

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

30 JUNE 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 comprise the consolidated and separate statements of financial position as at 30 June 2018, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
14 August 2018

Thai Solar Energy Public Company Limited

Statement of Financial Position

As at 30 June 2018

	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	1,071,537	424,752	72,497	32,023
Short-term restricted bank deposits	64,478	77,854	10,015	8,860
Short-term investments	7 171,420	71,053	171,420	71,053
Trade and other receivables	8 244,348	190,956	1,476,485	417,606
Short-term loans to others	-	13,041	-	-
Short-term loans to subsidiaries	16 c) -	-	972,940	2,276,373
Inventories	2,653	-	-	-
Refundable Value Added Tax	138,214	92,769	-	241
Short-term derivatives assets	-	10,194	-	10,194
Other current assets	128,025	18,957	10,566	10,914
Total current assets	1,820,675	899,576	2,713,923	2,827,264
Non-current assets				
Long-term restricted bank deposits	25,970	25,870	24,070	24,070
Long-term loans to subsidiaries	16 d) -	-	3,600,093	2,232,306
Investments in subsidiaries	9 -	-	1,427,910	2,339,249
Investments in jointly controlled entities	10 1,843,585	1,750,549	350,000	350,000
Investment property	89,978	88,400	89,978	88,400
Property, plant and equipment	11 6,001,170	5,153,100	589,238	594,805
Intangible assets	12 4,349,995	4,129,635	6,333	5,627
Deferred tax assets	75,361	73,703	74,518	73,173
Long-term derivatives assets	14,439	71,587	14,439	71,587
Other non-current assets	19,177	26,023	2,727	3,910
Total non-current assets	12,419,675	11,318,867	6,179,306	5,783,127
Total assets	14,240,350	12,218,443	8,893,229	8,610,391

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	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	2,337,252	2,233,048	2,337,252	2,233,048
Construction and other payables	13	235,583	269,486	90,909	85,418
Current portion of finance lease liabilities	14.2	2,571	2,523	2,571	2,523
Current portion of long-term borrowings	14.3	92,155	57,187	-	-
Current portion of long-term loans from subsidiary	16 e)	-	-	22,500	22,500
Income tax payable		753	1,726	-	-
Short-term derivatives liabilities		11,902	-	11,902	-
Other current liabilities		10,360	13,254	1,668	683
Total current liabilities		2,690,576	2,577,224	2,466,802	2,344,172
Non-current liabilities					
Finance lease liabilities	14.2	9,302	10,600	9,302	10,600
Long-term borrowings	14.3	3,405,065	1,846,101	-	-
Debentures	14.5	2,996,369	2,995,173	2,996,369	2,995,173
Employee benefit obligations		7,402	6,076	7,402	6,076
Provision for decommissioning costs		2,455	2,455	2,455	2,455
Deferred tax liabilities		50	-	-	-
Long-term derivatives liabilities		8,705	-	8,705	-
Other non-current liabilities		72	72	72	72
Total non-current liabilities		6,429,420	4,860,477	3,024,305	3,014,376
Total liabilities		9,119,996	7,437,701	5,491,107	5,358,548
Equity					
Share capital	19				
Authorised share capital					
Ordinary shares, 2,450,250,000 shares of par Baht 1 each (2017: 2,359,500,000 shares of par Baht 1 each)		2,450,250	2,359,500	2,450,250	2,359,500
Issued and paid-up share capital					
Ordinary shares, 1,905,749,580 shares of paid-up Baht 1 each (2017: 1,815,000,000 shares of paid-up Baht 1 each)		1,905,750	1,815,000	1,905,750	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
Unappropriated retained earnings		2,250,217	2,135,195	717,924	658,395
Other components of equity		10,711	(122,053)	-	-
Equity attributable to owners of the parent		4,958,204	4,618,590	3,402,122	3,251,843
Non-controlling interests		162,150	162,152	-	-
Total equity		5,120,354	4,780,742	3,402,122	3,251,843
Total liabilities and equity		14,240,350	12,218,443	8,893,229	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 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		93,616	55,098	730	-
Subsidy for adders		3,886	-	1,117	-
Management service income		10,653	10,145	18,763	16,886
Cost of sales and services		(78,801)	(44,000)	(18,016)	(19,032)
Gross profit (loss)		29,354	21,243	2,594	(2,146)
Dividends income	16 a)	-	-	129,500	150,500
Other income	17	11,428	8,468	67,149	9,241
Administrative expenses		(59,127)	(41,714)	(33,693)	(31,962)
Finance costs		(35,555)	(31,526)	(72,268)	(31,584)
Share of profit from jointly controlled entities	10	160,751	136,839	-	-
Profit before income tax		106,851	93,310	93,282	94,049
Income tax		89	810	(16)	824
Profit for the period		106,940	94,120	93,266	94,873
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		81,500	(15,125)	-	-
Total comprehensive income for the period		188,440	78,995	93,266	94,873
Profit attributable to:					
Owners of the parent		106,836	94,523	93,266	94,873
Non-controlling interests		104	(403)	-	-
		106,940	94,120	93,266	94,873
Total comprehensive income attributable to:					
Owners of the parent		188,311	79,730	93,266	94,873
Non-controlling interests		129	(735)	-	-
		188,440	78,995	93,266	94,873
Earnings per share					
Basic earnings per share		0.06	0.05	0.05	0.05

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the six-month period ended 30 June 2018

	Consolidated financial information		Separate financial information		
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	
	Notes	Baht Thousand	Baht Thousand	Baht Thousand	
Revenue from sales		140,977	99,864	949	-
Subsidy for adders		4,053	-	1,284	-
Management service income		20,962	19,963	36,055	33,444
Cost of sales and services		(132,087)	(84,457)	(41,745)	(37,915)
Gross profit (loss)		33,905	35,370	(3,457)	(4,471)
Dividends income	16 a)	-	-	233,422	241,500
Other income	17	21,112	15,837	128,914	17,312
Administrative expenses		(94,968)	(71,273)	(67,065)	(56,938)
Finance costs		(51,742)	(58,335)	(132,789)	(54,537)
Share of profit from jointly controlled entities	10	313,536	301,304	-	-
Profit before income tax expense		221,843	222,903	159,025	142,866
Income tax		(4,944)	737	1,345	1,051
Profit for the period		216,899	223,640	160,370	143,917
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		132,804	(16,023)	-	-
Total comprehensive income for the period		349,703	207,617	160,370	143,917
Profit attributable to:					
Owners of the parent		216,941	224,746	160,370	143,917
Non-controlling interests		(42)	(1,106)	-	-
		216,899	223,640	160,370	143,917
Total comprehensive income attributable to:					
Owners of the parent		349,705	209,064	160,370	143,917
Non-controlling interests		(2)	(1,447)	-	-
		349,703	207,617	160,370	143,917
Earnings per share					
Basic earnings per share (Baht)		0.11	0.12	0.08	0.08

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2018

Consolidated financial information									
Attribute to owner of the parent									
	Retained earnings				Other components of equity		Total owners of the parent	Non-controlling interests	Total
	Issued and called-up share capital	Premium on ordinary capital	Appropriated - legal reserve	Unappropriated	Translation of financial statements				
Notes	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									
Dividends	20	-	-	(199,648)	-	(199,648)	-	(199,648)	
Total comprehensive income for the period		-	-	224,746	(15,682)	209,064	(1,447)	207,617	
Non-controlling interests invested in subsidiary		-	-	-	-	-	141,225	141,225	
Closing balance at 30 June 2017	<u>1,815,000</u>	<u>727,554</u>	<u>46,826</u>	<u>1,960,301</u>	<u>22,310</u>	<u>4,571,991</u>	<u>162,622</u>	<u>4,734,613</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									
Issue of share dividends	19	90,750	-	-	-	90,750	-	90,750	
Appropriation of legal reserve		-	1,078	(1,078)	-	-	-	-	
Dividends	20	-	-	(100,841)	-	(100,841)	-	(100,841)	
Total comprehensive income for the period		-	-	216,941	132,764	349,705	(2)	349,703	
Closing balance at 30 June 2018	<u>1,905,750</u>	<u>727,554</u>	<u>63,972</u>	<u>2,250,217</u>	<u>10,711</u>	<u>4,958,204</u>	<u>162,150</u>	<u>5,120,354</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 six-month period ended 30 June 2018

	Notes	Separate financial information				Total Baht Thousand
		Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		
				Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	
Opening balance at 1 January 2017		1,815,000	727,554	40,026	651,597	3,234,177
Change in equity for the period						
Dividends	20	-	-	-	(199,648)	(199,648)
Total comprehensive income for the period		-	-	-	143,917	143,917
Closing balance at 30 June 2017		<u>1,815,000</u>	<u>727,554</u>	<u>40,026</u>	<u>595,866</u>	<u>3,178,446</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						
Issue of share dividends	19	90,750	-	-	-	90,750
Dividends	20	-	-	-	(100,841)	(100,841)
Total comprehensive income for the period		-	-	-	160,370	160,370
Closing balance at 30 June 2018		<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>717,924</u>	<u>3,402,122</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		30 June 2018 Baht Thousand	30 June 2017 Baht Thousand	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand
Cash flows from operating activities					
Profit before income tax		221,843	222,903	159,025	142,866
Adjustments for:					
Depreciation	11	59,595	40,986	12,846	10,187
Amortisation	12	457	388	252	216
Share of profit from jointly controlled entities	10	(313,536)	(301,304)	-	-
Provision for employee benefits obligations		1,326	(1,074)	1,326	(1,074)
Unrealised loss (gain) on exchange rate		87,926	-	(111,885)	16,677
Fair value gain on trading securities	7	(248)	(1,855)	(248)	(1,855)
Gain on disposal of trading securities		(417)	-	(417)	-
(Gain) loss from disposal of equipment		(19)	1,404	(19)	1,389
Loss from write-off of intangible asset		17	-	-	-
Dividends income		-	-	(233,422)	(241,500)
Interest income	17	(15,185)	(5,065)	(78,383)	(8,823)
Other income		(1,576)	-	(3,028)	-
Finance costs		51,742	58,335	132,789	54,537
		91,925	14,718	(121,164)	(27,380)
Changes in operating assets and liabilities					
Trade and other receivables		(59,133)	200,750	(51,684)	224,762
Inventories		(2,653)	-	-	-
Value Added Tax refundable		49,017	17,241	241	913
Other current assets		(109,441)	1,009	(11)	(80)
Other non-current assets		6,852	(1,262)	1,189	(832)
Other payables		132,543	(220,173)	29,266	6,297
Other current liabilities		(2,893)	2,794	984	(907)
Other non-current liabilities		-	26	-	-
Cash flows generated from (used in) operating activities		106,217	15,103	(141,179)	202,773
<u>Add</u> Income tax received		1,547	1,724	1,547	1,724
<u>Less</u> Income tax paid		(8,717)	(8,271)	(1,187)	(7,831)
Net cash from (used in) operating activities		99,047	8,556	(140,819)	196,666

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the six-month period ended 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		30 June 2018 Baht Thousand	30 June 2017 Baht Thousand	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand
Cash flows from investing activities					
Payment to investment payables		-	(179,635)	-	(179,635)
Increase in restricted bank deposits		13,275	(18,032)	(1,154)	(5,069)
Purchase of short-term investments	7	(190,215)	(2,256,749)	(190,215)	(2,256,749)
Proceeds from disposals of short-term investments		90,514	3,352,903	90,514	3,352,903
Decrease in short-term loans		-	6,335	-	-
Short-term loans made to subsidiaries	16 c)	-	-	(287,798)	(186,923)
Short-term loans repayment received from subsidiaries	16 c)	-	-	557,509	493,663
Long-term loans made to subsidiaries	16 d)	-	-	(1,295,836)	-
Long-term loans repayment received from subsidiaries	16 d)	-	-	1,158,146	-
Acquisition of subsidiaries	9.1	-	-	(13,701)	(560,775)
Purchase of other long-term investments		-	(624,827)	-	(624,827)
Purchase of property, plant and equipment		(985,879)	(229,170)	(5,543)	(2,041)
Proceeds from disposal of equipment		262	4,169	262	4,169
Purchase of intangible asset		(3,081)	(1,063)	(1,116)	(1,063)
Interest received		11,968	8,219	11,618	12,380
Dividends received		222,922	169,750	222,922	174,200
Net cash (used in) generated from investing activities		(840,234)	231,900	245,608	220,233
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		98,640	-	98,640	-
Repayment to short-term loans from financial institutions		-	(490,000)	-	(490,000)
Repayment to finance lease liabilities		(1,487)	(3,128)	(1,487)	(3,128)
Proceeds from long-term borrowings, net of debt issuance cost		1,580,170	40,029	-	-
Repayment to long-term borrowings	14.3	(37,350)	(59,730)	-	-
Proceeds from issuance of debentures		-	947,862	-	947,862
Non-controlling interests invested in subsidiaries		-	141,225	-	-
Dividends payment		(10,181)	(199,585)	(10,181)	(199,585)
Interest expense and financial service fee		(201,018)	(64,238)	(151,290)	(42,932)
Net cash generated from (used in) financing activities		1,428,774	312,435	(64,318)	212,217
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of the period		424,752	977,037	32,023	497,008
Exchange differences on cash and cash equivalents		86	-	3	-
Effect of exchange rate changes on translation of financial statements		(40,888)	(16,023)	-	-
Cash and cash equivalents at end of the period		1,071,537	1,513,905	72,497	1,126,124
Non-cash transaction					
Significant non-cash transactions are as follows:					
Payable arising from construction and purchase of equipments		-	94,178	2,043	1,705
Issuance of share dividends		90,750	-	90,750	-
Receivable arising from disposal of investments		-	-	979,273	-

The accompanying notes form part of this interim financial information.

1 General information

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

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

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

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

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

2.2 New financial reporting standards

New financial reporting standard which is TFRS 15 Revenue from contracts with customers, is effective for annual periods beginning on or after 1 January 2019.

The Group’s management is currently assessing the impact of this financial reporting standard.

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 30 June 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 six-month period ended 30 June (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from operations	224.37	112.42	42.81	42.45	267.18	154.87	(80.08)	(19.21)	187.10	135.66
Dividends income	233.42	241.50	-	-	233.42	241.50	(233.42)	(241.50)	-	-
Cost of operations	(105.98)	(65.46)	(29.21)	(21.96)	(135.19)	(87.42)	3.11	2.96	(132.08)	(84.46)
Operating profit	351.81	288.46	13.60	20.49	365.41	308.95	(310.39)	(257.75)	55.02	51.20
Selling and administrative expenses	(67.13)	(56.57)	(19.97)	(6.44)	(87.10)	(63.01)	1.68	2.30	(85.42)	(60.71)
Profit (loss) before finance cost, taxes, depreciation and amortisation	284.68	231.89	(6.37)	14.05	287.31	245.94	(308.71)	(255.45)	(30.40)	(9.51)
Depreciation and amortisation	(5.92)	(2.91)	-	-	(5.92)	(2.91)	-	-	(5.92)	(2.91)
Finance costs	(148.06)	(60.08)	(74.88)	(2.58)	(222.94)	(62.66)	171.20	4.32	(51.74)	(58.34)
Gain (loss) from exchange rate	46.09	(6.75)	(53.85)	(0.89)	(7.76)	(7.64)	4.13	-	(3.63)	(7.64)
Share of profit from jointly controlled entity	313.54	301.30	-	-	313.54	301.30	-	-	313.54	301.30
Operating results before tax	490.33	463.45	(135.10)	10.58	355.23	474.03	(133.38)	(251.13)	221.85	222.90
Income tax	1.34	1.05	(6.29)	(0.31)	(4.95)	0.74	-	-	(4.95)	0.74
Net profit (loss)	491.67	464.50	(141.39)	10.27	350.28	474.77	(133.38)	(251.13)	216.90	223.64
Total assets									14,240.30	8,656.01
Total liabilities									9,119.95	3,921.40

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 group's financial assets that are measured at fair value at 30 June 2018.

Asset	Consolidated and Separate financial information
	Level 2 Baht Thousand
Trading securities	170,541

6 Restricted bank deposits

Short-term restricted bank deposits comprise saving deposits specially for repayment of debenture's principals and interest, 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			
	30 June 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	170,002	170,541	30,098	30,389
2. Held-to-maturity investments	879	879	40,664	40,664
Total	170,881	171,420	70,762	71,053
Less Revaluation adjustments	-	-	-	-
Total short-term investments	170,881	171,420	70,762	71,053

During the six-month period ended 30 June 2018, movements of short-term investments are as follows:

	Consolidated and Separate financial information		
	Trading	Held-to-maturity due within 1 year	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Book value - beginning balance	30,389	40,664	71,053
Addition	190,000	215	190,215
Disposal	(50,096)	(40,000)	(90,096)
Change in fair value	248	-	248
Book value - ending balance	170,541	879	171,420

8 Trade and other receivables

Trade and other receivables as at 30 June 2018 and 31 December 2017 comprise the following:

	Consolidated financial information		Separate financial information	
	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Trade receivables	56,259	18,946	1,052	-
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	56,259	18,946	1,052	-
Amounts due from and advances to related parties (Note 16 b)	3,861	3,677	157,529	90,317
Receivable from disposal of investments (Note 16 b)	-	-	1,153,773	174,500
Prepaid expenses	18,334	14,344	1,568	2,525
Dividends receivable (Note 16 b)	129,500	119,000	129,500	119,000
Other receivables	19,085	15,898	16,738	14,383
Advance payment	17,309	19,091	16,325	16,881
Total other receivables	188,089	172,010	1,475,433	417,606
<u>Less</u> Provision for impairment of other receivables	-	-	-	-
Total other receivables, net	188,089	172,010	1,475,433	417,606
Total trade and other receivables	244,348	190,956	1,476,485	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 six-month period ended 30 June 2018	
Opening net book amount	2,339,249
Acquisitions	13,701
Transfer debts to equity	52,781
Reduction due to restructuring	(977,821)
Closing net book amount	1,427,910

Changes in investments under Thai Solar Energy Plc.

On 20 June 2018, the Group restructured its investments by the Company selling all shares of 2 subsidiaries being Solar Assets Pte. Ltd. and TSE Group International Pte. Ltd. to TSE Overseas Group Co., Ltd. at book value of investments. Details are as follows:

Subsidiaries	Investment amount Baht Million
Solar Assets Pte. Ltd.	129.37
TSE Group International Pte. Ltd.	848.45
	977.82

Settlement of the proceeds is not yet made.

9 Investments in subsidiaries (Cont'd)

9.1 Movements of investments in subsidiaries (Cont'd)

Changes in investments under Thai Solar Energy Plc. (Cont'd)

Investment in Solar Assets Pte. Ltd.

Solar Assets Pte. Ltd. increased its share capital amounting to Baht 13.70 million from Baht 62.89 million to Baht 76.59 million and the Company made a full payment to subscribe for the increase capital on 21 May 2018.

On 6 June 2018, the Company entered into Loan Conversion Agreement with Solar Assets Pte. Ltd. to transfer long-term loan amounting to JPY 184.19 million, equivalent to Baht 52.78 million, to subscribe 184.19 million shares at par value of JPY 1 each in Solar Assets Pte. Ltd. Solar Assets Pte. Ltd. registered the capital increase on 8 June 2018.

Changes in investment under TSE Overseas Group Co., Ltd.

On 21 June 2018, Onikoube Solar Power Pte. Ltd. ("Onikoube") merged into Solar Mountain Pte. Ltd. ("Solar Mountain") by transferring its assets and liabilities at net book value amounting to Baht 2,412.94 million to Solar Mountain without consideration, and all shares of Onikoube are cancelled.

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 acquisition is to obtain land for operating solar power plant in Ishikawa Hanamizuki 1 GK.

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 subsidiary	(12,996)
Net fair value	3
Total identifiable net assets	3

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

9 Investments in subsidiaries (Cont'd)

9.2 Details of investments in subsidiaries

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 June 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
Solar Assets Pte. Ltd.	Investment	Singapore	-	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
Subsidiaries held by TSE Overseas Group Co., Ltd.				
TSE Group International Pte. Ltd.	Investment	Singapore	100	-
Solar Assets Pte. Ltd.	Investment	Singapore	100	-
Solar Mountain Pte. Ltd.	Investment	Singapore	100	100
Onikoube Solar Power Pte. Ltd.	Investment	Singapore	-	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	-
Subsidiaries held by Solar Mountain Pte. Ltd.				
SolarOne GK	Land lease	Japan	100	100
PurpleSol GK	Production and distribution of electricity	Japan	100	-
Subsidiaries held by Onikoube Solar Power Pte. Ltd. *				
PurpleSol GK	Production and distribution of electricity	Japan	-	100

* Onikoube Solar Power Pte. Ltd. merged into Solar Mountain Pte. Ltd. on 21 June 2018.

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 six-month period ended 30 June 2018		
Opening net book amount	1,750,549	350,000
Share of profit	313,536	-
Dividends received	(220,500)	-
Closing net book amount	<u>1,843,585</u>	<u>350,000</u>

Thai Solar Renewable Company Limited, its 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 its 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 5,205 million (31 December 2017: Baht 5,205 million) and has pledged its bank deposits amounting to Baht 477 million (31 December 2017: Baht 489 million), as collateral for credit facilities granted by a commercial bank.

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 June 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 six-month period ended 30 June 2018 have the following movements:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the six-month period ended 30 June 2018		
Opening net book amount	5,153,100	594,805
Acquisition of subsidiaries (Note 9.1)	12,996	-
Additions	891,636	7,522
Disposals, net	(243)	(243)
Transfer-out	(94,462)	-
Depreciation charge	(59,595)	(12,846)
Foreign Currency translation differences	97,738	-
Closing net book amount	<u>6,001,170</u>	<u>589,238</u>

Borrowing costs incurring from the borrowings for the construction of power plants during the period were capitalised and included as "Additions" for Baht 38.99 million (2017: Baht 34.13 million). The Group used the capitalisation rates of 1.25 % to 5.57 % 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.

11 Property, plant and equipment (Cont'd)

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	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
Power plant	Baht Thousand	373,061	787,916	64,400	-
Power plant	Yen Thousand	2,203,500	4,544,112	-	-
Power plant	USD Thousand	-	457	-	-
Machinery	Euro Thousand	-	52	-	52

As at 30 June 2018, the Company has vehicles acquired under hire purchase agreements with net book value amounting to Baht 21.14 million (31 December 2017: Baht 22.39 million).

The Company's subsidiaries have pledged their assets with the net book value amounting to Baht 4,476 million (31 December 2017: Baht 3,680 million) as collateral for credit facilities received from the commercial bank.

12 Intangible assets

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the six-month period ended 30 June 2018		
Opening net book amount	4,129,635	5,627
Additions	96,073	958
Amortisation	(457)	(252)
Exchange differences	124,744	-
Closing net book amount	4,349,995	6,333

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 93.15 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	
	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Amounts due to related parties (Note 16 b)	702	702	-	-
Construction payables and retention guarantee	147,312	194,560	2,043	62
Other payables	13,329	14,873	1,786	5,999
Payable from acquisition of investments (Note 16 b)	-	-	50,250	50,250
Accrued expenses	74,240	59,351	36,830	29,107
	235,583	269,486	90,909	85,418

14 Borrowings

14.1 Short-term borrowings from financial institutions

	Consolidated and Separate financial information	
	30 June 2018	31 December 2017
	Baht Thousand	Baht Thousand
Short-term borrowings from financial institutions	2,337,252	2,233,048

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.

Movements in short-term borrowings are analysed as follows:

	Consolidated and Separate financial information	
	Baht Thousand	
For the six-month for the period ended 30 June 2018		
Opening net book amount		2,233,048
Additions		100,000
Discount on note payables		(1,360)
Financial service fee		(11,250)
Amortisation of financial service fee		16,629
Amortisation of discount on note payables		185
Closing net book amount		2,337,252

14.2 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated and Separate financial information	
	30 June 2018	31 December 2017
	Baht Thousand	Baht Thousand
Within 1 year	2,571	2,523
Later than 1 year but not later than 5 years	9,302	10,600
Total	11,873	13,123

14 Borrowings (Cont'd)

14.3 Long-term borrowings from financial institutions

	Consolidated financial information	
	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Current portion of long-term borrowings	92,155	57,187
Long-term borrowings repayable between 1 to 5 years	1,408,088	1,267,964
Long-term borrowings repayable more than 5 years	1,996,977	578,137
Total	3,497,220	1,903,288

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, machinery, the assignment of rights under all project agreements and pledge of the Company's shares held by the parent company, certain shares held by the subsidiaries and the jointly controlled entities' shares held by the Company and guarantees provided by the Company, the subsidiaries' director and a shareholder of the parent 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.

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

	Consolidated financial information Baht Thousand
For the six-month period ended 30 June 2018	
Opening net book amount	1,903,288
Foreign currency translation differences	48,745
Additions	1,590,251
Repayment of borrowings	(37,350)
Financial service fee	(10,081)
Amortisation of financial service fee	2,367
Closing net book amount	3,497,220

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

	Consolidated financial information	
	30 June 2018 %	31 December 2017 %
Long-term loans for the construction of solar power plants	MLR - 1.5 TIBOR + 2.00 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 Borrowings (Cont'd)

14.4 Borrowing Facilities

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

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
Floating rate					
Expiring beyond one year	Baht Thousand	536,401	1,174,468	-	-
Floating rate					
Expiring beyond one year	Yen Thousand	2,090,000	3,300,000	-	-
Fixed rate					
Expiring beyond one year	Baht Thousand	24,139	67,054	-	-

14.5 Debentures

	Consolidated and Separate financial information	
	30 June 2018	31 December 2017
	Baht Thousand	Baht Thousand
Current portion of debentures	-	-
Debentures payable between 1 to 5 years	2,996,369	2,995,173
Total	2,996,369	2,995,173

Movements in debentures are analysed as follows

	Consolidated and Separate financial information
	Baht Thousand
For the six-month period ended 30 June 2018:	
Opening net book amount	2,995,173
Amortisation of debt issuance costs	1,196
Closing net book amount	2,996,369

As at 30 June 2018, the Company has name-registered certificate of unsubordinated and unsecured debentures 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. Debentures have the face value of Baht 1,000. The debentures will be redeemed within three years after the issuance date at the amount of 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 six-month periods ended 30 June 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 2.42%.

16 Related party transactions

The Company is controlled by P.M. Energy Company Limited (incorporated in Thailand) which owns 41% of the Company's shares. The remaining 59% 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	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Subsidiaries				
Management service income	-	-	7,562	6,320
Operation and maintenance income	-	-	420	420
Other income	-	-	-	46
	-	-	7,982	6,786
Jointly controlled entity				
Management service income	10,653	10,145	10,653	10,145
Rental income	113	108	113	108
Service income	1,532	-	1,532	-
Dividends income	-	-	129,500	150,500
	12,298	10,253	141,798	160,753
Related parties				
Rental income	-	69	-	69
Service income	-	46	-	46
Other income	3	8	3	8
	3	123	3	123
For the six-month period ended	Consolidated financial information		Separate financial information	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Subsidiaries				
Management service income	-	-	14,253	12,640
Operation and maintenance income	-	-	840	840
Dividends income	-	-	12,922	-
Other income	-	-	-	46
	-	-	28,015	13,526
Jointly controlled entity				
Management service income	20,961	19,963	20,961	19,963
Rental income	227	216	227	216
Service income	1,532	-	1,532	-
Dividends income	-	-	220,500	241,500
	22,720	20,179	243,220	261,679
Related parties				
Rental income	70	139	70	139
Service income	46	93	46	93
Other income	10	15	10	15
	126	247	126	247

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 June 2018 Baht Thousand	31 December 2017 Baht Thousand	31 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Amounts due from and advances to related parties (Note 8)				
Subsidiaries	-	-	153,668	86,640
Jointly controlled entity	3,861	3,677	3,861	3,677
	<u>3,861</u>	<u>3,677</u>	<u>157,529</u>	<u>90,317</u>
Receivable from disposal of investments(Note 8)				
Subsidiaries	-	-	1,153,773	174,500
	<u>-</u>	<u>-</u>	<u>1,153,773</u>	<u>174,500</u>
Dividends receivable (Note 8)				
Jointly controlled entity	129,500	119,000	129,500	119,000
	<u>129,500</u>	<u>119,000</u>	<u>129,500</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>
Payable from acquisition of investments (Note 13)				
Subsidiaries	-	-	50,250	50,250
	<u>-</u>	<u>-</u>	<u>50,250</u>	<u>50,250</u>

c) Short-term loans to subsidiaries

	Separate financial information	
	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Short-term loans to subsidiaries	<u>972,940</u>	<u>2,276,373</u>

Movements in short-term loans to subsidiaries are analysed as follows:

	Separate financial information Baht Thousand
For the six-month period ended 30 June 2018	
Opening net book amount	2,276,373
Addition	287,798
Repayment received	(557,509)
Transferred to long-term loan (Note 16 d)	(1,075,712)
Foreign currency translation differences	41,990
Closing net book amount	<u>972,940</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 (Cont'd)

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

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 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 related to loans to a subsidiary denominated in Japanese Yen equivalent to Baht 288 million.

d) Long-term loans to subsidiaries

	Separate financial information	
	30 June 2018	31 December 2017
	Baht Thousand	Baht Thousand
Long-term loans to subsidiaries	<u>3,600,093</u>	<u>2,232,306</u>

Movements in long-term loans to subsidiaries are analysed as follows:

	Separate financial information Baht Thousand
For the six-month period ended 30 June 2018	
Opening net book amount	2,232,306
Addition	1,295,836
Repayment received	(1,158,146)
Transferred from short-term loan (Note 16 c)	1,075,712
Foreign currency translation differences	154,385
Closing net book amount	<u>3,600,093</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 Thai Baht with no interest and due for repayment at call.

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 another subsidiary 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 Company has renewed the cross currency swap and interest rate swap agreement with a local commercial bank effective on 23 July 2018 to receive Baht 295 million on the maturity date of loan, with the fixed interest rate of 1.35% per annum. The swap is relating to loans to 2 subsidiaries denominated in Japanese Yen equivalent to Baht 295 million.

16 Related party transactions (Cont'd)

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

e) Long-term loans from subsidiary

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

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

f) Key management compensation

	<u>Consolidated financial information</u>		<u>Separate financial information</u>	
	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand
For the three-month period ended				
Subsidiaries				
Short-term employee benefits	14,365	5,077	5,321	5,077
Post-employment benefits	337	217	337	217
	<u>14,702</u>	<u>5,294</u>	<u>5,658</u>	<u>5,294</u>

	<u>Consolidated financial information</u>		<u>Separate financial information</u>	
	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand
For the six-month period ended				
Subsidiaries				
Short-term employee benefits	19,674	11,090	10,629	11,090
Post-employment benefits	607	493	607	493
	<u>20,281</u>	<u>11,583</u>	<u>11,236</u>	<u>11,583</u>

17 Other income

	<u>Consolidated financial information</u>		<u>Separate financial information</u>	
	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand	30 June 2018 Baht Thousand	30 June 2017 Baht Thousand
For the three-month period ended				
Rental income	218	302	218	302
Service income	1,532	60	1,532	60
Interest income	7,592	984	36,938	2,272
Realised gain on foreign exchange	-	-	26,444	-
Gain on disposal of assets	18	-	18	-
Fair value gain on trading securities	543	6,426	543	6,426
Other income	1,525	696	1,456	181
	<u>11,428</u>	<u>8,468</u>	<u>67,149</u>	<u>9,241</u>

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

17 Other income (Cont'd)

For the six-month period ended	Consolidated financial information		Separate financial information	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Rental income	524	605	524	603
Service income	1,592	120	1,592	120
Interest income	15,185	5,065	78,383	8,823
Realised gain on foreign exchange	-	-	44,688	-
Gain on disposal of assets	18	-	18	-
Fair value gain on trading securities	665	7,501	665	7,501
Other income	3,128	2,546	3,044	265
	<u>21,112</u>	<u>15,837</u>	<u>128,914</u>	<u>17,312</u>

18 Commitments and contingencies

18.1 Power purchase agreements

Domestic

As at 30 June 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:

	The electricity generated system	Company	Number of agreement	Production capacity MW	Electricity rate (Baht/kilowatt-hour)	The term of the agreements
Production and distribution of electricity	Renewable energy	Company	1	4.5	Peak period amounting to Baht 4.21 and off-peak period amounting to Baht 2.63 for the quantity which do not exceed the capacity factor and peak period amounting to Baht 4.22 and off-peak period amounting to Baht 2.36 for the quantity which exceed the capacity factor and the Company had also been granted an adder amounting to Baht 8 granted for a period of 10 years commencing from commercial operation date (COD).	The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination.
	Solar farms	Jointly controlled entities	10	80	Peak period amounting to Baht 4.21 and off-peak period amounting to Baht 2.63 for the quantity which do not exceed the capacity factor and peak period amounting to Baht 4.22 and off-peak period amounting to Baht 2.36 for the quantity which exceed the capacity factor and the Company had also been granted an adder amounting to Baht 6.50 granted for a period of 10 years commencing from commercial operation date (COD).	The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination.
	Solar rooftops	Subsidiaries	14	14	Feed-in Tariff system (FIT) amounting to Baht 6.16.	The agreements are for a period of 25 years commencing from commercial operation date (COD).
	Solar farms	Subsidiary	1	1	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).
	Biomass energy	Subsidiary	1	4.6	Feed-in Tariff system (FIT) amounting to Baht 2.39 and Feed-in Tariff system (FIT) Premium amounting to Baht 0.3 granted for a period of 8 years commencing from commercial operation date (COD).	The agreements are for a period of 15 years commencing from commercial operation date (COD).
Not Yet Production and distribution of electricity	Biomass energy	Subsidiary	2	17.6	Feed-in Tariff system (FIT) amounting to Baht 2.39 and Feed-in Tariff system (FIT) Premium amounting to Baht 0.3 granted for a period of 8 years commencing from commercial operation date (COD).	The agreements are for a period of 15 years 4 months commencing from commercial operation date (COD).

18 Commitments and contingencies

18.1 Power purchase agreements (Cont'd)

Overseas

As at 30 June 2018, subsidiaries operating in Japan have 6 power purchase agreements (31 December 2017: 4 agreements) with the power purchasing agencies, of which the power plants have already commenced generating and distribution of electricity. In addition, the subsidiaries have another 1 power purchase agreement (31 December 2017: 3 agreements) for the project which have not yet commenced generating and distribution of electricity. The agreements are summarised as follows:

	The electricity generated system	Company	Number of agreement	Production capacity MW	Electricity rate (Yen/kilowatt-hour)	The term of the agreements
Production and distribution of electricity	Solar farms	Subsidiary	6	8.24	Feed-in Tariff system (FIT) amounting to Yen 32 - 36.	The agreements are for a period of 20 years starting from commercial operation date (COD).
Not Yet Production and distribution of electricity	Solar farms	Subsidiary	1	13.5	Feed-in Tariff system (FIT) amounting to Yen 36.	The agreements are for a period of 20 years starting from commercial operation date (COD).

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

	Consolidated financial information		Separate financial information	
	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand	30 June 2018 Baht Thousand	31 December 2017 Baht Thousand
Not later than 1 year	20,861	22,057	11,725	12,806
Later than 1 year but not later than 5 years	48,736	53,195	12,842	17,216
Later than 5 years	141,480	145,696	-	-
	<u>211,077</u>	<u>220,948</u>	<u>24,567</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.

18.3 Contracts and other commitments

During the period ended 30 June 2018, The Group does not have new contracts and other commitments other than those disclosed in Note 31.3 to the 2017 annual financial statements.

18.4 Guarantees

- The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 23 million (31 December 2017: Baht 23 million).
- As at 30 June 2018, there were outstanding bank guarantees of Baht 10 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 Share Capital

For the six-month period ended 30 June 2018

	Number of ordinary shares Thousand Share	Ordinary shares Thousand Baht	Share premium Thousand Baht	Total Thousand Baht
Opening net book amount	1,815,000	1,815,000	727,554	2,542,554
Issue of share dividends	90,750	90,750	-	90,750
Closing net book amount	<u>1,905,750</u>	<u>1,905,750</u>	<u>727,554</u>	<u>2,633,304</u>

On 20 April 2018, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating result for the year 2017 to shareholders in form of share dividends at the proportion of 20 share to 1 share dividend for totaling 90,750,000 Baht.

20 Dividends

2018

On 20 April 2018, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results for the year 2017 to shareholders in form of share dividends in a ratio of 20 existing shares to 1 share dividend for totalling Baht 90.75 million and in form of cash dividends at Baht 0.00556 per share for totalling Baht 10.09 million with the total approved dividends of Baht 100.84 million. The dividends were paid to shareholders on 18 May 2018.

2017

On 19 April 2017, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results for the year 2016 to shareholders at Baht 0.11 per share, totalling Baht 199.65 million. The dividends were paid on 17 May 2017.

21 Events after the reporting period

21.1 Solar power plant purchasing agreement

On 11 July 2018, the Company paid refundable deposits amounting to USD 400,000 or Baht 13.60 million to reserve the right in 2 solar power plant projects located in Vietnam.

21.2 Sale and purchase of shares agreement

On 24 July 2018, the Board of Directors Meeting of the Company resolved to negotiate in additional detail on terms of sale and purchase of shares agreement and investment structure with Future Part Industries Public Company Limited. The matter is in the negotiation process between the management of these two companies.