

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

31 MARCH 2018

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 2018, and 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
11 May 2018

Thai Solar Energy Public Company Limited

Statement of Financial Position

As at 31 March 2018

	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	325,124	424,752	11,859	32,023
Short-term restricted bank deposits	6	67,573	77,854	14,030
Short-term investments	7	190,818	71,053	190,818
Trade and other receivables	8	165,627	190,956	417,608
Short-term loans to others		-	13,041	-
Short-term loans to subsidiaries	16 c)	-	-	2,292,885
Inventories		1,381	-	-
Value Added Tax Refundable		120,081	92,769	386
Short-term derivatives assets		-	10,194	-
Other current assets		35,416	18,957	11,499
Total current assets		906,020	899,576	2,939,085
Non-current assets				
Long-term restricted bank deposits	6	25,970	25,870	24,070
Long-term loans to subsidiaries	16 d)	-	-	2,264,081
Investments in subsidiaries	9	-	-	2,339,249
Investments in jointly controlled entities	10	1,812,334	1,750,549	350,000
Investment property		89,978	88,400	89,978
Property, plant and equipment	11	5,697,190	5,153,100	595,065
Intangible assets	12	4,226,741	4,129,635	5,502
Deferred tax assets		75,173	73,703	74,534
Long-term derivatives assets		44,661	71,587	44,661
Other non-current assets		27,630	26,023	5,519
Total non-current assets		11,999,677	11,318,867	5,792,659
Total assets		12,905,697	12,218,443	8,731,744

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 2018

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2018	2017	2018	2017
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	14.1	2,238,596	2,233,048	2,238,596	2,233,048
Construction and other payables	13	307,274	269,486	126,335	85,418
Current portion of finance lease liabilities	14.2	2,547	2,523	2,547	2,523
Current portion of long-term borrowings	14.3	57,525	57,187	-	-
Current portion of long-term loans from subsidiary	16 e)	-	-	22,500	22,500
Income tax payable		629	1,726	-	-
Short-term derivatives liabilities		5,934	-	5,934	-
Other current liabilities		12,108	13,254	1,898	683
Total current liabilities		2,624,613	2,577,224	2,397,810	2,344,172
Non-current liabilities					
Finance lease liabilities	14.2	9,954	10,600	9,954	10,600
Long-term borrowings	14.3	2,324,092	1,846,101	-	-
Debentures	14.5	2,995,767	2,995,173	2,995,767	2,995,173
Employee benefit obligations		6,739	6,076	6,739	6,076
Provision for decommissioning costs		2,455	2,455	2,455	2,455
Other non-current liabilities		72	72	72	72
Total non-current liabilities		5,339,079	4,860,477	3,014,987	3,014,376
Total liabilities		7,963,692	7,437,701	5,412,797	5,358,548
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 2,359,500,000 shares of par Baht 1 each		2,359,500	2,359,500	2,359,500	2,359,500
Issued and paid-up share capital					
Ordinary shares, 1,815,000,000 shares of paid-up Baht 1 each		1,815,000	1,815,000	1,815,000	1,815,000
Premium on ordinary shares		727,554	727,554	727,554	727,554
Legal reserve		63,972	62,894	50,894	50,894
Retained earnings		2,244,222	2,135,195	725,499	658,395
Other components of equity		(70,764)	(122,053)	-	-
Equity attributable to owners of the parent		4,779,984	4,618,590	3,318,947	3,251,843
Non-controlling interests		162,021	162,152	-	-
Total equity		4,942,005	4,780,742	3,318,947	3,251,843
Total liabilities and equity		12,905,697	12,218,443	8,731,744	8,610,391

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 2018

	Notes	Consolidated financial information		Separate financial information	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		47,361	44,766	219	-
Subsidy for adders		167	-	167	-
Management service income		10,309	9,818	17,292	16,558
Cost of sales and services		(53,286)	(40,457)	(23,729)	(18,883)
Gross profit (loss)		4,551	14,127	(6,051)	(2,325)
Dividends income	16 a)	-	-	103,922	91,000
Other income	17	12,685	7,789	61,765	8,291
Administrative expenses		(38,842)	(29,979)	(33,372)	(25,196)
Finance costs		(16,187)	(26,809)	(60,521)	(22,953)
Share of profit from jointly controlled entities	10	152,785	164,465	-	-
Profit before income tax		114,992	129,593	65,743	48,817
Income tax		(5,033)	(73)	1,361	227
Profit for the period		109,959	129,520	67,104	49,044
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		51,304	(898)	-	-
Total comprehensive income for the period		161,263	128,622	67,104	49,044
Profit attributable to:					
Owners of the parent		110,105	130,223	67,104	49,044
Non-controlling interests		(146)	(703)	-	-
		109,959	129,520	67,104	49,044
Total comprehensive income attributable to:					
Owners of the parent		161,394	129,334	67,104	49,044
Non-controlling interests		(131)	(712)	-	-
		161,263	128,622	67,104	49,044
Earnings per share					
Basic earnings per share		0.06	0.07	0.04	0.03

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 2018

	Consolidated financial information							
	Attribute to owner of the parent				Other components of equity	Total owners of the parent	Non-controlling interests	Total
	Issued and called-up share capital	Premium on ordinary capital	Retained earnings					
			Appropriated - legal reserve	Unappropriated	Baht Thousand	Baht Thousand		
Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	
Opening balance at 1 January 2017	1,815,000	727,554	46,826	1,935,203	37,992	4,562,575	22,844	4,585,419
Change in equity for the period								
Total comprehensive income for the period	-	-	-	130,223	(889)	129,334	(712)	128,622
Closing balance at 31 March 2017	<u>1,815,000</u>	<u>727,554</u>	<u>46,826</u>	<u>2,065,426</u>	<u>37,103</u>	<u>4,691,909</u>	<u>22,132</u>	<u>4,714,041</u>
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>(70,764)</u>	<u>4,779,984</u>	<u>162,021</u>	<u>4,942,005</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 2018

	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 2017	1,815,000	727,554	40,026	651,597	3,234,177
Change in equity for the period					
Total comprehensive income for the period	-	-	-	49,044	49,044
Closing balance at 31 March 2017	<u>1,815,000</u>	<u>727,554</u>	<u>40,026</u>	<u>700,641</u>	<u>3,283,221</u>
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>

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 2018

	Notes	Consolidated financial information		Separate financial information	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities					
Profit before income tax		114,992	129,593	65,743	48,817
Adjustments for:					
Depreciation	11	27,344	21,292	6,238	5,137
Amortisation	12	218	181	125	103
Share of profit from jointly controlled entities	10	(152,785)	(164,465)	-	-
Provision for employee benefits obligations		663	449	663	449
Unrealised loss (gain) on exchange		(7)	-	(61,699)	1,053
Fair value loss on trading securities	7	293	220	293	220
Gain on disposal of trading securities		(416)	-	(416)	-
Loss from write-off of equipment		-	15	-	-
Dividends income	16 a)	-	-	(103,922)	(91,000)
Interest income	17	(7,592)	(4,120)	(41,444)	(6,551)
Other income		(1,578)	-	(1,578)	-
Finance cost		16,187	26,809	60,521	22,953
		(2,681)	9,974	(75,476)	(18,819)
Changes in operating assets and liabilities					
Trade and other receivables		(19,364)	(17,824)	4,040	(6,370)
Inventories		(1,381)	-	-	-
Value Added Tax refundable		(27,312)	(8,671)	(144)	310
Derivatives assets		43,055	-	43,055	-
Other current assets		(1,977)	(2,053)	27	(236)
Other non-current assets		(104)	100	(107)	(92)
Other payables		12,614	4,488	(14,788)	6,789
Other current liabilities		(1,147)	(690)	1,215	(1,023)
Cash flows from (used in) operating activities		1,703	(14,676)	(42,178)	(19,441)
<u>Less</u> Income tax paid		(8,212)	(955)	(612)	(367)
Net cash used in operating activities		(6,509)	(15,631)	(42,790)	(19,808)

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 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		-	-	-	(98,850)
Decrease (increase) in restricted bank deposits		10,181	9,109	(5,170)	-
Purchase of short-term investments	7	(190,155)	(1,159)	(190,155)	(1,159)
Proceeds from disposals of					
short-term investments		70,514	803,864	70,514	803,864
Short-term loans made to subsidiaries	16 c)	-	-	(287,798)	(186,274)
Short-term loans repayments received from subsidiaries	16 c)	-	-	300,227	-
Purchase of other long-term investments		-	(350,448)	-	(350,448)
Purchase of property, plant and equipment		(521,254)	(169,310)	(5,726)	(293)
Purchase of intangible asset		(567)	(960)	(567)	(960)
Interest received		11,354	1,209	10,369	1,170
Dividends received		131,922	78,750	131,922	83,200
Net cash (used in) from investing activities		(488,005)	371,055	23,616	250,250
Cash flows from financing activities					
Repayment to short-term loans					
from financial institutions		-	(420,000)	-	(420,000)
Repayment to finance lease liabilities		(743)	(1,917)	(743)	(1,917)
Proceeds from long-term borrowings, net of debt issuance cost	14.3	482,125	-	-	-
Repayment to long-term borrowings	14.3	(52,531)	(20,444)	-	-
Dividends payment		-	(2)	-	(2)
Interest expenses and financial service fee		(42,932)	(4,843)	(247)	-
Net cash from (used in) financing activities		385,919	(447,206)	(990)	(421,919)
Net decrease in cash and cash equivalents		(108,595)	(91,782)	(20,164)	(191,477)
Cash and cash equivalents at beginning of the period		424,752	977,037	32,023	497,008
Effect of exchange rate change on translation of financial statements		8,967	(898)	-	-
Cash and cash equivalents at end of the period		325,124	884,357	11,859	305,531

Non-cash transaction

Material non-cash transaction is as follow:

Payable arising from construction and purchase of equipments	188,963	29,794	2,336	804
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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 11 May 2018.

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

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission 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 2017.

An English version of the interim consolidated and separate 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.

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 2017.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The management has assessed and considered that the above revised standards do not have significant impact on the Group.

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard.

TFRS 15	Revenue from contracts with customers
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TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard. (Cont'd)

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group will first apply this standard for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail and has identified that the above revised standards do not have significant impact on the Group.

3 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.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

4 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from operations	93.68	54.76	14.87	16.73	108.55	71.49	(41.03)	(9.32)	67.52	62.17
Dividends income	103.92	91.00	-	-	103.92	91.00	(103.92)	(91.00)	-	-
Cost of operations	(41.01)	(32.36)	(13.26)	(8.56)	(54.27)	(40.92)	0.98	0.47	(53.29)	(40.45)
Operating profit	156.59	113.40	1.61	8.17	158.20	121.57	(143.97)	(99.85)	14.23	21.72
Selling and administrative expenses	(33.60)	(27.10)	(2.88)	(1.50)	(36.48)	(28.60)	0.84	1.45	(35.64)	(27.15)
Profit (loss) before finance cost, taxes, depreciation and amortisation	122.99	86.30	(1.27)	6.67	121.72	92.97	(143.13)	(98.40)	(21.41)	(5.43)
Depreciation and amortisation	(3.21)	(1.78)	-	-	(3.21)	(1.78)	-	-	(3.21)	(1.78)
Finance cost	(60.49)	(28.67)	(43.66)	(0.17)	(104.15)	(28.84)	87.96	2.03	(16.19)	(26.81)
Gain (loss) from exchange rate	25.64	(0.85)	1.39	-	27.03	(0.85)	(24.02)	-	3.01	(0.85)
Share of profit from investments in jointly controlled entity	152.79	164.46	-	-	152.79	164.46	-	-	152.79	164.46
Operating results before taxes	237.72	219.46	(43.54)	6.50	194.18	225.96	(79.19)	(96.37)	114.99	129.59
Income tax	1.36	0.23	(6.39)	(0.30)	(5.03)	(0.07)	-	-	(5.03)	(0.07)
Net profit (loss)	239.08	219.69	(49.93)	6.20	189.15	225.89	(79.19)	(96.37)	109.96	129.52
Total assets									12,905.70	8,115.57
Total liabilities									7,963.69	3,401.53

5 Fair value

Financial instruments are carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the financial assets that are measured at fair value at 31 March 2018.

Asset	Consolidated and Separate financial information
	Level 2 Baht Thousand
Trading securities	189,998

6 Restricted bank deposits

Short-term restricted bank deposits comprise pledged saving deposits and pledged deposits in current accounts of subsidiaries and the transfer of claims in the deposit accounts to the lender according to the specified expenditure conditions to secure the credit facilities.

The long-term restricted bank deposits consist of the pledged saving bank deposits of the Company to guarantee its electricity consumption and a fixed deposit of one of the subsidiaries which the deposit is bound with a letter of guarantee in respect of certain performance bonds with Provincial Electricity Authority.

7 Short-term investments

	Consolidated and Separate financial information			
	31 March 2018		31 December 2017	
	Cost Baht Thousand	Fair value Baht Thousand	Cost Baht Thousand	Fair value Baht Thousand
Short-term investments comprise:				
1. Trading securities	190,000	189,998	30,098	30,389
2. Held-to-maturity investments	820	820	40,664	40,664
Total	190,820	190,818	70,762	71,053
<u>Less</u> Revaluation adjustments	-	-	-	-
Total short-term investments	<u>190,820</u>	<u>190,818</u>	<u>70,762</u>	<u>71,053</u>

During the three-month period ended 31 March 2018, movements of short-term investments are as follows:

	Consolidated and Separate financial information		
	Held-to-maturity due within		
	Trading Baht Thousand	1 year Baht Thousand	Total Baht Thousand
Book value - beginning balance	30,389	40,664	71,053
Addition	190,000	155	190,155
Disposal	(30,098)	(39,999)	(70,097)
Change in fair value	(293)	-	(293)
Book value - ending balance	<u>189,998</u>	<u>820</u>	<u>190,818</u>

8 Trade and other receivables

Trade and other receivables as at 31 March 2018 and 31 December 2017 comprise the following:

	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Trade receivables	30,044	18,946	401	-
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	30,044	18,946	401	-
Amounts due from and advances to related parties (Note 16 b)	3,677	3,677	123,111	90,317
Share subscription receivables (Note 16 b)	-	-	174,500	174,500
Prepaid expenses	13,170	14,344	2,185	2,525
Dividends receivable (Note 16 b)	91,000	119,000	91,000	119,000
Other receivables	9,675	15,898	9,308	14,383
Advance payment	18,061	19,091	17,103	16,881
Total other receivables	135,583	172,010	417,207	417,606
<u>Less</u> Provision for impairment of other receivables	-	-	-	-
Total other receivables, net	135,583	172,010	417,207	417,606
Total trade and other receivables	165,627	190,956	417,608	417,606

All outstanding trade receivables are not yet due.

9 Investments in subsidiaries

9.1 Movements of investments in subsidiaries

	Separate financial information Baht Thousand
For the three-month period ended 31 March 2018	
Opening net book amount	2,339,249
Increase in investments during the period	-
Closing net book amount	2,339,249

Additional investments under TSE Group International Pte. Ltd.

Investments in Ishikawa Hanamizuki 1 GK

The Group made additional investments in Ishikawa Hanamizuki 1 GK totaling JPY 16 million during the first quarter of 2018. The form of investment follows the Godo Kaisha Agreement (GK agreement).

Additional investments under Solar Assets Pte. Ltd.

Investments in Ibaraki Ushiku 2 GK

On 15 February 2018, the subsidiary has acquired 100 percent of ordinary shares of Ibaraki Ushiku 2 GK totaling JPY 9,999 equivalent to Baht 2,888. The purpose of acquisition is to obtain land for operating solar power plant in Ishikawa Hanamizuki 1 GK.

9 Investments in subsidiaries (Cont'd)

9.1 Movements of investments in subsidiaries (Cont'd)

Details of acquisition are as follows:

Consideration at 15 February 2018	Baht Thousand
Cash	3
Recognised amounts of identifiable assets acquired and liabilities assumed	Baht Thousand
Cash	3
Land	12,996
Long-term loan from TSE Group International Pte. Ltd.	(12,996)
Net fair value	3
Total identifiable net assets	3

9.2 Details of investments in subsidiaries

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			31 March 2018	31 December 2017
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 Group International. Pte. Ltd.	Investment	Singapore	100	100
Solar Assets Pte. Ltd.	Investment	Singapore	100	100
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	70	70
TSE Overseas Group Co., Ltd.	Investment	Thailand	100	100
Solar Community Co., Ltd.	Production and distribution of electricity	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 Thai Community Energy Co., Ltd.				
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	49	49
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

9 Investments in subsidiaries (Cont'd)

9.2 Details of investments in subsidiaries (Cont'd)

Details of investments are as follows: (Cont'd)

	Business	Country of incorporation	% Ownership interest	
			31 March 2018	31 December 2017
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	-
Subsidiaries held by TSE Overseas Group Co., Ltd.				
Onikoube Solar Power Pte. Ltd.	Investment	Singapore	100	100
Solar Mountain Pte. Ltd.	Investment	Singapore	100	100
Subsidiaries held by Onikoube Solar Power Pte. Ltd.				
PurpleSol GK	Production and distribution of electricity	Japan	100	100
Subsidiaries held by Solar Mountain Pte. Ltd.				
SolarOne GK	Land lease	Japan	100	100

10 Investments in jointly controlled entities

Movements of investments in jointly controlled entities

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2018		
Opening net book amount	1,750,549	350,000
Share of profit	152,785	-
Dividends received	(91,000)	-
Closing net book amount	1,812,334	350,000

Thai Solar Renewable Company Limited, jointly controlled entity, has pledged share certificates of investments in Siam Solar Energy 1 Company Limited, its subsidiary, with the carrying value of Baht 1,080 million (31 December 2017: 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 5,147 million (31 December 2017: Baht 5,205 million) and the bank deposits amounting to Baht 453 million (31 December 2017: Baht 489 million), as collateral for credit facilities granted by a commercial bank.

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10 Investments in jointly controlled entities (Cont'd)

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			31 March 2018	31 December 2017
Jointly controlled entity directly held by the Company				
Thai Solar Renewable Co., Ltd.	Investment holdings	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.

11 Property, plant and equipment

Property, plant and equipment for the three-month period ended 31 March 2018 have the following movements:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2018		
Opening net book amount	5,153,100	594,805
Acquisition of subsidiaries (Note 9.1)	12,996	-
Additions	519,359	6,498
Depreciation charge	(27,344)	(6,238)
Foreign currency translation differences	39,079	-
Closing net book amount	5,697,190	595,065

Borrowing costs incurring from the borrowings for the construction of the power plants during the period were capitalised and included as "Additions" for Baht 19.64 million (2017: Baht 34.13 million). The Group used the capitalisation rates of 1.25% to 4.75% per annum (2017: 1.25% to 6.00% 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.

Capital commitments

Capital commitments exist as at the date of the statement of financial position but not included in the financial statements are as follows:

Currency	Consolidated financial information		Separate financial information		
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	
Power plant	Baht Thousand	429,209	787,916	-	-
Power plant	Yen Thousand	2,824,864	4,544,112	-	-
Power plant	USD Thousand	286	457	-	-
Machinery	Baht Thousand	64,400	-	64,400	-
Machinery	Euro Thousand	-	52	-	52

As at 31 March 2018, the Company has vehicles under hire purchase agreements with net book value amounting to Baht 21.77 million (31 December 2017: Baht 22.39 million).

The Company's subsidiaries have pledged their assets with the net book value amounting to Baht 5,011 million (31 December 2017: Baht 3,680 million) as collateral for credit facilities received from the commercial bank.

12 Intangible assets

	Consolidated financial information	Separate financial information
	Baht Thousand	Baht Thousand
For the three-month period ended 31 March 2018		
Opening net book amount	4,129,635	5,627
Additions	46,317	-
Amortisation	(218)	(125)
Exchange differences	51,007	-
Closing net book amount	<u>4,226,741</u>	<u>5,502</u>

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 46.32 million (2017: Baht 46.32 million). The Group used the capitalisation rates of 4.23% to 5.57% per annum (2017: 4.23% to 5.57% 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.

13 Construction and other payables

	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Amounts due to related parties (Note 16 b)	702	702	-	-
Construction payables and retention guarantee	188,963	194,560	2,336	62
Other payables	16,556	14,873	4,512	5,999
Share subscription payables (Note 16 b)	-	-	50,250	50,250
Accrued expenses	101,053	59,351	69,237	29,107
	<u>307,274</u>	<u>269,486</u>	<u>126,335</u>	<u>85,418</u>

14 Borrowings

14.1 Short-term borrowings from financial institutions

	Consolidated and Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Short-term borrowings from financial institutions	<u>2,238,596</u>	<u>2,233,048</u>

The short-term borrowings from financial institution are secured by the pledge and the assignment of rights over the Group's bank deposits, certain shares held by the subsidiaries and the jointly controlled entity's shares held by the Company and the right to receive dividends from subsidiaries and jointly controlled entity.

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.

14 Borrowings (Cont'd)

14.1 Short-term borrowings from financial institutions (Cont'd)

Movements in short-term borrowings are analysed as follows:

	Consolidated and Separate financial information
	Baht Thousand
For the three-month for the period ended 31 March 2018	
Opening amount as at 1 January	2,233,048
Amortisation of financial service fee	5,548
Closing amount as at 31 March	<u>2,238,596</u>

14.2 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated and Separate financial information	
	31 March 2018	31 December 2017
	Baht Thousand	Baht Thousand
Not later than 1 year	2,547	2,523
Later than 1 year but not later than 5 years	9,954	10,600
	<u>12,501</u>	<u>13,123</u>

14.3 Long-term borrowings from financial institutions

	Consolidated financial information	
	31 March 2018	31 December 2017
	Baht Thousand	Baht Thousand
Current portion of long-term borrowings	57,525	57,187
Long-term borrowings repayable between 1 to 5 years	1,198,325	1,267,964
Long-term borrowings repayable more than 5 years	1,125,767	578,137
	<u>2,381,617</u>	<u>1,903,288</u>

The long-term borrowings from financial institutions 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 and pledge of the certain shares held by the subsidiaries and guarantees provided 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.

14 Borrowings (Cont'd)

14.3 Long-term borrowings from financial institutions (Cont'd)

Movements in long-term borrowings from financial institutions are analysed as follows:

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2018	
Opening amount as at 1 January	1,903,288
Foreign currency translation differences	47,705
Additions	483,527
Repayment of borrowings	(52,531)
Financial service fee	(1,402)
Amortisation of financial service fee	1,030
Closing amount as at 31 March	<u>2,381,617</u>

The contractual interest rates of the long-term borrowings at the statement of financial position date are as follows :

	Consolidated financial statements	
	31 March 2018 %	31 December 2017 %
Long-term loans for the construction of solar power plants	MLR - 1.5 TIBOR + 2.85 TIBOR + 1.22	MLR - 1.5 TIBOR + 2.85 TIBOR + 1.22
Long-term loans for the construction of biomass power plants	4.75	4.75

14.4 Borrowing Facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Currency	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	30 March 2018	31 December 2017
Floating rate					
Expiring beyond one year	Baht Thousand	750,761	1,174,468	-	-
Floating rate					
Expiring beyond one year	Yen Thousand	3,190,000	3,300,000	-	-
Fixed rate					
Expiring beyond one year	Baht Thousand	39,275	67,054	-	-

14 Borrowings (Cont'd)

14.5 Debentures

	Consolidated and Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Current portion of debentures	-	-
Debentures payable between 1 to 5 years	2,995,767	2,995,173
Total	2,995,767	2,995,173

Movements in debentures are analysed as follows:

	Consolidated and Separate financial information	
	Baht Thousand	
For the three-month period ended 31 March 2018		
Opening amount as at 1 January		2,995,173
Amortisation of issuance cost		594
Closing amount as at 31 March		2,995,767

As at 31 March 2018, the Company has name-registered certificate of unsubordinated and unsecured bonds totalling 2,050,000 units and 950,000 units with the fixed interest of 4.20% and 4.50% per annum, respectively, payable every 6 months. The issued bonds have the face value of Baht 1,000. The bond will be redeemed within three years after the issuance date at the amount Baht 3,000 million.

15 Promotional privileges and income tax

Promotional privileges

The Group is granted with 29 certificates of promotional privileges from the Board of Investment for the production of electricity generated from solar power and biomass, the privilege include an exemption of import duty on imported machinery, an exemption for corporate income tax for a period of 8 years from the date the promoted operation commenced generating revenue (the commercial operation date).

The Group's operating revenue from sales and subsidy for adders as per the statements of comprehensive income for the three-month periods ended 31 March 2018 and 2017 wholly derive from promoted operations.

Income tax

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 4.38%.

16 Related party transactions

The Company is controlled by P.M. Energy Company Limited (incorporated in Thailand) which owns 43% of the Company's shares. The remaining 57% of the shares are held by Wave Entertainment Public Company Limited, Sino-Thai Engineering& Construction Public Company Limited and individual shareholders. The significant investments in subsidiaries and jointly controlled entities are set out in note 9 and note 10, respectively.

The following material transactions were carried out with related parties:

a) Sales of goods and services

For the three-month period ended	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 March 2017 Baht Thousand	31 March 2018 Baht Thousand	31 March 2017 Baht Thousand
Subsidiaries				
Management service income	-	-	6,563	6,320
Operation and maintenance income	-	-	420	420
Dividends income	-	-	12,922	-
	-	-	19,905	6,740
Jointly controlled entity				
Management service income	10,309	9,818	10,309	9,818
Rental income	113	108	113	108
Dividends income	-	-	91,000	91,000
	10,422	9,926	101,422	100,926
Related parties				
Rental income	69	69	69	69
Service income	46	46	46	46
Other income	7	8	7	8
	122	123	122	123

16 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

b) Outstanding balances arising from sales/purchases of goods and services

	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Amounts due from and advances to related parties (Note 8)				
Subsidiaries	-	-	119,434	86,640
Jointly controlled entity	3,677	3,677	3,677	3,677
	<u>3,677</u>	<u>3,677</u>	<u>123,111</u>	<u>90,317</u>
Share subscription receivables (Note 8)				
Subsidiaries	-	-	174,500	174,500
	<u>-</u>	<u>-</u>	<u>174,500</u>	<u>174,500</u>
Dividends receivable (Note 8)				
Jointly controlled entity	91,000	119,000	91,000	119,000
	<u>91,000</u>	<u>119,000</u>	<u>91,000</u>	<u>119,000</u>
Amounts due to related parties (Note 13)				
Related parties	702	702	-	-
	<u>702</u>	<u>702</u>	<u>-</u>	<u>-</u>
Share subscription payables (Note 13)				
Subsidiaries	-	-	50,250	50,250
	<u>-</u>	<u>-</u>	<u>50,250</u>	<u>50,250</u>

16 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

c) Short-term loans to subsidiaries

	<u>Separate financial information</u>	
	<u>31 March 2018 Baht Thousand</u>	<u>31 December 2017 Baht Thousand</u>
Short-term loans to subsidiaries	2,292,885	2,276,373

Movements in loans to subsidiaries are analysed as follows:

	<u>Separate financial information Baht Thousand</u>
For the three-month period ended 31 March 2018	
Opening net book amount	2,276,373
Additions	287,798
Repayment received	(300,227)
Foreign currency translation differences	28,941
Closing net book amount	<u>2,292,885</u>

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

Loans to another subsidiary are in a form of loan agreements denominated in Thai Baht with no interest and due for repayment at call.

Loans to another subsidiary are promissory notes denominated in Japanese Yen with maturity within July 2018 and due for repayment at call, respectively. Loans carry interest at the rate of 4.75% per annum.

The Company has renewed the cross currency swap and interest rate swap agreement with a local commercial bank effective on 22 January 2018 to receive Baht 288 million on the maturity date of loan, with the fixed interest rate of 0.92% per annum. The swap is relating to loans to a subsidiary denominated in Japanese Yen equivalent to Baht 288 million.

d) Long-term loans to subsidiaries

	<u>Separate financial information</u>	
	<u>31 March 2018 Baht Thousand</u>	<u>31 December 2017 Baht Thousand</u>
Long-term loans to subsidiaries	2,264,081	2,232,306

16 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

d) Long-term loans to subsidiaries (Cont'd)

Movements in loans to subsidiaries are analysed as follows:

	Separate financial information Baht Thousand
For the three-month period ended 31 March 2018	
Opening net book amount	2,232,306
Foreign currency translation differences	31,775
Closing net book amount	<u>2,264,081</u>

Long-term loans to subsidiaries are in a form of loan agreements denominated in Japanese Yen with a fixed interest rate of 4.75% per annum and have maturity within June 2021.

Long-term loans to another subsidiary are in a form of loan agreements denominated in Japanese Yen with a fixed interest rate of 4.75% per annum and due for repayment at call.

Long-term loans to 2 subsidiaries are in form of loan agreements denominated in Singapore Dollar, Japanese Yen and US Dollar with no interest and due for repayment at call.

The management has no intention to call for repayment of these loans in the forthcoming 12 months.

e) Long-term loans from subsidiary

	Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Current portion of long-term loans from subsidiary	<u>22,500</u>	<u>22,500</u>

Long-term loans from the subsidiary are repayable within September 2018 and there is no interest thereon.

f) Key management compensation

	Consolidated and Separate financial information	
For the three-month period ended	31 March 2018 Baht Thousand	31 March 2017 Baht Thousand
Short-term employee benefits	5,309	6,013
Post-employment benefits	271	276
	<u>5,580</u>	<u>6,289</u>

17 Other income

For the three-month period ended	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 March 2017 Baht Thousand	31 March 2018 Baht Thousand	31 March 2017 Baht Thousand
Rental income	307	303	307	301
Service income	60	60	60	60
Interest income	7,592	4,120	41,444	6,551
Realised gain on foreign exchange	3,001	200	18,244	-
Fair value gain on trading securities	123	1,294	123	1,294
Other income	1,602	1,812	1,587	85
	<u>12,685</u>	<u>7,789</u>	<u>61,765</u>	<u>8,291</u>

18 Commitments and contingencies

18.1 Power purchase agreements

Domestic

As at 31 March 2018, the Group has 29 power purchase agreements with the Provincial Electricity Authority ("PEA") and the Metropolitan Electricity Authority ("MEA") (31 December 2017: 29 agreements). Currently, the Group has commenced the production and distribution of electricity under 27 power purchase agreements. The agreements are summarised as follows:

	Number of agreements	Production capacity MW	Description
Production and distribution of electricity	11	84.5	The power purchase agreements require the Company and its jointly controlled entity to sell electricity in a specified quantity and at a stipulated price as defined in the agreements. The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination. In the electricity selling to the PEA, the Company and its jointly controlled entity have also been granted an adder amounting to Baht 6.50 - 8 per kilowatt-hour (Company: Baht 8 per kilowatt-hour) for the period of 10 years commencing from the commercial operation date.
	14	14	The power purchase agreements require subsidiaries to sell electricity generated from solar rooftops to the PEA and the MEA under the Feed-in Tariff system (FIT) granted for periods of 25 years starting from December 2013.
	1	1	The power purchase agreement of another subsidiary requires the subsidiary to sell electricity generated from the solar farms to the PEA under the Feed-in Tariff system (FIT) granted for periods of 25 years starting from commercial operation dates (COD).
	1	4.3	The power purchase agreement requires the subsidiaries to sell electricity generated from biomass to the PEA under the Feed-in Tariff system (FIT) granted for periods of 15 years 4 months and the Feed-in Tariff system (FIT) Premium granted for periods of 8 years commencing from the commercial operation date.
Not yet production and distribution of electricity	2	17.6	The power purchase agreements require the subsidiaries to sell electricity generated from biomass to the PEA under the Feed-in Tariff system (FIT) granted for periods of 15 years 4 months and the Feed-in Tariff system (FIT) premium granted for periods of 8 years commencing from the commercial operation date. The biomass power plants under the contract during the construction.

18 Commitments and contingencies (Cont'd)

18.1 Power purchase agreements (Cont'd)

Overseas

As at 31 March 2018, subsidiaries operating in Japan have 5 power purchase agreements (31 December 2017: 4 agreements) with the power purchasing agencies, of which the power plants have already commenced generating and distributing the electricity. In addition, the subsidiaries have another 2 power purchase agreements (31 December 2017: 3 agreements) for the project which have not yet commenced generating and distributing the electricity. The agreements are summarised as follows:

	Number of agreements	Production capacity MW	Description
Production and distribution of electricity	5	7.23	The power purchase agreements of the subsidiaries operating in Japan with the power purchasing agencies. The power purchase agreements are conditioned to sell the electricity generated from solar energy under the Feed-in Tariff (FiT) for the periods of 20 years starting from the commercial operation date.
Not yet production and distribution of electricity	2	14.75	The power purchase agreements of the subsidiaries operating in Japan with the power purchasing agencies. The power purchase agreements are conditioned to sell the electricity generated from solar energy under the Feed-in Tariff (FiT) for the periods of 20 years starting from the commercial operation date.

18.2 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 2018 and 31 December 2017, future minimum lease payments required under these operating lease contracts were as follows:

	Consolidated financial information		Separate financial information	
	31 March 2018 Baht Thousand	31 December 2017 Baht Thousand	30 March 2018 Baht Thousand	31 December 2017 Baht Thousand
Not later than 1 year	21,054	22,057	12,018	12,806
Later than 1 year but not later than 5 years	51,457	53,195	15,643	17,216
Later than 5 years	143,588	145,696	-	-
	<u>216,099</u>	<u>220,948</u>	<u>27,661</u>	<u>30,022</u>

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.

18 Commitments and contingencies (Cont'd)

18.3 Contracts and other commitments

- a) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to Baht 6 million per annum for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the three-month period ended 31 March 2018 amounting to Baht 0.85 million (31 March 2017: Baht 0.81 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- b) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of seven power plants with a company, amounting to Baht 9 million per annum for the period of 10 years from the commercial operation date. The fees for the three-month period ended 31 March 2018 amounting to approximately Baht 1 million (31 March 2017: Baht 1 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- c) A jointly controlled entity has commitments in respect of the operation monitoring and maintenance agreements of ten power plants with a company since January 2013, amounting to Baht 2 million per annum for the period of 7 years from the commercial operation dates.
- d) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of three power plants with a company, amounting to Baht 8 million per annum for the period of 5 years from June 2017. The fees for the three-month period ended 31 March 2018 amounting to Baht 1 million per annum (31 March 2017: Nil) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- e) A subsidiary has an obligation to pay management fee to its capital investor totalling Baht 8 million per annum since September 2016. The management fee will be increased annually according to the percentage specified in the contract. For the three-month period ended 31 March 2018, the subsidiary has recognised the total management expenses based on the specified contract as construction in progress during the year amounting to Baht 2 million (31 March 2017: Baht 2 million)
- f) A subsidiary has the commitment according to the operation monitoring and maintenance agreement of power plants with a company with the fee of USD 52,000 (31 December 2017: USD 52,000). The agreement was the period of 2 year from the commercial operation dates.
- g) A subsidiary has the commitment according to the operation monitoring and maintenance agreement of power plants with a company with the fee of USD 62,500 (31 December 2017: USD 62,500). The agreement was the period of 2 year from the commercial operation dates.

18.4 Guarantees

- a) The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 23 million (31 December 2017: Baht 23 million).
- b) As at 31 March 2018, there were outstanding bank guarantees of Baht 9 million (31 December 2017: Baht 9 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.

19 Events after the reporting period

19.1 Legal reserve and dividend payment

On 20 April 2018, the Annual General Meeting for the year 2018 approved to appropriate profit for the year 2017 to be legal reserve amounting of Baht 10,868,177 and approved a dividend payment in respect of operating results for the year 2017 to the shareholders at Baht 0.00556 per share and dividend stock at the rate of 20 shares : 1 dividend share. In case that a shareholder has a fraction of shares from the calculation of such proportion, the Company will pay cash dividend at the rate of Baht 0.05 per share. Total dividends paid in cash is Baht 10,091,400. The dividends are payable on 18 May 2018.

19.2 Decrease and increase share capital

On 20 April 2018, the Annual General Meeting for the year 2018 approved to decrease share capital 544,500,000 shares to 1,815,000,000 shares and approved to increase share capital 635,250,000 shares in order to support the stock dividend and the General Mandate scheme. Total registered shares will be 2,450,250,000 shares at par value Baht 1 per share and total registered share capital is amounting to Baht 2,450,250,000.

19.3 Sale and purchase of shares agreement

On 26 April 2018, the Company has signed Sale and purchase agreement with Fortune Parts Industry Public Company Limited to sell 40% of paid-up share capital of TSE Overseas Group Company Limited, a subsidiary, that invests in development of solar farms in Japan. The consideration of the transaction is amounting to Baht 1,695,000,000.