

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

31 MARCH 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 comprises the consolidated and separate statements of financial position as at 31 March 2019, the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-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
10 May 2019

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 31 March 2019

	Consolidated		Separate	
	financial information □		financial information □	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	757,505	561,021	124,409	209,558
Short-term restricted bank deposits	54,070	74,399	11,191	11,603
Short-term investments	6 54,107	460	54,107	460
Trade and other receivables	7 420,787	478,067	288,369	258,869
Short-term loans to subsidiaries	13.3 -	-	505,388	335,288
Inventories	14,253	14,453	-	-
Refundable Value Added Tax	317,987	181,179	-	-
Other current assets	26,065	152,582	13,356	11,978
Total current assets	1,644,774	1,462,161	996,820	827,756
Non-current assets				
Long-term restricted bank deposits	18,901	12,009	1,050	1,050
Long-term loans to subsidiaries	13.4 -	-	4,302,659	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 jointly controlled entities	8.2 1,785,142	1,787,087	350,000	350,000
Held-to-maturity investments	18,000	-	10,000	-
Investment property	89,978	89,978	89,978	89,978
Property, plant and equipment	9 7,167,889	6,928,083	278,973	280,234
Goodwill	10 17,361	17,726	-	-
Intangible assets	9 4,460,656	4,376,580	7,896	7,679
Deferred tax assets	1,189	2,410	-	-
Other non-current assets	15,541	13,202	2,600	2,652
Total non-current assets	13,574,657	13,227,075	7,625,589	7,647,494
Total assets	15,219,431	14,689,236	8,622,409	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 31 March 2019

	Notes	Consolidated		Separate	
		financial information□		financial information□	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	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	148,836	98,794	148,836	98,794
Construction and other payables		276,457	278,446	81,179	42,594
Current portion of right in power purchase agreement payables	12	989	-	-	-
Current portion of finance lease liabilities	11.2	4,812	2,620	2,645	2,620
Current portion of long-term borrowings	11.3	519,849	437,241	178,272	175,889
Short-term loan from subsidiaries	13.5	-	-	22,500	22,500
Current portion of debentures	11.4	2,048,972	2,048,530	2,048,972	2,048,530
Income tax payable		556	1,350	-	-
Other current liabilities		22,077	15,485	2,895	966
Total current liabilities		3,022,548	2,882,466	2,485,299	2,391,893
Non-current liabilities					
Right in power purchase agreement payables	12	27,224	-	-	-
Finance lease liabilities	11.2	11,643	7,980	7,309	7,980
Long-term borrowings from financial institutions	11.3	6,235,785	5,922,634	2,091,203	2,062,780
Debentures	11.4	949,244	949,066	949,244	949,066
Employee benefit obligations		9,293	8,607	9,293	8,607
Provision for decommissioning costs		2,454	2,454	2,454	2,454
Deferred tax liabilities		4,440	1,335	795	1,267
Other non-current liabilities		72	72	72	72
Total non-current liabilities		7,240,155	6,892,148	3,060,370	3,032,226
Total liabilities		10,262,703	9,774,614	5,545,669	5,424,119
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 2,450,250,000 shares of par Baht 1 each		2,450,250	2,450,250	2,450,250	2,450,250
Issued and paid-up share capital					
Ordinary shares, 1,905,749,580 shares of fully-paid		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		2,353,957	2,207,231	392,542	366,933
Other components of equity		(247,926)	(134,119)	-	-
Equity attributable to owners of the parent		4,803,307	4,770,388	3,076,740	3,051,131
Non-controlling interests		153,421	144,234	-	-
Total equity		4,956,728	4,914,622	3,076,740	3,051,131
Total liabilities and equity		15,219,431	14,689,236	8,622,409	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 31 March 2019

	Consolidated		Separate	
	financial information□		financial information□	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales	275,796	47,361	2	219
Subsidy for adders	13,222	167	-	167
Management service fee income	10,824	10,309	21,512	17,292
Cost of sales and services	(198,426)	(53,286)	(16,701)	(23,729)
Gross profit (loss)	101,416	4,551	4,813	(6,051)
Dividends income	13.1	-	173,880	103,922
Other income	7,224	12,685	1,773	61,765
Administrative expenses	(66,688)	(38,842)	(102,864)	(33,372)
Finance costs	(45,977)	(16,187)	(52,465)	(60,521)
Share of profit from jointly controlled entities	8.2	160,105	-	-
Profit before income tax	156,080	114,992	25,137	65,743
Income tax	(154)	(5,033)	472	1,361
Profit for the period	155,926	109,959	25,609	67,104
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	(113,820)	51,304	-	-
Total comprehensive income for the period	42,106	161,263	25,609	67,104
Profit attributable to:				
Owners of the parent	146,726	110,105	25,609	67,104
Non-controlling interests	9,200	(146)	-	-
	155,926	109,959	25,609	67,104
Total comprehensive income attributable to:				
Owners of the parent	32,919	161,394	25,609	67,104
Non-controlling interests	9,187	(131)	-	-
	42,106	161,263	25,609	67,104
Earnings per share				
Basic earnings per share	0.08	0.06	0.01	0.04

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2019

	Consolidated financial information								Total Baht Thousand	
	Attribute to owners of the parent									
	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		Other components of equity			Total owners of the parent Baht Thousand		Non-controlling interests 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	Total owners of the parent 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										
Appropriation of legal reserve	-	-	1,078	(1,078)	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	110,105	-	51,289	161,394	(131)	161,263	
Closing balance at 31 March 2018	<u>1,815,000</u>	<u>727,554</u>	<u>63,972</u>	<u>2,244,222</u>	<u>-</u>	<u>(70,764)</u>	<u>4,779,984</u>	<u>162,021</u>	<u>4,942,005</u>	
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										
Total comprehensive income for the period	-	-	-	146,726	-	(113,807)	32,919	9,187	42,106	
Closing balance at 31 March 2019	<u>1,905,750</u>	<u>727,554</u>	<u>63,972</u>	<u>2,353,957</u>	<u>(7,769)</u>	<u>(240,157)</u>	<u>4,803,307</u>	<u>153,421</u>	<u>4,956,728</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 three-month period ended 31 March 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					
Total comprehensive income for the period	-	-	-	67,104	67,104
Closing balance at 31 March 2018	<u>1,815,000</u>	<u>727,554</u>	<u>50,894</u>	<u>725,499</u>	<u>3,318,947</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					
Total comprehensive income for the period	-	-	-	25,609	25,609
Closing balance at 31 March 2019	<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>392,542</u>	<u>3,076,740</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2019

	Notes	Consolidated		Separate	
		financial information□		financial information□	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities					
Profit before income tax		156,080	114,992	25,137	65,743
Adjustments for:					
Depreciation	9	69,697	27,344	2,052	6,238
Amortisation	9	9,166	218	482	125
Share of profit from jointly controlled entities	8.2	(160,105)	(152,785)	-	-
Provision for employee benefits obligations		686	663	686	663
Unrealised (gain) loss on exchange		(903)	(7)	64,791	(61,699)
Fair value (gain) loss on trading securities	6	(13)	293	(13)	293
Gain on disposal of trading securities		(533)	(416)	(533)	(416)
Dividends income	13.1	-	-	(173,880)	(103,922)
Interest income		(401)	(7,592)	(1,003)	(41,444)
Other income		-	(1,578)	-	(1,578)
Finance cost		45,977	16,187	52,465	60,521
Gain on bargain purchase of subsidiary	12	(5,683)	-	-	-
Loss on impairment of goodwill	10	365	-	-	-
		114,333	(2,681)	(29,816)	(75,476)
Changes in operating assets and liabilities					
Trade and other receivables		81,295	(19,364)	(2,103)	4,040
Inventories		200	(1,381)	-	-
Value added tax refundable		(1,048)	(27,312)	-	(144)
Derivatives assets		-	43,055	-	43,055
Other current assets		1,200	(1,977)	(568)	27
Other non-current assets		(1,393)	(104)	50	(107)
Other payables		27,877	12,614	63,656	(14,788)
Other current liabilities		2,134	(1,147)	1,926	1,215
Cash flows from (used in) operating activities		224,598	1,703	33,145	(42,178)
<u>Less</u> Income tax paid		(1,834)	(8,212)	(812)	(612)
Net cash from (used in) operating activities		222,764	(6,509)	32,333	(42,790)

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 three-month period ended 31 March 2019

	Notes	Consolidated		Separate	
		financial information□		financial information□	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	12	(131,132)	-	-	-
Decrease (increase) in restricted bank deposits		13,437	10,181	412	(5,170)
Purchase of short-term investments	6	(281,734)	(190,155)	(281,734)	(190,155)
Proceeds from disposals of short-term investments		228,633	70,514	228,633	70,514
Purchase of held-to-maturity investments		(18,000)	-	(10,000)	-
Short-term loans made to subsidiaries	13.3	-	-	(195,000)	(287,798)
Short-term loans repayments received from subsidiaries	13.3	-	-	24,900	300,227
Long-term loans made to subsidiaries	13.4	-	-	(31,251)	-
Purchase of property, plant and equipment		(237,225)	(521,254)	(168)	(5,726)
Purchase of intangible assets		(1,823)	(567)	(707)	(567)
Interest received		8	11,354	1	10,369
Dividends received		146,580	131,922	146,580	131,922
Net cash (used in) from investing activities		(281,256)	(488,005)	(118,334)	23,616
Cash flows from financing activities					
Proceed from short-term loans from financial institutions, net of financial service fee	11.1	49,308	-	49,308	-
Repayment to finance lease liabilities	11.2	(743)	(743)	(743)	(743)
Proceeds from long-term borrowings, net of financial service fee	11.3	358,555	482,125	29,793	-
Repayment to long-term borrowings	11.3	(71,633)	(52,531)	-	-
Interest expenses and financial service fee		(84,470)	(42,932)	(75,678)	(247)
Net cash from (used in) financing activities		251,017	385,919	2,680	(990)
Net increase (decrease) in cash and cash equivalents		192,525	(108,595)	(83,321)	(20,164)
Cash and cash equivalents at beginning of the period		561,021	424,752	209,558	32,023
Exchange loss on cash and cash equivalent		(90)	-	-	-
Effect of exchange rate change on translation of financial statements		4,049	8,967	(1,828)	-
Cash and cash equivalents at end of the period		757,505	325,124	124,409	11,859

Non-cash transaction

Significant non-cash transaction is as follow:

Payables arising from construction and purchases of equipments	126,879	188,963	2,708	2,336
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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 sector.

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 10 May 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 31 March 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 three-month period ended 31 March (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from operations	254.86	49.95	56.35	14.87	311.21	64.82	(11.36)	(6.98)	299.85	57.84
Other income	7.94	43.73	0.09	-	8.03	43.73	(0.81)	(34.05)	7.22	9.68
Dividends income	173.88	103.92	-	-	173.88	103.92	(173.88)	(103.92)	-	-
Cost of operations	(160.63)	(41.01)	(41.59)	(13.26)	(202.22)	(54.27)	3.79	0.98	(198.43)	(53.29)
Operating profit	276.05	156.59	14.85	1.61	290.90	158.20	(182.26)	(143.97)	108.64	14.23
Selling and administrative expenses	(53.05)	(33.60)	(14.42)	(2.88)	(67.47)	(36.48)	7.00	0.84	(60.47)	(35.64)
Profit (loss) before finance cost, taxes, depreciation and amortisation	223.00	122.99	0.43	(1.27)	223.43	121.72	(175.26)	(143.13)	48.17	(21.41)
Depreciation and amortisation	(4.33)	(3.21)	(0.01)	-	(4.34)	(3.21)	-	-	(4.34)	(3.21)
Finance cost	(78.47)	(60.49)	(9.74)	(43.66)	(88.21)	(104.15)	42.24	87.96	(45.97)	(16.19)
(Loss) gain from exchange rate	(46.14)	25.64	(0.15)	1.39	(46.29)	27.03	44.41	(24.02)	(1.88)	3.01
Share of profit from investments in jointly controlled entity	160.10	152.79	-	-	160.10	152.79	-	-	160.10	152.79
Operating results before taxes	254.16	237.72	(9.47)	(43.54)	244.69	194.18	(88.61)	(79.19)	156.08	114.99
Income tax	0.47	1.36	(0.63)	(6.39)	(0.16)	(5.03)	-	-	(0.16)	(5.03)
Net profit (loss)	254.63	239.08	(10.10)	(49.93)	244.53	189.15	(88.61)	(79.19)	155.92	109.96
Timing of revenue recognition										
At a point in time									289.02	47.53
Over time									10.83	10.31
Total revenue									<u>299.85</u>	<u>57.84</u>
Total assets									<u>15,219.43</u>	<u>12,905.70</u>
Total liabilities									<u>10,262.70</u>	<u>7,963.69</u>

6 Short-term investments

The movement of short-term investments for three-month period ended 31 March 2019 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	-	460	460
Additions	281,733	1	281,734
Disposals	(228,100)	-	(228,100)
Re-measuring of investments	13	-	13
Closing net book value	53,646	461	54,107

7 Trade receivables

As at 31 March 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	
	31 March 2019 Baht Thousand	31 December 2018 Baht Thousand	31 March 2019 Baht Thousand	31 December 2018 Baht Thousand
Not yet due	196,086	168,206	-	57
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	196,086	168,206	-	57

8 Investments in subsidiaries and jointly controlled entities

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 jointly controlled entities (Cont'd)

8.2 Movements of investments in jointly controlled entities

Movements of investments in jointly controlled entities for three-month period ended 31 March 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 net profit	160,105	152,785	-	-
Dividend received	(162,050)	(91,000)	-	-
Closing net book value	1,785,142	1,812,334	350,000	350,000

Thai Solar Renewable Company Limited, jointly controlled entity, 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 4,918 million (31 December 2018: Baht 4,975 million) and pledged bank deposits amounting to Baht 366 million (31 December 2018: Baht 360 million) as collateral for credit facilities granted from a commercial bank.

8.3 Investment details

As at 31 March 2019 and 31 December 2018, investments in subsidiaries and jointly controlled entities are as follows:

	Business	Country of incorporation	% Ownership interest	
			31 March 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	-

8 Investments in subsidiaries and jointly controlled entities (Cont'd)

8.3 Investment details (Cont'd)

As at 31 March 2019 and 31 December 2018, investments in subsidiaries and jointly controlled entities are as follows: (Cont'd)

	Business	Country of incorporation	% Ownership interest	
			31 March 2019	31 December 2018
Subsidiaries (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
Jointly controlled entities				
Jointly controlled entity directly held by the Company				
Thai Solar Renewable Co., Ltd.	Investment	Thailand	60	60
Jointly controlled entity 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 three-month period ended 31 March 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	179,393	37,210	791	699
Depreciation and amortisation	(69,697)	(9,166)	(2,052)	(482)
Foreign currency translation differences	(78,790)	(72,693)	-	-
Closing net book value	<u>7,167,889</u>	<u>4,460,656</u>	<u>278,973</u>	<u>7,896</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 4.96 million (31 December 2018: Baht 75.95 million). The Group used the capitalisation rates of 3.42% 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 36.51 million (31 December 2018: Baht 181.23 million). The Group used the capitalisation rates of 3.42% 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 31 March 2019, the Group has vehicles acquired using hire purchase agreements with the net book value amounting to Baht 26.37 million (31 December 2018: Baht 19.87 million).

Land, building and equipment with the net book value amounting to Baht 5,493 million (31 December 2018: Baht 5,522 million) have been pledged as collaterals for credit facilities which they received from the commercial bank.

10 Goodwill

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2019	
Opening net book value	17,726
Impairment	<u>(365)</u>
Closing net book value	<u>17,361</u>

11 Borrowings

11.1 Short-term borrowings from financial institutions

Movements in short-term borrowings from financial institution for the three-month period ended 31 March 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	(692)
Non-cash changes:	
Amortisation of discount on notes payables	734
Closing net book value	<u>148,836</u>

11.2 Finance lease liabilities

The movements in finance lease liabilities for the three-month period ended 31 March 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	(743)	-	(743)
Non-cash changes:			
Acquisitions-finance leases and lease incentives	6,501	-	6,501
Amortised deferred interest	-	97	97
Closing net book value	<u>17,156</u>	<u>(701)</u>	<u>16,455</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	(743)	-	(743)
Non-cash changes:			
Amortised deferred interest	-	97	97
Closing net book value	<u>10,655</u>	<u>(701)</u>	<u>9,954</u>

11 Borrowings (Cont'd)

11.3 Long-term borrowings from financial institutions

Movements in long-term borrowings from financial institutions institution for the three-month period ended 31 March 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):		
Acquisition of subsidiary (Note 12)	140,264	-
Additions	366,931	29,793
Financial service fee	(8,376)	-
Repayment	(71,633)	-
Non-cash changes:		
Foreign currency translation differences	(33,615)	-
Amortisation of financial service fee	2,188	1,013
Closing net book value	<u>6,755,634</u>	<u>2,269,475</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.

11.4 Debentures

There was no movement of debentures during the three-month period ended 31 March 2019.

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 31 March 2019.

13 Related party transactions

The Group is controlled by the following entities:

Name	Relationship	Place of incorporation	% of ownership interest	
			31 March 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	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Sales of goods and services				
Subsidiaries	-	-	10,687	6,983
Jointly controlled entity	10,938	10,422	10,938	10,422
Related parties	-	122	-	122
	<u>10,938</u>	<u>10,544</u>	<u>21,625</u>	<u>17,527</u>
Dividend income				
Subsidiaries	-	-	11,830	12,922
Jointly controlled entity	-	-	162,050	91,000
	<u>-</u>	<u>-</u>	<u>173,880</u>	<u>103,022</u>

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

	Consolidated financial information		Separate financial information	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Amounts due from and advances to related parties				
Subsidiaries	-	-	96,664	89,171
Jointly controlled entity	3,861	3,861	3,861	3,861
	<u>3,861</u>	<u>3,861</u>	<u>100,525</u>	<u>93,032</u>
Dividends receivable				
Jointly controlled entity	162,050	134,750	162,050	134,750
	<u>162,050</u>	<u>134,750</u>	<u>162,050</u>	<u>134,750</u>
Receivables from disposal of investments				
Subsidiaries	-	-	1,383,683	1,383,683
- including in non-current assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,383,683</u>	<u>1,383,683</u>
Amounts due to related parties				
Related parties	614	667	-	-
	<u>614</u>	<u>667</u>	<u>-</u>	<u>-</u>
Payables from acquisition of investments				
Subsidiaries	-	-	250	250
	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>

13 Related party transactions (Cont'd)

13.3 Short-term loans to subsidiaries

The movement of short-term loans to subsidiaries for the three-month period ended 31 March 2019 is as follows:

	Separate financial information
	31 March 2019
	Baht Thousand
Opening net book value	335,288
Loans provided	195,000
Repayment received	(24,900)
Closing net book value	<u>505,388</u>

Loans to subsidiaries are non-bearing interest promissory notes denominated in Thai Baht with maturity within December 2019 and February 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.

13.4 Long-term loans to subsidiaries

The movement of long-term loans to subsidiaries for the three-month period ended 31 March 2019 is as follows:

	Separate financial information
	31 March 2019
	Baht Thousand
Opening net book value	4,333,468
Loans provided	31,251
Foreign currency translation differences	(62,060)
Closing net book value	<u>4,302,659</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 Related party transactions (Cont'd)

13.5 Short-term loan from subsidiary

	Separate financial information	
	31 March 2019 Baht Thousand	31 December 2018 Baht Thousand
Short-term loans from subsidiary	22,500	22,500

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

For the three-month period ended	Consolidated and Separate financial information	
	31 March 2019 Baht Thousand	31 March 2018 Baht Thousand
Short-term employee benefits	5,542	5,309
Post-employment benefits	341	271
	5,883	5,580

14 Commitments

14.1 Capital commitments

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

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

14.2 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 31 March 2019 and 31 December 2018, future minimum lease payments committed under these operating lease contracts were as follows:

	Consolidated financial information		Separate financial information	
	31 March 2019 Baht Thousand	31 December 2018 Baht Thousand	31 March 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	41,359	43,486	7,784	10,069
Later than 5 years	135,089	137,247	-	-
	196,631	200,822	19,965	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.

14 Commitments (Cont'd)

14.3 Power purchase agreements

During the period ended 31 March 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).

14.4 Contracts and other commitments

During the period ended 31 March 2019, the Group does not have new contracts and commitments other than those disclosed in Note 32.3 to the 2018 annual financial statements.

15 Contingencies

Guarantees

As at 31 March 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.

16 Events after the reporting period

- a) On 22 April 2019, the Annual General Meeting for 2019 approved to appropriate retained earnings to be legal reserve amounting to Baht 10.87 million and approved a dividend payment to the shareholders at Baht 0.055 per share, totalling Baht 105 million. The dividends will be payable on 21 May 2019.
- b) 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. The registered share capital will be amounting to Baht 2,477.47 million.