

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 SEPTEMBER 2020

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 September 2020, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-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
12 November 2020

Thai Solar Energy Public Company Limited

Statement of Financial Position

As at 30 September 2020

	Consolidated		Separate	
	financial information□		financial information□	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	1,044,486	643,594	42,599	43,844
Short-term restricted bank deposits	12,132	18,864	9,097	14,913
Short-term investments	8 466	221,114	466	221,114
Trade and other receivables	9 387,903	430,400	222,427	263,931
Short-term loans to subsidiaries	15.3 -	-	-	701,001
Current portion of long-term loans to subsidiaries	15.4 -	-	81,130	61,600
Inventories	22,312	24,029	-	-
Refundable Value Added Tax	118,074	273,156	-	-
Undue input Value Added Tax	231,294	14,033	225	655
Other current assets	16,912	16,284	15,807	13,928
Total current assets	1,833,579	1,641,474	371,751	1,320,986
Non-current assets				
Long-term restricted bank deposits	95,197	34,240	12,378	12,366
Long-term loans to subsidiaries	15.4 -	-	6,428,315	5,004,151
Receivables from disposal of investments	15.2 -	-	1,383,683	1,383,683
Investments in subsidiaries	-	-	1,199,150	1,199,150
Investments in joint venture	10.2 1,937,125	1,840,055	350,000	350,000
Investment properties	103,135	103,857	89,978	89,978
Property, plant and equipment	11 9,786,725	7,549,859	252,407	273,738
Right-of-use assets	304,647	-	29,830	-
Goodwill	51,439	17,113	-	-
Intangible assets	11 5,096,114	4,669,898	5,725	7,057
Deferred tax assets	21,705	1,623	-	-
Other non-current assets	23,862	11,873	11,051	7,341
Total non-current assets	17,419,949	14,228,518	9,762,517	8,327,464
Total assets	19,253,528	15,869,992	10,134,268	9,648,450

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 September 2020

	Notes	Consolidated financial information□		Separate financial information□	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	12.1	249,840	98,470	249,840	98,470
Construction and other payables		190,710	199,267	66,768	45,969
Current portion of right in power purchase agreement payables		784	2,056	-	-
Current portion of lease liabilities		28,336	7,195	7,730	2,720
Current portion of long-term borrowings from financial institutions	12.2	657,079	737,756	354,778	272,895
Short-term loan from subsidiary	15.5	-	-	-	22,500
Current portion of debentures	12.3	-	949,801	-	949,801
Income tax payable		804	4,404	-	-
Other current liabilities		46,771	26,403	3,787	5,292
Total current liabilities		1,174,324	2,025,352	682,903	1,397,647
Non-current liabilities					
Right in power purchase agreement payables		25,978	73,329	-	-
Lease liabilities		312,640	13,281	12,228	5,260
Long-term borrowings from financial institutions	12.2	8,035,719	5,736,434	2,389,950	2,291,061
Debentures	12.3	3,443,437	2,345,025	3,443,437	2,345,025
Employee benefit obligations		16,409	13,522	16,409	13,522
Provision for decommissioning costs		29,747	2,585	2,636	2,585
Deferred tax liabilities		44,093	28,067	4,819	3,112
Derivatives liabilities		61,508	-	-	-
Other non-current liabilities		72	72	72	72
Total non-current liabilities		11,969,603	8,212,315	5,869,551	4,660,637
Total liabilities		13,143,927	10,237,667	6,552,454	6,058,284

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 September 2020

	Consolidated		Separate	
	financial information□		financial information□	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Note	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
	Ordinary shares 2,477,474,454 shares			
	of par Baht 1 each			
	2,477,474	2,477,474	2,477,474	2,477,474
Issued and paid-up share capital				
	Ordinary shares 2,117,716,281 shares			
	of fully-paid			
	2,117,716	2,117,716	2,117,716	2,117,716
	1,045,504	1,045,504	1,045,504	1,045,504
	Premium on ordinary shares			
Retained earnings				
	Appropriated - legal reserve			
13	89,425	81,304	67,603	67,603
	Unappropriated			
	2,887,164	2,856,784	350,991	359,343
	Other components of equity			
	(35,482)	(473,307)	-	-
	6,104,327	5,628,001	3,581,814	3,590,166
	Equity attributable to owners of the parent			
	5,274	4,324	-	-
	Non-controlling interests			
	6,109,601	5,632,325	3,581,814	3,590,166
	Total equity			
	19,253,528	15,869,992	10,134,268	9,648,450
	Total liabilities and equity			

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 September 2020

	Consolidated		Separate	
	financial information		financial information	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales	355,969	333,333	-	-
Subsidy for adders	40,636	14,108	-	-
Management service fee income	11,934	13,375	32,125	24,106
Cost of sales and services	(258,764)	(226,147)	(26,754)	(18,146)
Gross profit	149,775	134,669	5,371	5,960
Dividends income	-	-	102,200	136,850
Other income	3,540	6,084	4,400	2,566
Administrative expenses	(59,828)	(46,414)	(29,740)	(30,117)
(Loss) gain from exchange rate	(87,578)	(313)	70,367	(26,046)
Finance costs	(95,186)	(27,233)	(68,077)	(40,471)
Share of profit from joint ventures	160,292	141,568	-	-
Profit before income tax	71,015	208,361	84,521	48,742
Income tax	267	(1,788)	829	514
Profit for the period	71,282	206,573	85,350	49,256
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	271,081	(39,068)	-	-
Change in fair value of hedging derivatives	(6,497)	-	-	-
Total comprehensive income for the period	335,866	167,505	85,350	49,256
Profit attributable to:				
Owners of the parent	71,119	204,796	85,350	49,256
Non-controlling interests	163	1,777	-	-
	71,282	206,573	85,350	49,256
Total comprehensive income attributable to:				
Owners of the parent	335,491	165,703	85,350	49,256
Non-controlling interests	375	1,802	-	-
	335,866	167,505	85,350	49,256
Earnings per share				
	Baht	Baht	Baht	Baht
Basic earnings per share	0.03	0.11	0.04	0.03

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2020

	Consolidated financial information		Separate financial information		
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	
	Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		1,040,647	954,165	-	2
Subsidy for adders		123,287	41,282	-	-
Management service fee income		35,044	37,395	87,515	69,544
Cost of sales and services		(758,765)	(645,795)	(79,291)	(52,303)
Gross profit		440,213	387,047	8,224	17,243
Dividends income	15.1	-	-	401,800	465,080
Other income		10,361	26,359	14,839	5,763
Administrative expenses		(219,635)	(157,563)	(87,969)	(94,380)
(Loss) gain from exchange rate		(158,695)	(4,679)	126,680	(113,364)
Finance costs		(250,837)	(141,127)	(215,340)	(195,062)
Share of profit from joint ventures	10.2	498,870	475,332	-	-
Profit before income tax		320,277	585,369	248,234	85,280
Income tax		316	(932)	1,524	1,375
Profit for the period		320,593	584,437	249,758	86,655
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		495,473	(183,771)	-	-
Change in fair value of hedging derivatives		(9,411)	-	-	-
Total comprehensive income for the period		806,655	400,666	249,758	86,655
Profit attributable to:					
Owners of the parent		320,027	559,917	249,758	86,655
Non-controlling interests		566	24,520	-	-
		320,593	584,437	249,758	86,655
Total comprehensive income attributable to:					
Owners of the parent		805,705	376,092	249,758	86,655
Non-controlling interests		950	24,574	-	-
		806,655	400,666	249,758	86,655
Earnings per share					
		Baht	Baht	Baht	Baht
Basic earnings per share		0.15	0.29	0.12	0.05

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2020

Consolidated financial information											
Attribute to owners of the parent											
	Notes	Issued and called-up share capital		Retained earnings		Other components of equity		Fair value of hedging derivatives	Total owners of the parent	Non-controlling interests	Total
		Baht Thousand	Premium on ordinary capital Baht Thousand	Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	Changes in parent's ownership interest in subsidiary Baht Thousand	Translation of financial statements Baht Thousand				
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											
Additional investment in subsidiaries by purchasing shares from non-controlling interests		-	-	-	-	(10,524)	-	-	(10,524)	(164,076)	(174,600)
Dividends		-	-	-	(104,814)	-	-	-	(104,814)	-	(104,814)
Total comprehensive income for the period		-	-	-	559,917	-	(183,825)	-	376,092	24,574	400,666
Closing balance at 30 September 2019		<u>1,905,750</u>	<u>727,554</u>	<u>63,972</u>	<u>2,662,334</u>	<u>(18,293)</u>	<u>(310,175)</u>	<u>-</u>	<u>5,031,142</u>	<u>4,732</u>	<u>5,035,874</u>
Opening balance at 1 January 2020											
- previously report		2,117,716	1,045,504	81,304	2,856,784	(18,292)	(455,015)	-	5,628,001	4,324	5,632,325
Impact of first-time adoption of new financial reporting standards	5	-	-	-	(27,401)	-	-	(47,853)	(75,254)	-	(75,254)
Opening balance at 1 January 2020 - restated		<u>2,117,716</u>	<u>1,045,504</u>	<u>81,304</u>	<u>2,829,383</u>	<u>(18,292)</u>	<u>(455,015)</u>	<u>(47,853)</u>	<u>5,552,747</u>	<u>4,324</u>	<u>5,557,071</u>
Change in equity for the period											
Legal reserves	13	-	-	8,121	(8,121)	-	-	-	-	-	-
Dividends	14	-	-	-	(254,125)	-	-	-	(254,125)	-	(254,125)
Total comprehensive income for the period		-	-	-	320,027	-	495,089	(9,411)	805,705	950	806,655
Closing balance at 30 September 2020		<u>2,117,716</u>	<u>1,045,504</u>	<u>89,425</u>	<u>2,887,164</u>	<u>(18,292)</u>	<u>40,074</u>	<u>(57,264)</u>	<u>6,104,327</u>	<u>5,274</u>	<u>6,109,601</u>

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 nine-month period ended 30 September 2020

	Notes	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 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		-	-	-	86,655	86,655
Closing balance at 30 September 2019		<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>348,774</u>	<u>3,032,972</u>
Opening balance at 1 January 2020 - previously reported		2,117,716	1,045,504	67,603	359,343	3,590,166
Impact of first-time adoption of new financial reporting standards	5	-	-	-	(3,985)	(3,985)
Opening balance at 1 January 2020 - restated		<u>2,117,716</u>	<u>1,045,504</u>	<u>67,603</u>	<u>355,358</u>	<u>3,586,181</u>
Change in equity for the period						
Dividends	14	-	-	-	(254,125)	(254,125)
Total comprehensive income for the period		-	-	-	249,758	249,758
Closing balance at 30 September 2020		<u>2,117,716</u>	<u>1,045,504</u>	<u>67,603</u>	<u>350,991</u>	<u>3,581,814</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2020

	Consolidated		Separate		
	financial information		financial information		
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	
Cash flows from operating activities					
Profit before income tax		320,277	585,369	248,234	85,280
Adjustments for:					
Depreciation		252,255	216,737	9,916	6,644
Amortisation	11	43,344	30,210	1,457	1,474
Share of profit from joint ventures	10.2	(498,870)	(475,332)	-	-
Provision for employee benefits obligations		2,887	2,059	2,887	2,059
Unrealised loss (gain) on exchange		406,462	5,693	(133,455)	109,591
Fair value loss on trading securities	8	498	-	498	-
Gain on disposal of trading securities		(717)	(822)	(717)	(822)
Loss (reversal) from impairment of assets	11	14,310	(578)	-	(578)
Loss (gain) from disposal of equipment		489	-	(33)	-
Loss from disposal of subsidiary	10.1	2,705	-	-	-
Loss from write-off withholding tax		6	9	-	-
Dividends income	15.1	-	-	(401,800)	(465,080)
Interest income		(601)	(941)	(12,850)	(2,824)
Finance cost		250,837	141,127	215,340	195,062
Gain on bargain purchase of subsidiary		-	(5,683)	-	-
Loss on impairment of goodwill		937	766	-	-
		794,819	498,614	(70,523)	(69,194)
Changes in operating assets and liabilities					
Trade and other receivables		(37,369)	64,512	(5,797)	3,377
Inventories		1,717	(14,068)	-	-
Refundable Value Added Tax		149,344	35,519	-	-
Undue input Value Added Tax		(217,261)	(128,070)	430	(30)
Other current assets		2,256	136,318	(1)	509
Other non-current assets		(7,266)	1,222	(3,698)	(1,143)
Construction and other payables		(94,699)	(104,533)	14,358	8,630
Other current liabilities		20,428	3,210	(1,505)	4,379
Cash flows generated from (used in) operating activities		611,969	492,724	(66,736)	(53,472)
<u>Less</u> Income tax paid		(6,556)	(2,958)	(1,879)	(2,051)
Net cash generated from (used in) operating activities		605,413	489,766	(68,615)	(55,523)

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 nine-month period ended 30 September 2020

	Notes	Consolidated financial information		Separate financial information	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	10.1	(123,160)	(204,818)	-	(400)
Proceeds from disposal of subsidiary		69,312	-	-	-
Purchase shares in subsidiary from non-controlling interests		-	(174,600)	-	-
Decrease in restricted bank deposits		(36,239)	3,821	5,804	390
Purchase of short-term investments	8	(520,002)	(455,389)	(520,002)	(455,389)
Proceeds from disposals of short-term investments		740,869	456,208	740,869	456,208
Short-term loans made to others		(6,650)	-	(6,650)	-
Short-term loans repayments received from others		6,650	-	6,650	-
Short-term loans made to subsidiaries	15.3	-	-	(41,300)	(486,000)
Short-term loans repayments received from subsidiaries	15.3	-	-	91,950	67,287
Long-term loans made to subsidiaries	15.4	-	-	(584,529)	(59,263)
Long-term loans repayments received from subsidiaries	15.4	-	-	52,976	21,988
Purchase of property, plant and equipment		(2,126,751)	(363,726)	(1,561)	(3,590)
Proceeds from disposals of equipment		7,411	15	33	15
Purchase of intangible assets		(14,106)	(1,303)	(125)	(1,303)
Interest received		20,940	732	12,956	352
Dividends received		452,900	462,980	452,900	462,980
Net cash (used in) generated from investing activities		(1,528,826)	(276,080)	209,971	3,275
Cash flows from financing activities					
Proceed from short-term borrowings from financial institutions, net of financial service fee	12.1	1,277,630	47,879	1,277,630	47,879
Repayment to short-term loans from financial institutions	12.1	(1,130,000)	(50,000)	(1,130,000)	(50,000)
Repayment to finance lease liabilities		(27,141)	(3,799)	(6,320)	(2,230)
Proceeds from long-term borrowings from financial institutions, net of financial service fee	12.2	2,624,708	558,864	368,987	203,517
Repayment to long-term borrowings from financial institutions	12.2	(879,944)	(393,074)	(364,220)	(91,200)
Proceeds from issuance of debentures	12.3	1,096,750	-	1,096,750	-
Redemption of debentures	12.3	(950,000)	-	(950,000)	-
Cash dividends payment	14	(254,125)	(104,814)	(254,125)	(104,814)
Interest expenses and financial service fee		(270,285)	(187,057)	(181,355)	(120,677)
Net cash generated from (used in) financing activities		1,487,593	(132,001)	(142,653)	(117,525)

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 nine-month period ended 30 September 2020

	Consolidated financial information		Separate financial information	
	30 September 2020 Baht Thousand	30 September 2019 Baht Thousand	30 September 2020 Baht Thousand	30 September 2019 Baht Thousand
Net increase (decrease) in cash and cash equivalents	564,180	81,685	(1,297)	(169,773)
Cash and cash equivalents at beginning of the period	643,594	561,021	43,844	209,558
(Gain) loss from exchange differences on cash and cash equivalents	(502)	1,999	52	(2,031)
Effect of exchange rate change on translation of financial statements	(162,786)	2,041	-	-
Cash and cash equivalents at end of the period	1,044,486	646,746	42,599	37,754
Non-cash transactions				
Significant non-cash transactions are as follows:				
Payables arising from construction and purchase of equipment	52,906	23,372	-	8
Capitalise borrowing cost to property, plant and equipment and intangible assets	61,646	166,990	-	-

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 and private company.

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 12 November 2020.

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 2019.

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 2019, except for the following.

3.1 Financial reporting standards that are effective for accounting period beginning or after 1 January 2020 that are relevant to the Group

The Group has applied the following standards for the first time for reporting period commencing 1 January 2020.

3.1.1 TFRS 16, Leases

3.1.2 Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation

3 Accounting policies (Cont'd)

3.2 The temporary exemption guidance to relieve the impact from COVID-19

The Federation of Accounting Professions (TFAC) announced on 22 April 2020 the temporary exemption guidance to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. The management has considered that the Group does not have any significant item that should apply for the exemption.

4 Reclassification

Comparative figures have been reclassified to conform with changes in presentation in the current period.

Summary impact to statement of comprehensive income is as follows:

For the three-month period ended 30 September 2019

	Consolidated financial information		
	Previously reported Baht Thousand	Reclassification Baht Thousand	Restated Baht Thousand
Administrative expenses	(46,727)	313	(46,414)
Loss on exchange rate	-	(313)	(313)
	Separate financial information		
	Previously reported Baht Thousand	Reclassification Baht Thousand	Restated Baht Thousand
Administrative expenses	(56,163)	26,046	(30,117)
Loss on exchange rate	-	(26,046)	(26,046)

For the nine-month period ended 30 September 2019

	Consolidated financial information		
	Previously reported Baht Thousand	Reclassification Baht Thousand	Restated Baht Thousand
Administrative expenses	(162,242)	4,679	(157,563)
Loss on exchange rate	-	(4,679)	(4,679)
	Separate financial information		
	Previously reported Baht Thousand	Reclassification Baht Thousand	Restated Baht Thousand
Administrative expenses	(207,744)	113,364	(94,380)
Loss on exchange rate	-	(113,364)	(113,364)

5 Adoption of new financial reporting standards and changes in accounting policies

The Group has adopted financial reporting standards related to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020 but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line items in the statement of financial position upon adoption of the financial reporting standards related to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

	Consolidated financial information			
	As previously reported on 31 December 2019 Baht Thousand	Impact of TAS 32 and TFRS9 (Note 5.1) Baht Thousand	Impact of TFRS16 (Note 5.2) Baht Thousand	As restated on 1 January 2020 Baht Thousand
Assets				
Non-current assets				
Property, plant and equipment	7,549,859	-	(43,204)	7,506,655
Right-of-use assets	-	-	251,666	251,666
Deferred tax assets	1,623	-	3,495	5,118
Liabilities and equity				
Current liabilities				
Construction and other payables	(199,267)	-	12,211	(187,056)
Current portion of lease liabilities	(7,195)	-	(13,821)	(21,016)
Non-current liabilities				
Lease liabilities	(13,281)	-	(210,942)	(224,223)
Derivative liabilities	-	(47,853)	-	(47,853)
Deferred tax liabilities	(28,067)	-	(3,220)	(31,287)
Provision for decommissioning costs	(2,583)	-	(23,586)	(26,169)
Equity				
Retained earnings	(2,856,784)	-	27,401	(2,829,383)
Other components of equity	-	47,853	-	47,853
- Fair value of hedging derivatives	-	47,853	-	47,853

	Separate financial information		
	As previously reported on 31 December 2019 Baht Thousand	Impact of TFRS16 (Note 5.2) Baht Thousand	As restated on 1 January 2020 Baht Thousand
Assets			
Non-current assets			
Property, plant and equipment	273,738	(18,866)	254,872
Right-of-use assets	-	34,463	34,463
Liabilities and equity			
Current liabilities			
Current portion of lease liabilities	(2,720)	(4,610)	(7,330)
Non-current liabilities			
Lease liabilities	(5,260)	(11,740)	(17,000)
Deferred tax liabilities	(3,112)	(3,232)	(6,344)
Equity			
Retained earnings	(359,343)	3,985	(355,358)

5.1 Financial instruments

With the first-time adoption of financial reporting standards regarding financial instruments, the Group's financial statements have been significantly affected on derivative contracts and hedging activities.

The total impact on the other components of equity as at 1 January 2020 is as follows:

	Consolidated financial information Baht Thousand
Other component of equity as at 31 December 2019	-
Hedge accounting and derivatives	47,853
Other component of equity as at 1 January 2020	47,853

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.1 Financial instruments (Cont'd)

Classification and measurement

On 1 January 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

	Consolidated financial information		
	Fair value through profit or loss	Amortised cost	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Financial assets as at 1 January 2020			
Cash and cash equivalents	-	643,594	643,594
Restricted bank deposits	-	53,104	53,104
Short-term investments	220,650	464	221,114
Trade and other receivables	-	405,581	405,581
	220,650	1,102,743	1,323,393

	Consolidated financial information		
	Fair value - Derivatives	Amortised cost	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Financial liabilities as at 1 January 2020			
Short-term borrowings from financial institutions	-	98,470	98,470
Construction and other payables	-	199,267	199,267
Right in power purchase agreement payables	-	75,385	75,385
Lease liabilities	-	245,239	245,239
Long-term loans from financial institutions	-	6,474,190	6,474,190
Debentures	-	3,294,826	3,294,826
Derivative liabilities	47,853	-	47,853
	47,853	10,387,377	10,435,230

	Separate financial information		
	Fair value through profit or loss	Amortised cost	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Financial assets as at 1 January 2020			
Cash and cash equivalents	-	43,844	43,844
Restricted bank deposits	-	27,279	27,279
Short-term investments	220,650	464	221,114
Trade and other receivables	-	262,770	262,770
Receivables from disposal of investment	-	1,383,683	1,383,683
Short-term loans to subsidiaries	-	701,001	701,001
Long-term loans to subsidiaries	-	5,065,751	5,065,751
	220,650	7,484,792	7,705,442

	Separate financial information
	Amortised cost Baht Thousand
Financial liabilities as at 1 January 2020	
Short-term borrowings from financial institutions	98,470
Trade and other payables	45,969
Short-term loans from subsidiaries	22,500
Long-term loans from financial institutions	2,563,956
Debentures	3,294,826
Lease liabilities	24,330
	6,050,051

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.1 Financial instruments (Cont'd)

Hedge accounting

The Group and the Company has the following derivative instruments:

Financial liabilities as at 1 January 2020	Consolidated financial information Baht Thousand
Non-current liabilities	
Interest rate swaps - cash flow hedges	47,853

5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was between 0.47% to 4.89% per annum.

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
Operating lease commitments disclosed as at 31 December 2019	206,840	10,834
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(61,531)	(1,234)
Add: finance lease liabilities recognised as at 31 December 2019	20,476	7,980
Add: contracts reassessed due to extension of leases	112,400	10,872
Less: short-term leases recognised on a straight-line basis as expense	(29,245)	(685)
Less: low-value leases recognised on a straight-line basis as expense	(3,701)	(3,437)
	<u>245,239</u>	<u>24,330</u>
Lease liabilities recognised as at 1 January 2020		
Current lease liabilities	21,016	7,330
Non-current lease liabilities	224,223	17,000
	<u>245,239</u>	<u>24,330</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if TFRS 16 had always been applied. Other right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application of TFRS 16.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.2 Leases (Cont'd)

The recognised right-of-use assets related to the following types of assets:

	Consolidated financial information		Separate financial information	
	30 September 2020 Baht Thousand	1 January 2020 Baht Thousand	30 September 2020 Baht Thousand	1 January 2020 Baht Thousand
Properties	271,559	213,776	10,508	13,434
Motor vehicles	33,088	37,890	19,322	21,029
Total right-of-use assets	304,647	251,666	29,830	34,463

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

5.3 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Investments and other financial assets

Classification and measurements

From 1 January 2020, the Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.3 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in other income using the effective interest method. Any gain or loss on derecognition is presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item.
- FVOCI: Assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue is included in finance income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment losses are presented as separate line item. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss in other gains/(losses).
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

The Group reclassifies debt instruments only when its business model for managing those assets changes.

Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Group applies the simplified approach in determining its expected credit loss.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivative that is not applied hedge accounting is classified as a non-current asset or liability when the remaining maturity is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.3 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Derivatives and hedging activities (Cont'd)

a) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gain or loss.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the change in fair value of hedging derivatives within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

Leases

From 1 January 2020, leases are recognised as a right-of-use asset and a lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

5 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

5.3 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Leases (Cont'd)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

6 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.

7 Operating segments

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass and operating its business in Thailand and in Japan. 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 the Executive Committee.

Financial information by geography segment

	For the nine-month period ended 30 September (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from operations	999.80	814.55	255.50	251.12	1,255.30	1,065.67	(56.32)	(32.83)	1,198.98	1,032.84
Other income	21.41	26.44	1.63	2.39	23.04	28.83	(12.68)	(2.47)	10.36	26.36
Dividends income	401.80	465.08	-	-	401.80	465.08	(401.80)	(465.08)	-	-
Cost of operations	(588.38)	(516.59)	(166.58)	(140.60)	(754.96)	(657.19)	(3.81)	11.40	(758.77)	(645.79)
Operating profit	834.63	789.48	90.55	112.91	925.18	902.39	(474.61)	(488.98)	450.57	413.41
Selling and administrative expenses	(229.25)	(141.16)	(50.09)	(37.46)	(279.34)	(178.62)	59.71	21.05	(219.63)	(157.57)
Profit before finance cost and taxes	605.38	648.32	40.46	75.45	645.84	723.77	(414.90)	(467.93)	230.94	255.84
Finance cost	(289.20)	(276.86)	(35.96)	(33.97)	(325.16)	(310.83)	74.32	169.70	(250.84)	(141.13)
Gain (loss) from exchange	71.47	(88.34)	(0.33)	(0.07)	71.14	(88.41)	(229.83)	83.74	(158.69)	(4.67)
Share of profit from joint ventures	498.87	475.33	-	-	498.87	475.33	-	-	498.87	475.33
Operating results before taxes	886.52	758.45	4.17	41.41	890.69	799.86	(570.41)	(214.49)	320.28	585.37
Income tax	1.49	0.83	(1.17)	(1.76)	0.32	(0.93)	-	-	0.32	(0.93)
Net profit	888.01	759.28	3.00	39.65	891.01	798.93	(570.41)	(214.49)	320.60	584.44
Timing of revenue recognition										
At a point in time									1,163.94	995.44
Over time									35.04	37.40
Total revenue									1,198.98	1,032.84
Total assets									19,253.53	15,246.40
Total liabilities									13,143.93	10,210.53

8 Short-term investments

The movement of short-term investments for nine-month period ended 30 September 2020 is as follows:

	Consolidated and Separate financial information		
	Trading Baht Thousand	Held-to-maturity due within 1 year Baht Thousand	Total Baht Thousand
Opening net book value	220,650	464	221,114
Additions	520,000	2	520,002
Disposals	(740,152)	-	(740,152)
Re-measuring of investments	(498)	-	(498)
Closing net book value	-	466	466

9 Trade receivables

As at 30 September 2020 and 31 December 2019, trade receivables included in trade and other receivables in the statement of financial position can be analysed by age as follows:

	Consolidated financial information	
	30 September 2020 Baht Thousand	31 December 2019 Baht Thousand
Not yet due	242,744	237,262
<u>Less</u> Provision for impairment of trade receivables	-	-
Total trade receivables, net	242,744	237,262

10 Investments in subsidiaries and joint ventures

10.1 Movements of investments in subsidiaries

Additional investment under Solar Visible Co., Ltd. (“Solar Visible”)

Investment in BP Trading (Thailand) Co., Ltd. (“BP Trading”)

On 12 June 2020, Solar Visible acquired 8,000 ordinary shares of BP Trading (Thailand) Company Limited, representing 80% of the registered capital, in order to acquire a business with a private Power Purchase Agreement (Private PPA) of the electricity generation from floating solar in Kabinburi Industrial Estate. The acquisition is considered as assets acquisition. Another third party, at the same time, has intended to acquire the remaining 20% of interests.

In August 2020, the buyer of the 20% interests decided not to pursue with the acquisition. Therefore, Solar Visible agreed to acquire entire 100% interests in BP Trading for a total consideration of Baht 67.24 million.

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

10.1 Movements of investments in subsidiaries (Cont'd)

Additional investment under Solar Visible Co., Ltd. (Cont'd)

Investment in BP Trading (Thailand) Co., Ltd. (Cont'd)

The following table summarises the consideration paid for acquiring BP Trading (Thailand) Company Limited, and the assets acquired and liabilities assumed recognised on acquisition date.

Consideration paid	Baht Thousand
Cash	27,600
Payables from acquisition of investments	39,635
Total consideration	67,235
Recognised amounts of identifiable assets acquired and liabilities assumed	Baht Thousand
Cash and cash equivalents	735
Power Purchase Agreement	66,500
Total identifiable net assets	67,235

Expenses related to the acquisition of subsidiary amounting to Baht 24.75 million are recognised as administrative expenses in the consolidated financial statements for the nine-month period ended 30 September 2020.

The Group has settled the payables from acquisition amounting to Baht 39.64 million on 31 August 2020.

Investment in Earth Energy System Co., Ltd.

On 14 July 2020, Solar Visible acquired 1,000,000 ordinary shares of Earth Energy System Company Limited, representing 100% of the registered capital for a total consideration of Baht 56.69 million, in order to acquire a business with a ground-mounting solar power plant with the production capacity of 5 MW which operated by its subsidiary, MARS Solar Company Limited. The acquisition is considered as business acquisition.

The following table summarises the consideration paid for acquiring Earth Energy System Company Limited and the subsidiary, and the assets acquired and liabilities assumed recognised on acquisition date.

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

10.1 Movements of investments in subsidiaries (Cont'd)

Additional investment under Solar Visible Co., Ltd. (Cont'd)

Investment in Earth Energy System Co., Ltd. (Cont'd)

Consideration paid	Baht Thousand
Cash	56,688
Total consideration	56,688
Recognised amounts of identifiable assets acquired and liabilities assumed	Baht Thousand
Cash and cash equivalents	28
Trade and other receivables	9,515
Other current assets	1,514
Restricted bank deposits	17,986
Property, plant and equipment	182,200
Right-of-use assets	3,300
Right in power purchase agreement	123,000
Other non-current assets	4,766
Trade and other payables	(2,991)
Short-term loans from related parties	(95,483)
Other current liabilities	(494)
Lease liabilities	(45,223)
Long-term loans from financial institutions	(174,293)
Provisions of decommissioning cost	(1,311)
Deferred tax liabilities	(1,431)
Total identifiable net assets	21,083
Goodwill	35,605
Total	56,688

Expenses related to the acquisition of subsidiary amounting to Baht 8.35 million are recognised as administrative expenses in the consolidated financial statements for the period ended 30 September 2020.

Disposal of investment under Solar Visible Co., Ltd.

On 25 September 2020, Solar Visible disposed investment in BS Solar Energy Co., Ltd. for a consideration of Baht 84.61 million. The Group recognised a loss from disposal of investment amounting to Baht 2.71 million under "Administrative expenses" in the statement of comprehensive income in consolidated financial statements for the three-month and nine-month period ended 30 September 2020.

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

10.1 Movements of investments in subsidiaries (Cont'd)

Changes in investment under Thai Community Energy Co., Ltd.

On 29 July 2020, the Group restructured its investments by selling shares of 3 subsidiaries under Thai Community Energy Co., Ltd. at book value to World Solar Co., Ltd. Details are as follows:

Subsidiaries	Investments book value amount Baht Thousand
Native Power Energy Co., Ltd.	250
White Solution Energy Co., Ltd.	250
Clean Renewable Co., Ltd.	250
	750

Additional investment under TSE Overseas Group Co., Ltd. ("TSE Overseas Group")

On 20 August 2020, the Group has established TSE Japan G.K. for the purpose of overseas investments. TSE Overseas Group subscribed 100% of interests in TSE Japan G.K. and paid for the subscription amounting to Baht 876,414. The Group classified the investment in TSE Japan G.K. as investment in subsidiary.

10.2 Movements of investments in joint ventures

Movements of investments in joint ventures for nine-month period ended 30 September 2020 and 2019 are as follows:

	Consolidated financial information		Separate financial information	
	Equity method		Cost method	
	2020	2019	2020	2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Opening net book value	1,840,055	1,787,087	350,000	350,000
Share of profit	498,870	475,332	-	-
Dividends received	(401,800)	(453,250)	-	-
Closing net book value	1,937,125	1,809,169	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 2019: 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 4,582.95 million (31 December 2019: Baht 4,754.92 million) and pledged bank deposits amounting to Baht 351 million (31 December 2019: Baht 360 million) as collateral for credit facilities granted by a commercial bank.

11 Property, plant and equipment and intangible assets

Movements of property, plant and equipment and intangible assets for the nine-month period ended 30 September 2020 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 As previous reported	7,549,859	4,669,898	273,738	7,057
Reclassification due to adoption of new financial reporting standard (Note 5)	(43,204)	-	(18,866)	-
Opening net book value as modified retrospective	7,506,655	4,669,898	254,872	7,057
Acquisition of assets of a subsidiary (Note 10.1)	182,200	189,500	-	-
Disposal of a subsidiary	(182,244)	(63,299)	-	-
Additions	2,187,027	47,527	1,569	125
Disposals, net	(7,900)	-	-	-
Depreciation and amortisation	(236,541)	(43,344)	(4,034)	(1,457)
Provision of impairment	(14,310)	-	-	-
Foreign currency translation differences	351,838	295,832	-	-
Closing net book value	9,786,725	5,096,114	252,407	5,725

Borrowing costs incurring from the borrowings for the construction of the power plants during the period were capitalised in property, plant and equipment and included as "Additions" for Baht 34.84 million (31 December 2019: Baht 20.34 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (31 December 2019: 3.01% to 4.58% 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 in intangible assets and included as "Additions" for Baht 47.28 million (2019: Baht 187.91 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (2019: 3.01% to 4.58% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate includes the actual rate of the borrowing which were used for developing the power plant projects to its intended use and the interest rate differential between borrowing costs that would incur if the Group borrowed in its functional currency and actual borrowing costs incurred on foreign currency borrowings.

Land, building and equipment with the net book value amounting to Baht 8,016 million (31 December 2019: Baht 4,783 million) have been pledged as collaterals for credit facilities obtained from commercial bank.

12 Borrowings

12.1 Short-term borrowings from financial institutions

Movements in short-term borrowings from financial institutions for the nine-month period ended 30 September 2020 are analysed as follows:

	Consolidated and Separate financial information Baht Thousand
Opening net book value	98,470
Cash inflows (outflows):	
Additions	1,280,000
Repayment	(1,130,000)
Discount on notes payable	(2,370)
Non-cash changes:	
Amortisation of discount on notes payable	3,740
Closing net book value	<u>249,840</u>

At 30 September 2020, the short-term borrowings comprised promissory notes issued to financial institutions amounting to Baht 50 million with no interest and Baht 200 million with interest rate of 2.95% per annum. The principal repayments are due by 27 November 2020 and 30 December 2020 respectively.

12.2 Long-term borrowings from financial institutions

Movements in long-term borrowings from financial institutions for the nine-month period ended 30 September 2020 are analysed as follows:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
Opening net book value	6,474,190	2,563,956
Cash inflows (outflows):		
Additions	2,709,839	370,000
Financial service fee	(85,131)	(1,013)
Repayment	(879,944)	(364,220)
Non-cash changes:		
Acquisition of a subsidiary (Note 10.1)	174,293	-
Disposal of a subsidiary	(113,340)	-
Foreign currency translation differences	398,072	171,979
Amortisation of financial service fee	14,819	4,026
Closing net book value	<u>8,692,798</u>	<u>2,744,728</u>

On 17 April 2020, a subsidiary entered into a loan agreement with a financial institution amounting to Yen 28,691.25 million, equivalent to Baht 8,776.19 million, with interest rate of TIBOR + 2.75%. The first principal repayment is due in 6 months from commercial operation date (COD) and every 6 months afterward until completion in June 2038. During the period, the Group drawdown loan from this loan facility totaling Yen 7,730 million, equivalent to Baht 2,266.31 million.

The long-term borrowings from financial institutions of the Group 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, and guarantee by the Company.

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 Borrowings (Cont'd)

12.3 Debentures

Movements in debentures for the nine-month period ended 30 September 2020 are analysed as follows:

	Consolidated and Separate financial information Baht Thousand
Opening net book value	3,294,826
Cash inflows (outflows):	
Issuance of debentures	1,099,600
Redemption	(950,000)
Deferred issuance cost	(2,850)
Non-cash changes:	
Amortisation of issuance cost	1,861
Closing net book value	<u>3,443,437</u>

On 21 April 2020, the Company issued name-registered certificate of unsubordinated, unsecured debentures with a debenture holder's representative totalling 1,099,600 units with the fixed interest of 4.50% per annum payable every 3 months. Debentures have the face value of Baht 1,000 and will be redeemed on 21 April 2023.

13 Legal reserve

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
At 1 January	81,304	63,972	67,603	50,894
Appropriation	8,121	-	-	-
At 31 December	<u>89,425</u>	<u>63,972</u>	<u>67,603</u>	<u>50,894</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

14 Dividends

On 25 March 2020, the Board of Directors Meeting approved dividends payment in respect of operating result of 2019 and retained earnings to shareholders of Baht 0.12 per share amounting to Baht 254.13 million. The dividends were paid on 20 April 2020.

15 Related party transactions

The Group is controlled by the following entities:

Name	Relationship	Place of incorporation	% of ownership interest	
			30 September 2020	31 December 2019
P.M. Energy Company Limited	Parent	Thailand	36.98	36.96
Sino-Thai Engineering & Construction Public Company Limited	Related party	Thailand	9.00	9.00
Wave Entertainment Public Company Limited	Related party	Thailand	5.59	9.01
Miss Cathleen Maleenont	Related party	-	8.72	8.72

The remaining 39.71% of the shares is widely held.

15 Related party transactions (Cont'd)

15.1 Sales of services and dividends

For the nine-month period ended	Consolidated financial information		Separate financial information	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Sales of services				
Subsidiaries	-	-	52,470	36,169
Joint venture	35,384	33,716	35,384	33,716
	<u>35,384</u>	<u>33,716</u>	<u>87,854</u>	<u>69,885</u>
Dividends income				
Subsidiaries	-	-	-	11,830
Joint venture	-	-	401,800	453,250
	<u>-</u>	<u>-</u>	<u>401,800</u>	<u>465,080</u>

15.2 Outstanding balances arising from sales/purchases of services

	Consolidated financial information		Separate financial information	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Amounts due from and advances to related parties				
Subsidiaries	-	-	52,747	95,015
Joint venture	4,256	4,054	4,256	4,054
	<u>4,256</u>	<u>4,054</u>	<u>57,003</u>	<u>99,069</u>
Dividends receivable				
Joint venture	102,200	153,300	102,200	153,300
Receivables from disposal of investments				
Subsidiaries	-	-	1,383,683	1,383,683

15.3 Short-term loans to subsidiaries

The movements of short-term loans to subsidiaries during the nine-month period ended 30 September 2020 are as follows:

	Separate financial information 30 September 2020 Baht Thousand
Opening net book value	701,001
Additions	41,300
Repayment received	(91,950)
Transfer to long-term loans (Note 15.4)	<u>(650,351)</u>
Closing net book value	<u>-</u>

15 Related party transactions (Cont'd)

15.4 Long-term loans to subsidiaries

The movements of long-term loans to subsidiaries during the nine-month period ended 30 September 2020 are as follows:

	Separate financial information 30 September 2020 Baht Thousand
Opening net book value	5,065,751
Cash inflows (outflows):	
Additions	584,529
Repayment received	(52,976)
Non-cash changes:	
Transfer from short-term loans (Note 15.3)	650,351
Repayment received (Note 15.5)	(22,500)
Foreign currency translation differences	284,290
Closing net book value	<u>6,509,445</u>

Long-term loans to subsidiaries are in form of loan agreements denominated in Japanese Yen and Thai Baht. Loans carry interests at 0% and the rates range from 4.3% to 6.0% per annum. Certain loans are due for repayment at call and other loans have maturity within 2021 to 2028.

During the period, the Company received a repayment from long-term loan to subsidiary by settling with short-term loan from the same subsidiary amounting to Baht 22.50 million (Note 15.5).

The management do not have intention to call the for repayment of loans due at call in the next 12 months and classify these loans as long-term accordingly.

15.5 Short-term loan from subsidiary

The movements of short-term loan from subsidiary during the nine-month period ended 30 September 2020 are as follows:

	Separate financial information 30 September 2020 Baht Thousand
Opening net book value	22,500
Non-cash changes:	
Repayment (Note 15.4)	(22,500)
Closing net book value	<u>-</u>

15.6 Key management compensation

	Consolidated financial information		Separate financial information	
	30 September 2020 Baht Thousand	30 September 2019 Baht Thousand	30 September 2020 Baht Thousand	30 September 2019 Baht Thousand
For the nine-month period ended				
Short-term employee benefits	30,215	20,789	18,362	16,293
Post-employment benefits	1,190	1,034	1,190	1,034
	<u>31,405</u>	<u>21,823</u>	<u>19,552</u>	<u>17,327</u>

16 Commitments

16.1 Capital commitments

As at 30 September 2020 and 31 December 2019, capital expenditure contracted but not recognised as liabilities are as follows:

	Currency	Consolidated and Separate financial information	
		30 September 2020	31 December 2019
Power plants	THB Thousand	45,250	-
Power plants	USD Thousand	42,501	-
Power plants	JPY Thousand	14,773,350	-

16.2 Power purchase agreements

During the nine-month period ended 30 September 2020, the Group has 2 new domestic power purchase agreements in addition to those agreements disclosed in Note 33.1 to the 2019 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 agreement
Floating solar	Subsidiary	1	8	Time of Use Rate (TOU) and FT rate specified by the Provincial Electricity Authority (PEA)	For a period of 25 years commencing from commercial operation date (COD)
Solar farm	Subsidiary	1	5	Feed-in Tariff system (FiT) amounting to Baht 4.12	For a period of 25 years commencing from commercial operation date (COD)

16.3 Commitments and significant agreements

During the nine-month period ended 30 September 2020, there is no material change in significant commitments and agreements from those disclosed in Note 33.3 to the 2019 annual financial statements except for the service contract for office building facilities added during the period.

The future minimum payments for commitments regarding the new contract are as follows:

	Consolidated and Separate financial information
	30 September 2020
	Baht Thousand
Not later than 1 year	5,822
Later than 1 year but not later than 5 years	10,208
	<u>16,030</u>

17 Contingencies

Guarantees

As at 30 September 2020, there were outstanding bank guarantees of Baht 6 million (31 December 2019: Baht 6 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.