which amended and restated. The subcontractor still perform as guarantor and will compensate for the losses from the performance to the buyer until the completion of the project as before.

Solar Power Plant Project in Minbu, Myanmar

Revenue Project Contract and the related contracts

On August 3, 2016, the Company, VTE International Construction Company Limited ("VTE Inter") and GEP (Myanmar) Company Limited ("GEPM") entered into the contracts related to Solar Power Plant Project in Minbu, Myanmar for 4 phases. Whereas the 1st phase of this project installed with the capacity of 50 MWDC. And later on December 21, 2017 the Company, VTE Inter and the China Subcontractor mutually negotiated and agreed to amend and restate the payment term in the Turnkey Engineering, Procurement and Construction Contract which executed with the China Subcontractor. From aforesaid, result to the contracts made with GEPM have amendment and restatement per detail as follow.



A handwritten signature in blue ink, appearing to be 'Lemy' followed by a flourish.

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

1. Supply Contract

On August 3, 2016, the Company entered into the Supply Contract for such project and on December 21, 2017, such contract was amended and restated. The significant detail was as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 3, 2016	This contract is effective as of December 21, 2017 by the Company conducted as required in the primary conditions and condition precedence in the Amended Turnkey Contract and the result is satisfied to the China Subcontractor.
1 st phase of project value	USD 50.8 million	USD 56.4 million
Transfer of ownership	DAT Job Site Basis to the site.	Same as the original conditions.
Payment Term	Within 120 days after the later of Provisional Acceptance Date of each such phase or the date specified in contract documents which agreed.	GEPM will pay the payable amount within 120 days after the Provisional Acceptance Date and after the Company issued the agreed documents showing the total amount that GEPM due to the Company ("Final Statement"). In case that GEPM does not pay such amount as required in the payment term of such contract, the Company shall be entitled to receive the interest as specified in such contract.

Furthermore, in quarter 2/2017, the Company had a deposit payment for the supply of high voltage equipment for such project amounting to USD 4.8 million or equivalent to Baht 165.2 million as at December 31, 2017 to the China Subcontractor and such deposit was shown as advance payment for goods.

2. Pledge of Share Agreement

On August 3, 2016, the Company and VTE Inter entered into the Pledge of Share Agreement with the shareholders of Green Earth Power (Thailand) Company Limited ("GEPT") as a collateral during the construction and condition precedent of the Supply Contract and Construction Contract. Subsequently, the Pledge of Share Agreement was amended and restated which cause from the change in payment term. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	October 25, 2016	The effective start when the Company and VTE Inter completed all condition precedent which specified in the Amended Turnkey Contract.
Collateral	60% of the total shares in GEPT and pledge to the Company and VTE Inter.	60% of the total shares in GEPT and pledge to the Company, VTE Inter and the China Subcontractor.
Release of collateral	The Company and VTE Inter will release all those pledges when receive the entire payment of 4 phases or depend on the consideration of the Company and VTE Inter.	The Company and VTE Inter will release all those pledges when the China Subcontractor receives the confirmation letter or other evidences from the GEPM's lender that the financing under GEPM's Financing Documents are available to be drawn.

VINTAGE EPC CO., LTD.**Notes to Financial Statements (Continued)****For the year ended December 31, 2017****3. Master Coordination Agreement**

The Company and VTE Inter entered into the Master Coordination Agreement with GEPM and China Subcontractor to coordinate the performance of rights and obligations among the parties under the Construction Contract and Supply Contract. Subsequently, the Master Coordination Agreement was amended and restated which cause from the change in payment term. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 3, 2016	This contract is effective as of December 21, 2017 by the Company and VTE Inter conducted as required in the primary conditions and condition precedence in the Amended Turnkey Contract and the result is satisfied to the China Subcontractor.
Terminate of contract	When the parties have writing the notice to the others under the conditions of the this contract.	Same as the original conditions.
Rights to claim to GEPM	GEPM shall use its entitle to directly claim against the China Subcontractor. The China Subcontractor will warranty for all work which consisted of 1) the procurement of the supply and delivery of all equipment and 2) the design, engineering, construction, installation and commissioning of that project.	Same as the original conditions.
Payment arrangement	Not specified in the original conditions.	GEPM will transfer the contract price (which shall pay to the Company and VTE Inter) direct to the China Subcontractor. When the contract price transferred, it deem that the obligation of GEPM for payment the contract price to the Company and VTE Inter was released.

4. The Turnkey Engineering, Procurement and Construction Contract

On August 4, 2016, the Company and VTE Inter entered into the Turnkey Engineering, Procurement and Construction Contract ("the Turnkey Contract") with the China Subcontractor. Subsequently on December 21, 2017, the Company, VTE Inter and the China Subcontractor mutually negotiated and agreed to amend the payment term which result to the amendment in the Turnkey Contract. Such contract had significant detail as follow:

Conditions which amended and restated	Original conditions	Amended and restated conditions
Effective date	August 4, 2016	This contract is primary effective as of December 21, 2017 by the Company and VTE Inter conducted as required in the primary conditions and condition precedence in the Amended Turnkey Contract and the result is satisfied to the China Subcontractor, and it will completely effective when the Company and VTE Inter complete all conditions precedent and conditions subsequent.



VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Conditions which amended and restated	Original conditions	Amended and restated conditions
1 st phase of project value Advance Payment and the payment conditions	<p>USD 60.5 million</p> <p><u>Advance Payment</u></p> <p>The Company and VTE Inter will pay the advance payment for the 1st phase in percentage of 10 of the 1st phase project value which equivalent to USD 6.05 million. However, VTE Inter made and entered in to the 4 Deed of Novation with the China Subcontractor which is consequent from the made of 4 Deed of Novation with GEPM and partial payment of construction from VTE Inter which is totaling amount USD 4.44 million. On December 28, 2016, VTE Inter paid the remaining payment in the amount of USD 1.61 million. So as at December 31, 2017 and 2016, VTE Inter was paid that advance payment in the total amount of USD 6.05 million or equivalents to Baht 196.7 million as at December 31, 2017.</p> <p><u>The Remaing Payment</u></p> <p>Pay by milestone payment as specified in the contract.</p>	<p>USD 66.3 million</p> <p><u>Advance Payment</u></p> <p>The Advance Payment is 30% of the 1st phase project value or equivalent to USD 18.31 million. When the Company and VTE Inter paid in full amount, the Amended Turnkey Contarct will completely effective.</p> <p><u>The Remaining Payment</u></p> <p>The Remaining Payment is 70% of the 1st phase project value or equivalent to USD 48 million. For the 1st phase, the Company and VTE Inter will pay within 120 days after the Provisional Acceptance Date and following the issuance of an Agreed Final Statement from the China Subcontractor. In case that the Company and VTE Inter do not pay such amount as required in the payment term, the China Subcontractor shall be entitled to receive the interest and enforced its rights under the Security documents as specified in the contract.</p>
Pledge for payment of the the Company and VTE Inter	Not specified in the original conditions.	<p>The China Subcontractor required the Company, the Parent Company, VTE Inter, GEPM, and GEPM's related companies entered into the pledge agreement to provide the pledge for payment the contract price and the performance as required in the Amended Turnkey Contract as follow:</p> <ol style="list-style-type: none"> 1.Guarantee contract by Vintage Engineering Public Company Limited. 2.Share Pledge Agreement of GEPT and GEPM 3.Assignment of Lease of GEPM 4.Deed of Pledge of GEPM

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

7. TRADE AND OTHER PAYABLES

	In Baht	
	2017	2016
Related parties		
Trade payables	42,705,105	50,364,960
Service payables	31,350,366	17,829,400
Other payables	279,547	1,160,000
Total	74,335,018	69,354,360

8. SHARE CAPITAL

The 2016 Shareholders' Meeting held on September 2, 2016, the shareholders has a resolution to approve the Company to proceed with the increase of the Company's registered capital by Baht 499.0 million, from Baht 1.0 million to a new registered capital of Baht 500.0 million, divided into 50.0 million common shares, at the par value of Baht 10.0 per share, The Company had registered its increased share capital with the Ministry of Commerce on September 8, 2016.

9. EXPENSES BY NATURE

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Purchase of goods	-	439,537,236
Service expenses	-	97,278,702
Consultant fee	17,116,779	23,040,000
Loss on foreign exchange rate	66,365,933	-
Other expenses	1,395,330	1,483,888
Total	84,878,042	561,339,826

10. INCOME TAX

Income tax (expenses) income of the Company for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht	
	For the year ended December 31, 2017	For the period from July 15, 2016 to December 31, 2016
Current income tax income (expenses):		
Current income tax income (expenses)	-	(20,083,603)
Deferred tax:		
The recognition and reversal of temporary differences	11,401,527	3,193,732
Income tax income (expense) reported in the statement of income	11,401,527	(16,889,871)

VINTAGE EPC CO., LTD.
Notes to Financial Statements (Continued)
For the year ended December 31, 2017

Reconciliation of effective tax rate for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht			
	For the year ended		For the period from	
	December 31, 2017		July 15, 2016 to	
	Rate (%)	Amount	Rate (%)	Amount
Accounting profit (loss) before tax		(58,227,809)		84,449,356
Income tax by applicable tax rate	20	11,645,562	20	(16,889,871)
Effects of:				
Tax - exempt revenue		2,949,697		(3,193,732)
Loss carryforward		(14,595,259)		-
Current income tax		-		(20,083,603)
Movement in temporary differences		11,401,527		3,193,732
Income tax income (expenses) reported in the statement of income	20	11,401,527	20	(16,889,871)

Movement of deferred tax assets for the year ended December 31, 2017 and for the period from July 15, 2016 to December 31, 2016 are as follows:

	In Baht				
	At July 15, 2016	(Charged) / Credited to: Profit or loss	At December 31, 2016	(Charged) / Credited to: Profit or loss	At December 31, 2017
Deferred tax assets					
Deferred interest income	-	3,193,732	3,193,732	(3,193,732)	-
Tax losses carried forward	-	-	-	14,595,259	14,595,259
Total	-	3,193,732	3,193,732	11,401,527	14,595,259

11. COMMITMENTS

As at December 31, 2017 and 2016, the company has commitments in respect of Turnkey Engineering Procurement and construction contract for solar power plant of US Dollar 63.2 million and US Dollar 60.3 million, respectively.