

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

30 JUNE 2019

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Thai Solar Energy Public Company Limited

I have reviewed the interim consolidated financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and the interim separate financial information of Thai Solar Energy Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2019, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
14 August 2019

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 30 June 2019

	Consolidated		Separate	
	financial information□		financial information□	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	666,495	561,021	30,362	209,558
Short-term restricted bank deposits	55,764	74,399	11,213	11,603
Short-term investments	6	462	462	460
Trade and other receivables	7	447,270	273,355	258,869
Short-term loans to subsidiaries	13.3	-	521,501	335,288
Inventories		22,904	-	-
Refundable Value Added Tax		285,593	-	-
Other current assets		26,741	13,392	11,978
Total current assets		1,505,229	850,285	827,756
Non-current assets				
Long-term restricted bank deposits		22,532	1,050	1,050
Long-term loans to subsidiaries	13.4	-	4,281,468	4,333,468
Receivables from disposal of investments	13.2	-	1,383,683	1,383,683
Investments in subsidiaries	8.1	-	1,198,750	1,198,750
Investments in joint ventures	8.2	1,804,451	350,000	350,000
Held-to-maturity investments		18,000	10,000	-
Investment property		89,978	89,978	89,978
Property, plant and equipment	9	7,131,460	277,392	280,234
Goodwill	10	17,162	-	-
Intangible assets	9	4,497,001	7,440	7,679
Deferred tax assets		1,748	-	-
Other non-current assets		14,465	2,751	2,652
Total non-current assets		13,596,797	7,602,512	7,647,494
Total assets		15,102,026	8,452,797	8,475,250

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited

Statement of Financial Position (Cont'd)

As at 30 June 2019

	Notes	Consolidated		Separate	
		financial information□		financial information□	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	11.1	148,438	98,794	148,438	98,794
Construction and other payables		205,304	278,446	46,370	42,594
Current portion of right in power purchase agreement payables		725	-	-	-
Current portion of finance lease liabilities	11.2	5,920	2,620	2,669	2,620
Current portion of long-term borrowings	11.3	522,845	437,241	182,403	175,889
Short-term loan from subsidiaries	13.5	-	-	22,500	22,500
Current portion of debentures		2,998,844	2,048,530	2,998,844	2,048,530
Income tax payable		2,016	1,350	-	-
Other current liabilities		19,883	15,485	1,833	966
Total current liabilities		3,903,975	2,882,466	3,403,057	2,391,893
Non-current liabilities					
Right in power purchase agreement payables		26,949	-	-	-
Finance lease liabilities	11.2	12,501	7,980	6,632	7,980
Long-term borrowings from financial institutions	11.3	6,099,082	5,922,634	2,046,480	2,062,780
Debentures		-	949,066	-	949,066
Employee benefit obligations		9,979	8,607	9,979	8,607
Provision for decommissioning costs		2,455	2,454	2,455	2,454
Deferred tax liabilities		4,044	1,335	406	1,267
Other non-current liabilities		72	72	72	72
Total non-current liabilities		6,155,082	6,892,148	2,066,024	3,032,226
Total liabilities		10,059,057	9,774,614	5,469,081	5,424,119
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 2,477,474,454 shares of par Baht 1 each					
(2018: 2,450,250,000 shares of per Baht 1 each)					
	14	2,477,474	2,450,250	2,477,474	2,450,250
Issued and paid-up share capital					
Ordinary shares, 1,905,749,580 shares of fully-paid					
	14	1,905,750	1,905,750	1,905,750	1,905,750
Premium on ordinary shares					
		727,554	727,554	727,554	727,554
Retained earnings					
Appropriated - legal reserve					
		63,972	63,972	50,894	50,894
Unappropriated retained earnings					
		2,457,538	2,207,231	299,518	366,933
Other components of equity					
		(278,851)	(134,119)	-	-
Equity attributable to owners of the parent					
		4,875,963	4,770,388	2,983,716	3,051,131
Non-controlling interests					
		167,006	144,234	-	-
Total equity		5,042,969	4,914,622	2,983,716	3,051,131
Total liabilities and equity		15,102,026	14,689,236	8,452,797	8,475,250

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2019

	Consolidated		Separate	
	financial information		financial information	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Note	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales	345,036	93,616	-	730
Subsidy for adders	13,952	3,886	-	1,117
Management service fee income	13,196	10,653	23,926	18,763
Cost of sales and services	(221,222)	(78,801)	(17,456)	(18,016)
Gross profit	150,962	29,354	6,470	2,594
Dividends income	13.1	-	154,350	129,500
Other income	13,051	11,428	1,424	67,149
Administrative expenses	(48,827)	(59,127)	(48,717)	(33,693)
Finance costs	(67,917)	(35,555)	(102,126)	(72,268)
Share of profit from joint ventures	173,659	160,751	-	-
Profit before income tax	220,928	106,851	11,401	93,282
Income tax	1,010	89	389	(16)
Profit for the period	221,938	106,940	11,790	93,266
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	(30,883)	81,500	-	-
Total comprehensive income for the period	191,055	188,440	11,790	93,266
Profit attributable to:				
Owners of the parent	208,394	106,836	11,790	93,266
Non-controlling interests	13,544	104	-	-
	221,938	106,940	11,790	93,266
Total comprehensive income attributable to:				
Owners of the parent	177,470	188,311	11,790	93,266
Non-controlling interests	13,585	129	-	-
	191,055	188,440	11,790	93,266
Earnings per share				
Basic earnings per share	0.11	0.06	0.01	0.05

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the six-month period ended 30 June 2019

	Consolidated		Separate	
	financial information		financial information	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales	620,832	140,977	2	949
Subsidy for adders	27,174	4,053	-	1,284
Management service fee income	24,020	20,962	45,438	36,055
Cost of sales and services	(419,648)	(132,087)	(34,157)	(41,745)
Gross profit (loss)	252,378	33,905	11,283	(3,457)
Dividends income	13.1	-	-	328,230
Other income	20,275	21,112	3,197	128,914
Administrative expenses	(115,515)	(94,968)	(151,581)	(67,065)
Finance costs	(113,894)	(51,742)	(154,591)	(132,789)
Share of profit from joint ventures	8.2	333,764	313,536	-
Profit before income tax	377,008	221,843	36,538	159,025
Income tax	856	(4,944)	861	1,345
Profit for the period	377,864	216,899	37,399	160,370
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	(144,703)	132,804	-	-
Total comprehensive income for the period	233,161	349,703	37,399	160,370
Profit attributable to:				
Owners of the parent	355,121	216,941	37,399	160,370
Non-controlling interests	22,743	(42)	-	-
	377,864	216,899	37,399	160,370
Total comprehensive income attributable to:				
Owners of the parent	210,389	349,705	37,399	160,370
Non-controlling interests	22,772	(2)	-	-
	233,161	349,703	37,399	160,370
Earnings per share				
Basic earnings per share	0.19	0.11	0.02	0.08

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2019

	Consolidated financial information								
	Attribute to owners of the parent								
	Issued and called-up share capital	Premium on ordinary capital	Retained earnings		Other components of equity		Total owners of the parent	Non-controlling interests	Total
			Appropriated - legal reserve	Unappropriated	Changes in parent's ownership interest in subsidiary	Translation of financial statements			
Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	
Opening balance at 1 January 2018	1,815,000	727,554	62,894	2,135,195	-	(122,053)	4,618,590	162,152	4,780,742
Change in equity for the period									
Share dividends	90,750	-	-	-	-	-	90,750	-	90,750
Appropriation of legal reserve	-	-	1,078	(1,078)	-	-	-	-	-
Dividends	-	-	-	(100,841)	-	-	(100,841)	-	(100,841)
Total comprehensive income for the period	-	-	-	216,941	-	132,764	349,705	(2)	349,703
Closing balance at 30 June 2018	1,905,750	727,554	63,972	2,250,217	-	10,711	4,958,204	162,150	5,120,354
Opening balance at 1 January 2019	1,905,750	727,554	63,972	2,207,231	(7,769)	(126,350)	4,770,388	144,234	4,914,622
Change in equity for the period									
Dividends	-	-	-	(104,814)	-	-	(104,814)	-	(104,814)
Total comprehensive income for the period	-	-	-	355,121	-	(144,732)	210,389	22,772	233,161
Closing balance at 30 June 2019	1,905,750	727,554	63,972	2,457,538	(7,769)	(271,082)	4,875,963	167,006	5,042,969

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited) (Cont'd)
For the six-month period ended 30 June 2019

	Separate financial information				Total Baht Thousand
	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		
			Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	
Opening balance at 1 January 2018	1,815,000	727,554	50,894	658,395	3,251,843
Change in equity for the period					
Share dividends	90,750	-	-	-	90,750
Dividends	-	-	-	(100,841)	(100,841)
Total comprehensive income for the period	-	-	-	160,370	160,370
Closing balance at 30 June 2018	<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>717,924</u>	<u>3,402,122</u>
Opening balance at 1 January 2019	1,905,750	727,554	50,894	366,933	3,051,131
Change in equity for the period					
Dividends	-	-	-	(104,814)	(104,814)
Total comprehensive income for the period	-	-	-	37,399	37,399
Closing balance at 30 June 2019	<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>299,518</u>	<u>2,983,716</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities					
Profit before income tax		377,008	221,843	36,538	159,025
Adjustments for:					
Depreciation	9	142,311	59,595	4,131	12,846
Amortisation	9	19,464	457	975	252
Share of profit from joint ventures	8.2	(333,764)	(313,536)	-	-
Provision for employee benefits obligations		1,373	1,326	1,373	1,326
Unrealised loss (gain) on exchange		8,085	87,926	86,933	(111,885)
Fair value gain on trading securities		-	(248)	-	(248)
Gain on disposal of trading securities		(683)	(417)	(683)	(417)
Gain from disposal of equipment		-	(19)	-	(19)
Loss from write-off withholding tax		8	17	-	-
Dividends income	13.1	-	-	(328,230)	(233,422)
Interest income		(897)	(15,185)	(2,046)	(78,383)
Other income		-	(1,576)	-	(3,028)
Finance cost		113,894	51,742	154,591	132,789
Gain on bargain purchase of subsidiary	12	(5,683)	-	-	-
Loss on impairment of goodwill	10	564	-	-	-
		321,680	91,925	(46,418)	(121,164)
Changes in operating assets and liabilities					
Trade and other receivables		37,657	(59,133)	5,162	(51,684)
Inventories		(8,451)	(2,653)	-	-
Value Added tax refundable		31,345	49,017	-	241
Other current assets		1,121	(109,441)	(2)	(11)
Other non-current assets		(315)	6,852	(103)	1,189
Other payables		(72,900)	132,543	3,813	29,266
Other current liabilities		(61)	(2,893)	864	984
Cash flows generated from (used in) operating activities		310,076	106,217	(36,684)	(141,179)
<u>Add</u> Income tax received		-	1,547	-	1,547
<u>Less</u> Income tax paid		(923)	(8,717)	(1,412)	(1,187)
Net cash from (used in) operating activities		309,153	99,047	(38,096)	(140,819)

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the six-month period ended 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		30 June 2019 Baht Thousand	30 June 2018 Baht Thousand	30 June 2019 Baht Thousand	30 June 2018 Baht Thousand
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	12	(131,132)	-	-	(13,701)
Decrease (increase) in restricted bank deposits		8,112	13,275	390	(1,154)
Purchase of short-term investments	6	(335,388)	(190,215)	(335,388)	(190,215)
Proceeds from disposals of short-term investments		336,069	90,514	336,069	90,514
Purchase of held-to-maturity investments		(18,000)	-	(10,000)	-
Short-term loans made to subsidiaries	13.3	-	-	(221,000)	(287,798)
Short-term loans repayments received from subsidiaries	13.3	-	-	34,787	557,509
Long-term loans made to subsidiaries	13.4	-	-	(31,251)	(1,295,836)
Long-term loans repayments received from subsidiaries		-	-	-	1,158,146
Purchase of property, plant and equipment		(282,968)	(985,879)	(1,346)	(5,543)
Proceeds from disposals of equipment		15	262	15	262
Purchase of intangible asset		(1,743)	(3,081)	(1,303)	(1,116)
Interest received		687	11,968	251	11,618
Dividends received		308,630	222,922	308,630	222,922
Net cash (used in) generated from investing activities		(115,718)	(840,234)	79,854	245,608
Cash flows from financing activities					
Proceed from short-term borrowings from financial institutions, net of financial service fee	11.1	47,879	98,640	47,879	98,640
Repayment to finance lease liabilities	11.2	(2,120)	(1,487)	(1,487)	(1,487)
Proceeds from long-term borrowings, net of financial service fee	11.3	364,477	1,580,170	29,792	-
Repayment to long-term borrowings	11.3	(249,505)	(37,350)	(91,200)	-
Cash dividends payment		(104,814)	(10,181)	(104,814)	(10,181)
Interest expenses and financial service fee		(146,578)	(201,018)	(99,103)	(151,290)
Net cash (used in) generated from financing activities		(90,661)	1,428,774	(218,933)	(64,318)
Net increase(decrease) in cash and cash equivalents		102,774	687,587	(177,175)	40,471
Cash and cash equivalents at beginning of the period		561,021	424,752	209,558	32,023
Exchange differences on cash and cash equivalents		272	86	(2,021)	3
Effect of exchange rate change on translation of financial statements		2,428	(40,888)	-	-
Cash and cash equivalents at end of the period		666,495	1,071,537	30,362	72,497
Non-cash transaction					
Significant non-cash transactions are as follow:					
Payables arising from construction and purchases of equipments		54,400	94,178	2,043	2,043
Share dividends		-	90,750	-	90,750
Receivables from disposal of investments		-	-	1,383,683	979,273

The accompanying notes form part of this interim financial information.

1 General information

Thai Solar Energy Public Company Limited (“the Company”) is a public company limited which is incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand and its parent company is P.M. Energy Company Limited (incorporated in Thailand) (“Parent Company”). The address of the Company’s registered office is as follows:

725 Metropolis Building, 19th Floor, Sukhumvit Rd., Klongton Nua, Wattana, Bangkok.

For reporting purposes the Company, its subsidiaries and jointly controlled entities are referred to as “the Group”.

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass to government.

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 14 August 2019.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2018, except the new and amended Thai Financial Reporting Standards effective on 1 January 2019, which do not have material impact on the group.

The Group has not early adopted the new and amended Thai Financial Reporting Standards effective on 1 January 2020 and is currently assessing the impacts from these standards.

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2019

5 Operating segments

Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which are Chief Executive Officer and executive committee. The following information is used by authorised persons to evaluate operation of each segment.

Financial information by geography segment

	For the six-month period ended 30 June (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from operations	533.94	138.31	160.18	42.78	694.12	181.09	(22.09)	(15.09)	672.03	166.00
Other income	20.14	86.06	1.77	0.03	21.91	86.09	(1.64)	(64.99)	20.27	21.10
Dividends income	328.23	233.42	-	-	328.23	233.42	(328.23)	(233.42)	-	-
Cost of operations	(333.12)	(105.98)	(94.12)	(29.21)	(427.24)	(135.19)	7.60	3.11	(419.64)	(132.08)
Operating profit	549.19	351.81	67.83	13.60	617.02	365.41	(344.36)	(310.39)	272.66	55.02
Selling and administrative expenses	(90.52)	(67.13)	(25.61)	(19.97)	(116.13)	(87.10)	14.02	1.68	(102.11)	(85.42)
Profit (loss) before finance cost, taxes, depreciation and amortisation	458.67	284.68	42.22	(6.37)	500.89	287.31	(330.34)	(308.71)	170.55	(30.40)
Depreciation and amortisation	(9.04)	(5.92)	(0.01)	-	(9.05)	(5.92)	-	-	(9.05)	(5.92)
Finance cost	(207.92)	(148.06)	(21.90)	(74.88)	(229.82)	(222.94)	115.93	171.20	(113.89)	(51.74)
Loss (gain) from exchange	(66.50)	46.09	(0.16)	(53.85)	(66.66)	(7.76)	62.29	4.13	(4.37)	(3.63)
Share of profit from joint ventures	333.76	313.54	-	-	333.76	313.54	-	-	333.76	313.54
Operating results before taxes	508.97	490.33	20.15	(135.10)	529.12	355.23	(152.12)	(133.38)	377.00	221.85
Income tax	0.88	1.34	(0.02)	(6.29)	0.86	(4.95)	-	-	0.86	(4.95)
Net profit (loss)	509.85	491.67	20.13	(141.39)	529.98	350.28	(152.12)	(133.38)	377.86	216.90
Timing of revenue recognition										
At a point in time									648.01	145.04
Over time									24.02	20.96
Total revenue									<u>672.03</u>	<u>166.00</u>
Total assets									<u>15,102.03</u>	<u>14,240.30</u>
Total liabilities									<u>10,059.06</u>	<u>9,119.95</u>

6 Short-term investments

The movement of short-term investments for six-month period ended 30 June 2019 is as follows:

	Consolidated and Separate financial information		
	Trading	Held-to-maturity due within 1 year	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Opening net book value	-	460	460
Additions	335,386	2	335,388
Disposals	(335,386)	-	(335,386)
Closing net book value	-	462	462

7 Trade receivables

As at 30 June 2019 and 31 December 2018, trade receivables, included in trade and other receivables in statement of financial position can be analysed by age as follows:

	Consolidated financial information		Separate financial information	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Not yet due	212,194	168,206	-	57
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	212,194	168,206	-	57

8 Investments in subsidiaries and joint ventures

8.1 Movements of investments in subsidiaries

Additional investment under Solar Visible Co., Ltd : BS Bangsai Solar Co., Ltd.

On 7 March 2019, the Group acquired 820,000 ordinary shares representing 100% interests in BS Bangsai Solar Company Limited, which operates a ground-mounting solar power plant with the production capacity of 5 MW for a consideration of Baht 131.20 million. The acquisition is considered as an acquisition of business. Details of the acquisition are disclosed in Note 12.

8 Investments in subsidiaries and joint ventures (Cont'd)

8.2 Movements of investments in joint ventures

Movements of investments in joint ventures entities for six-month period ended 30 June 2019 and 2018 are as follows:

	Consolidated financial information		Separate financial information	
	Equity method		Cost method	
	2019	2018	2019	2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Opening net book value	1,787,087	1,750,549	350,000	350,000
Share of profit	333,764	313,536	-	-
Dividends received	(316,400)	(220,500)	-	-
Closing net book value	1,804,451	1,843,585	350,000	350,000

Thai Solar Renewable Company Limited, joint venture, has pledged share certificates of its subsidiary, Siam Solar Energy 1 Company Limited, amounting to Baht 1,080 million (31 December 2018: Baht 1,080 million) as collateral for the subsidiary's credit facilities granted by a commercial bank. In addition, Siam Solar Energy 1 Company Limited has mortgaged its land including constructions thereon and machinery with a total net book value of Baht 4,861 million (31 December 2018: Baht 4,975 million) and pledged bank deposits amounting to Baht 361 million (31 December 2018: Baht 360 million) as collateral for credit facilities granted by a commercial bank.

8.3 Investment details

As at 30 June 2019 and 31 December 2018, investments in subsidiaries and joint ventures are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 June 2019	31 December 2018
Subsidiaries				
Subsidiaries directly held by the Company				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100
Solar Visible Co., Ltd.	Provision of maintenance service for power plants	Thailand	100	100
TSE Overseas Group Co., Ltd.	Investment	Thailand	100	100
World Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Thai Community Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Subsidiaries held by TSE Rooftop Co., Ltd.				
Green Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100
North Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Lucky Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Champ Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Roof Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Subsidiaries held by Solar Visible Co., Ltd.				
Solar Community Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Infinity Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
BS Bangsai Co., Ltd.	Production and distribution of electricity	Thailand	100	-

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8 Investments in subsidiaries and joint ventures (Cont'd)

8.3 Investment details (Cont'd)

As at 30 June 2019 and 31 December 2018, investments in subsidiaries and joint ventures are as follows: (Cont'd)

	Business	Country of incorporation	% Ownership interest	
			31 March 2019	31 December 2018
<u>Subsidiaries</u> (Cont'd)				
Subsidiaries held by Thai Community Energy Co., Ltd.				
Sun Future Co., Ltd.	Production and distribution of electricity	Thailand	100	100
The Solar Earth Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Clean Renewable Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	49	49
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	75	75
Subsidiaries held by TSE Overseas Group Co., Ltd.				
TSE Group International. Pte. Ltd.	Investment	Singapore	100	100
Solar Assets Pte. Ltd.	Investment	Singapore	100	100
Onikoube Solar Power Pte. Ltd.	Investment	Singapore	100	100
Subsidiaries held by TSE Group International. Pte. Ltd				
Eco Solar Aizu GK	Production and distribution of electricity	Japan	97	97
Ishikawa Hanamizuki 1 GK	Production and distribution of electricity	Japan	97	97
Subsidiaries held by Solar Assets Pte. Ltd.				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100
Ibaraki Ushiku 2 GK	Land lease	Japan	100	100
Subsidiaries held by Onikoube Solar Power Pte. Ltd.				
PurpleSol GK	Production and distribution of electricity	Japan	100	100
<u>Joint ventures</u>				
Joint venture directly held by the Company				
Thai Solar Renewable Co., Ltd.	Investment	Thailand	60	60
Joint venture held by Thai Solar Renewable Co., Ltd.				
Siam Solar Energy 1 Co., Ltd.*	Generation and distribution of electricity	Thailand	60	60

* The Company directly holds one share and the remaining shares are held by Thai Solar Renewable Company Limited.

9 Property, plant and equipment and intangible assets

Movements of property, plant and equipment and intangible assets for the six-month period ended 30 June 2019 are as follows:

	Consolidated financial information		Separate financial information	
	Property, plant and equipment Baht Thousand	Intangible assets Baht Thousand	Property, plant and equipment Baht Thousand	Intangible assets Baht Thousand
Opening net book value	6,928,083	4,376,580	280,234	7,679
Acquisition of subsidiary (Note 12)	208,900	128,725	-	-
Additions	237,528	104,760	1,304	736
Write-off, net	(15)	-	(15)	-
Depreciation and amortisation	(142,311)	(19,464)	(4,131)	(975)
Foreign currency translation differences	(100,725)	(93,600)	-	-
Closing net book value	<u>7,131,460</u>	<u>4,497,001</u>	<u>277,392</u>	<u>7,440</u>

Borrowing costs incurring from the borrowings for the construction of the power plants during the period were capitalised and included as "Additions" for Baht 10.32 million (31 December 2018: Baht 75.95 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (31 December 2018: 1.25% to 6.07% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate is the actual rate of the borrowings which were used for the construction.

Borrowing costs incurring from the borrowings specifically for developing the power plant projects to its intended use were capitalised and included as "Additions" for Baht 104.02 million (31 December 2018: Baht 181.23 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (31 December 2018: 3.42% to 6.07% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate is the actual rate of the borrowings which were used for developing the power plant projects to its intended use.

As at 30 June 2019, the Group has vehicles acquired using hire purchase agreements with the net book value amounting to Baht 28.79 million (31 December 2018: Baht 19.87 million).

Land, building and equipment with the net book value amounting to Baht 5,445 million (31 December 2018: Baht 5,522 million) have been pledged as collaterals for credit facilities received from commercial bank.

10 Goodwill

	Consolidated financial information Baht Thousand
For the six-month period ended 30 June 2019	
Opening net book value	17,726
Impairment	(564)
Closing net book value	<u>17,162</u>

11 Borrowings

11.1 Short-term borrowings from financial institutions

Movements in short-term borrowings from financial institution for the six-month period ended 30 June 2019 are analysed as follows:

	Consolidated and Separate financial information Baht Thousand
Opening net book value	98,794
Cash inflows (outflows):	
Additions	50,000
Discount on notes payables	(2,121)
Non-cash changes:	
Amortisation of discount on notes payables	1,765
Closing net book value	<u>148,438</u>

11.2 Finance lease liabilities

The movements in finance lease liabilities for the six-month period ended 30 June 2019 are analysed as follows:

	Consolidated financial information		
	Finance lease payables Baht Thousand	Deferred Interest Baht Thousand	Finance lease liabilities Baht Thousand
Opening net book value	11,398	(798)	10,600
Cash outflows:			
Repayment	(2,120)	-	(2,120)
Non-cash changes:			
Acquisitions-finance leases and lease incentives	9,753	-	9,753
Amortised deferred interest	-	188	188
Closing net book value	<u>19,031</u>	<u>(610)</u>	<u>18,421</u>
	Separate financial information		
	Finance lease payables Baht Thousand	Deferred Interest Baht Thousand	Finance lease liabilities Baht Thousand
Opening net book value	11,398	(798)	10,600
Cash outflows:			
Repayment	(1,487)	-	(1,487)
Non-cash changes:			
Amortised deferred interest	-	188	188
Closing net book value	<u>9,911</u>	<u>(610)</u>	<u>9,301</u>

11 Borrowings (Cont'd)

11.3 Long-term borrowings from financial institutions

Movements in long-term borrowings from financial institutions institution for the six-month period ended 30 June 2019 are analysed as follows:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
Opening net book value	6,359,875	2,238,669
Cash inflows (outflows):		
Increase from acquisition of subsidiary (Note 12)	140,264	-
Additions	372,855	29,792
Financial service fee	(8,378)	-
Repayment	(249,505)	(91,200)
Non-cash changes:		
Foreign currency translation differences	2,390	49,583
Amortisation of financial service fee	4,426	2,039
Closing net book value	<u>6,621,927</u>	<u>2,228,883</u>

The long-term borrowings from financial institution are secured by the pledge and the assignment of rights over the Group's bank deposits, land with construction thereon and machinery, the assignment of rights under all project agreements, pledge of the certain shares held by the subsidiaries and the jointly controlled entity's shares held by the Company, pledge of the Company's shares that held by P.M. Energy Company Limited, shares of subsidiaries, and the right to receive dividends from subsidiaries and jointly controlled companies.

The loan agreements contain covenants imposed on the Group as specified in the agreements, related to such matters as dividend payment, reduction of share capital, merger or consolidation with any other entities and maintenance of certain debt to equity and debt service coverage ratios.

12 Business combination

On 7 March 2019, the Group purchased 100 % of interests in BS Bangsai Solar Company Limited for a total consideration of Baht 131.20 million to acquire a business of a ground-mounting solar power plant with the production capacity of 5 MW.

The following table summarises the consideration paid for BS Bangsai Solar Company Limited, and the amounts of the assets acquired and liabilities assumed recognised on 7 March 2019.

Consideration at 7 March 2019	As at acquisition date Baht Thousand
Cash	131,200
Total consideration	131,200
Recognised amounts of identifiable assets acquired and liabilities assumed	Baht Thousand
Cash and cash equivalents	68
Short-term investments	10
Trade receivables	7,204
Short-term loans to subsidiaries	83
Other current assets	9,631
Power Purchase Agreement	128,725
Property, plant and equipment	208,900
Deferred tax assets	12,025
Other non-current assets	842
Construction and other payables	(41,314)
Right in power purchase agreement payables	(28,144)
Long-term borrowings from financial institutions	(140,264)
Other current liabilities	(4,459)
Deferred tax liabilities	(16,424)
Total identifiable net assets	136,883
Gain on bargain purchase	(5,683)
Total	131,200

Acquisition-related costs of Baht 372,480 are included in administrative expenses in the profit or loss for the period ended 30 June 2019.

13 Related party transactions

The Group is controlled by the following entities:

Name	Relationship	Place of incorporation	% of ownership interest	
			30 June 2019	31 December 2018
P.M. Energy Company Limited	Parent	Thailand	41.09	41.09
Wave Entertainment Public Company Limited	Related party	Thailand	10.01	10.01
Sino-Thai Engineering & Construction Public Company Limited	Related party	Thailand	10.00	10.00

The remaining 38.90% of the shares is widely held.

13 Related party transactions (Cont'd)

13.1 Transaction with related parties

For the three-month period ended	Consolidated financial information		Separate financial information	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Sales of goods and services				
Subsidiaries	-	-	12,741	7,982
Joint ventures	11,299	12,298	11,299	12,298
Related parties	-	3	-	3
	<u>11,299</u>	<u>12,301</u>	<u>24,040</u>	<u>20,283</u>
Dividends income				
Joint ventures	-	-	154,350	129,500

For the six-month period ended	Consolidated financial information		Separate financial information	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Sales of goods and services				
Subsidiaries	-	-	23,428	15,093
Joint ventures	22,237	22,720	22,237	22,720
Related parties	-	126	-	126
	<u>22,237</u>	<u>22,846</u>	<u>45,665</u>	<u>37,939</u>
Dividends income				
Subsidiaries	-	-	11,830	12,922
Joint ventures	-	-	316,400	220,500
	<u>-</u>	<u>-</u>	<u>328,230</u>	<u>233,422</u>

13 Related party transactions (Cont'd)

13.2 Outstanding balances arising from sales/purchases of goods and services

	Consolidated financial information		Separate financial information	
	30 June 2019 Baht Thousand	31 December 2018 Baht Thousand	30 June 2019 Baht Thousand	31 December 2018 Baht Thousand
Amounts due from and advances to related parties				
Subsidiaries	-	-	99,000	89,171
Joint ventures	4,054	3,861	4,053	3,861
	<u>4,054</u>	<u>3,861</u>	<u>103,053</u>	<u>93,032</u>
Dividends receivable				
Joint ventures	154,350	134,750	154,350	134,750
Receivables from disposal of investments				
Subsidiaries				
- including in non-current assets	-	-	1,383,683	1,383,683
Amounts due to related parties				
Related parties	1,088	667	-	-
Payables from acquisition of investments				
Subsidiaries	-	-	250	250

13.3 Short-term loans to subsidiaries

The movement of short-term loans to subsidiaries for the six-month period ended 30 June 2019 is as follows:

	Separate financial information 30 June 2019 Baht Thousand
Opening net book value	335,288
Loans provided	221,000
Repayment received	(34,787)
Closing net book value	<u>521,501</u>

Loans to subsidiaries are non-bearing interest promissory notes denominated in Thai Baht with maturity within July 2020.

Another loans to subsidiaries are promissory notes denominated in Thai Baht due for repayment at call. Loans carry interest at the rate of 6% per annum.

13 Related party transactions (Cont'd)

13.4 Long-term loans to subsidiaries

The movement of long-term loans to subsidiaries for the six-month period ended 30 June 2019 is as follows:

	Separate financial information
	30 June 2019
	Baht Thousand
Opening net book value	4,333,468
Loans provided	31,251
Foreign currency translation differences	(83,251)
Closing net book value	<u>4,281,468</u>

Long-term loans to subsidiaries are in form of loan agreements denominated in Japanese Yen, Thai Baht, Singapore Dollar and US Dollar with no interest bearing and due for repayment at call, and with maturity within June 2021, respectively.

The management does not have intention to call these loans within next 12 months, and classify these loans as long-term accordingly.

13.5 Short-term loan from subsidiary

	Separate financial information	
	30 June 2019	31 December 2018
	Baht Thousand	Baht Thousand
Short-term loans from subsidiary	<u>22,500</u>	<u>22,500</u>

Short-term loan from subsidiary is in form of a promissory note with no interest and due for repayment within September 2019.

13.6 Key management compensation

	Consolidated financial information		Separate financial information	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
For the three-month period ended	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Subsidiaries				
Short-term employee benefits	9,878	14,365	5,313	5,321
Post-employment benefits	345	337	345	337
	<u>10,223</u>	<u>14,702</u>	<u>5,658</u>	<u>5,658</u>
For the six-month period ended	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Subsidiaries				
Short-term employee benefits	15,420	19,674	10,855	10,629
Post-employment benefits	686	607	686	607
	<u>16,106</u>	<u>20,281</u>	<u>11,541</u>	<u>11,236</u>

14 Share capital

	Consolidated and Separate financial statements			
	Number of shares Shares	Issued and paid up Shares	Issued and paid up Baht Thousand	Total Baht Thousand
At 1 January 2019	2,450,250,000	1,905,749,580	1,905,750	1,905,750
Reduce registered shares	(544,500,420)	-	-	-
Increase registered shares	571,724,874	-	-	-
At 30 June 2019	2,477,474,454	1,905,749,580	1,905,750	1,905,750

On 22 April 2019, the Annual General Meeting for 2019 approved a reduction of registered capital by reducing 544,500,420 unissued and non-offering shares and approved the issuance of 571,724,874 new ordinary shares at par value of 1 Baht each for General Mandate purpose. As at 30 June 2019, registered share capital was amounting to Baht 2,477.47 million.

15 Commitments

15.1 Capital commitments

As at 30 June 2019 and 31 December 2018, capital expenditure contracted but not recognised as liabilities is as follows:

	Currency	Consolidated financial information		Separate financial information	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
Power plant	Baht Thousand	-	64,400	-	64,400
Power plant	Yen Thousand	-	201,500	-	-

15.2 Operating lease commitments - where the Group is the lessee

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles, equipment and the lease of rooftop space and other building space in order to install solar cells. The terms of the agreements are generally between 3 and 26 years.

As at 30 June 2019 and 31 December 2018, future minimum lease payments committed under these operating lease contracts were as follows:

	Consolidated financial information		Separate financial information	
	30 June 2019 Baht Thousand	31 December 2018 Baht Thousand	30 June 2019 Baht Thousand	31 December 2018 Baht Thousand
Not later than 1 year	20,183	20,089	12,181	12,087
Later than 1 year but not later than 5 years	38,472	43,486	4,739	10,069
Later than 5 years	132,931	137,247	-	-
	191,586	200,822	16,920	22,156

In addition, under agreements to lease rooftop space and other building space, subsidiaries have commitments to pay rental fee at the higher of a percentage of sales and minimum amounts as specified in the agreements.

15 Commitments (Cont'd)

15.3 Power purchase agreements

During the period ended 30 June 2019, the Group has 1 new domestic power purchase agreement in addition to those agreements disclosed in Note 32.1 to the 2018 annual financial statements. Details are as follows:

The electricity generated system	Company	Number of agreement	Production capacity MW	Electricity rate (Baht/kilowatt-hour)	The term of the agreements
Ground-mounting solar power plant	Subsidiary	1	5	Feed-in Tariff system (FIT) amounting to Baht 5.66.	The agreements are for a period of 25 years commencing from commercial operation date (COD).

15.4 Contracts and other commitments

During the period ended 30 June 2019, the Group does not have new contract and commitment other than those disclosed in Note 32.3 to the 2018 annual financial statements.

16 Contingencies

Guarantees

As at 30 June 2019, there were outstanding bank guarantees of Baht 6 million (31 December 2018: Baht 8 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

17 Events after the reporting period

- 1) On 8 July 2019, the Board of Directors' Meeting approved a reduction of registered capital by reducing 571,724,874 unissued and non-offering shares and approved the issuance of 571,724,874 new ordinary shares at par value of 1 Baht each by allocation of up to 381,149,916 newly issued shares for the purpose of reserving to accommodate the exercise of TSR (Transferable Subscription Rights) to the existing shareholders of the Company in proportion of their respective shareholdings (Right Offering) without consideration and allocation of up to 190,574,958 newly issued shares under a general mandate. The registered share capital will be amounting to Baht 2,477.47 million.
- 2) On 8 July 2019, the Board of Directors' Meeting approved the issuance and offering of debentures for the amount not exceeding Baht 1,000 million.
- 3) On 9 July 2019, the Group acquired 1,455,000 ordinary shares of Oscar Save The World Co., Ltd. from Thainakorn Parawood Co., Ltd. at Baht 120 per share totalling Baht 174.60 million, resulting in an increase in the investment proportion of the Group in that subsidiary from 75% to 100%.