

**THAI SOLAR ENERGY PUBLIC COMPANY LIMITED**

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

**30 JUNE 2020**

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

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

I have reviewed the interim consolidated financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and the interim separate financial information of Thai Solar Energy Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2020, 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  
13 August 2020

**Thai Solar Energy Public Company Limited**  
**Statement of Financial Position**  
**As at 30 June 2020**

	Consolidated		Separate	
	financial information□		financial information□	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Notes	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,216,776	643,594	270,665	43,844
Short-term restricted bank deposits	12,425	18,864	9,090	14,913
Short-term investments	8 466	221,114	466	221,114
Trade and other receivables	9 451,264	430,400	249,137	263,931
Short-term loans to others	6,650	-	6,650	-
Short-term loans to subsidiaries	15.3 -	-	677,901	701,001
Current portion of long-term loans to subsidiaries	15.4 -	-	61,700	61,600
Inventories	24,445	24,029	-	-
Refundable Value Added Tax	131,800	273,156	-	-
Other current assets	126,763	30,317	15,575	14,583
<b>Total current assets</b>	<b>1,970,589</b>	<b>1,641,474</b>	<b>1,291,184</b>	<b>1,320,986</b>
<b>Non-current assets</b>				
Long-term restricted bank deposits	34,315	34,240	12,378	12,366
Long-term loans to subsidiaries	15.4 -	-	5,615,898	5,004,151
Receivables from disposal of investments	15.2 -	-	1,383,683	1,383,683
Investments in subsidiaries	-	-	1,199,150	1,199,150
Investments in joint venture	10.2 1,879,034	1,840,055	350,000	350,000
Investment properties	103,377	103,857	89,978	89,978
Property, plant and equipment	11 8,409,288	7,549,859	253,703	273,738
Right-of-use assets	248,143	-	31,804	-
Goodwill	16,708	17,113	-	-
Intangible assets	11 4,875,965	4,669,898	6,057	7,057
Deferred tax assets	5,300	1,623	-	-
Other non-current assets	14,891	11,873	9,253	7,341
<b>Total non-current assets</b>	<b>15,587,021</b>	<b>14,228,518</b>	<b>8,951,904</b>	<b>8,327,464</b>
<b>Total assets</b>	<b>17,557,610</b>	<b>15,869,992</b>	<b>10,243,088</b>	<b>9,648,450</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes form part of this interim financial information.

**Statement of Financial Position (Cont'd)**  
**As at 30 June 2020**

	Notes	Consolidated financial information□		Separate financial information□	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	12.1	329,367	98,470	329,367	98,470
Construction and other payables		207,773	199,267	58,379	45,969
Current portion of right in power purchase agreement payables		2,109	2,056	-	-
Current portion of lease liabilities		24,933	7,195	7,697	2,720
Current portion of long-term borrowings from financial institutions	12.2	775,404	737,756	399,079	272,895
Short-term loan from subsidiary	15.5	-	-	22,500	22,500
Current portion of debentures	12.3	-	949,801	-	949,801
Income tax payable		3,045	4,404	-	-
Other current liabilities		38,581	26,403	3,589	5,292
<b>Total current liabilities</b>		<b>1,381,212</b>	<b>2,025,352</b>	<b>820,611</b>	<b>1,397,647</b>
<b>Non-current liabilities</b>					
Right in power purchase agreement payables		72,247	73,329	-	-
Lease liabilities		217,702	13,281	14,160	5,260
Long-term borrowings from financial institutions	12.2	6,543,936	5,736,434	2,445,282	2,291,061
Debentures	12.3	3,442,785	2,345,025	3,442,785	2,345,025
Employee benefit obligations		15,447	13,522	15,447	13,522
Provision for decommissioning costs		27,242	2,585	2,619	2,585
Deferred tax liabilities		30,521	28,067	5,648	3,112
Derivatives liabilities		52,564	-	-	-
Other non-current liabilities		72	72	72	72
<b>Total non-current liabilities</b>		<b>10,402,516</b>	<b>8,212,315</b>	<b>5,926,013</b>	<b>4,660,637</b>
<b>Total liabilities</b>		<b>11,783,728</b>	<b>10,237,667</b>	<b>6,746,624</b>	<b>6,058,284</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares 2,477,474,454 shares of par Baht 1 each		2,477,474	2,477,474	2,477,474	2,477,474
Issued and paid-up share capital					
Ordinary shares 2,117,716,281 shares of fully-paid		2,117,716	2,117,716	2,117,716	2,117,716
Premium on ordinary shares		1,045,504	1,045,504	1,045,504	1,045,504
Retained earnings					
Appropriated-legal reserve	13	85,659	81,304	67,603	67,603
Unappropriated		2,819,811	2,856,784	265,641	359,343
Other components of equity		(299,854)	(473,307)	-	-
Equity attributable to owners of the parent		5,768,836	5,628,001	3,496,464	3,590,166
Non-controlling interests		5,046	4,324	-	-
<b>Total equity</b>		<b>5,773,882</b>	<b>5,632,325</b>	<b>3,496,464</b>	<b>3,590,166</b>
<b>Total liabilities and equity</b>		<b>17,557,610</b>	<b>15,869,992</b>	<b>10,243,088</b>	<b>9,648,450</b>

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 2020**

	Note	Consolidated financial information		Separate financial information	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		366,099	345,036	-	-
Subsidy for adders		41,536	13,952	-	-
Management service fee income		11,745	13,196	27,884	23,926
Cost of sales and services		(258,539)	(221,222)	(27,209)	(17,456)
<b>Gross profit</b>		160,841	150,962	675	6,470
Dividends income	15.1	-	-	145,250	154,350
Other income		2,112	13,051	5,236	1,424
Administrative expenses		(94,075)	(46,338)	(25,821)	(25,079)
Gain (loss) from exchange rate		96,355	(2,489)	(81,449)	(23,638)
Finance costs		(93,114)	(67,917)	(66,441)	(102,126)
Share of profit from joint ventures		169,990	173,659	-	-
<b>Profit (loss) before income tax</b>		242,109	220,928	(22,550)	11,401
Income tax		712	1,010	49	389
<b>Profit (loss) for the period</b>		242,821	221,938	(22,501)	11,790
<b>Other comprehensive income:</b>					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		(290,766)	(30,883)	-	-
Change in fair value of hedging derivatives		4,826	-	-	-
<b>Total comprehensive income for the period</b>		(43,119)	191,055	(22,501)	11,790
<b>Profit (loss) attributable to:</b>					
Owners of the parent		242,377	208,394	(22,501)	11,790
Non-controlling interests		444	13,544	-	-
		242,821	221,938	(22,501)	11,790
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		(43,393)	177,470	(22,501)	11,790
Non-controlling interests		274	13,585	-	-
		(43,119)	191,055	(22,501)	11,790
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share		0.11	0.11	(0.01)	0.01

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 2020**

	Notes	Consolidated financial information		Separate financial information	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		684,678	620,832	-	2
Subsidy for adders		82,651	27,174	-	-
Management service fee income		23,110	24,020	55,390	45,438
Cost of sales and services		(500,001)	(419,648)	(52,537)	(34,157)
<b>Gross profit</b>		290,438	252,378	2,853	11,283
Dividends income	15.1	-	-	299,600	328,230
Other income		6,820	20,275	10,439	3,197
Administrative expenses		(159,807)	(111,149)	(58,229)	(64,263)
(Loss) gain from exchange rate		(71,117)	(4,366)	56,313	(87,318)
Finance costs		(155,651)	(113,894)	(147,263)	(154,591)
Share of profit from joint venture	10.2	338,579	333,764	-	-
<b>Profit before income tax</b>		249,262	377,008	163,713	36,538
Income tax		49	856	695	861
<b>Profit for the period</b>		249,311	377,864	164,408	37,399
<b>Other comprehensive income:</b>					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		224,392	(144,703)	-	-
Change in fair value of hedging derivatives		(2,914)	-	-	-
<b>Total comprehensive income for the period</b>		470,789	233,161	164,408	37,399
<b>Profit attributable to:</b>					
Owners of the parent		248,908	355,121	164,408	37,399
Non-controlling interests		403	22,743	-	-
		249,311	377,864	164,408	37,399
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		470,214	210,389	164,408	37,399
Non-controlling interests		575	22,772	-	-
		470,789	233,161	164,408	37,399
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Earnings per share</b>					
Basic earnings per share		0.12	0.19	0.08	0.02

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 2020

Consolidated financial information											
Attribute to owners of the parent											
	Notes	Retained earnings				Other components of equity			Total owners of the parent Baht Thousand	Non-controlling interests Baht Thousand	Total Baht Thousand
		Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	Changes in parent's ownership interest in subsidiary Baht Thousand	Translation of financial statements Baht Thousand	Fair value of hedging derivatives Baht Thousand			
<b>Opening balance at 1 January 2019</b>		1,905,750	727,554	63,972	2,207,231	(7,769)	(126,350)	-	4,770,388	144,234	4,914,622
<b>Change in equity for the period</b>											
Dividends		-	-	-	(104,814)	-	-	-	(104,814)	-	(104,814)
Total comprehensive income for the period		-	-	-	355,121	-	(144,732)	-	210,389	22,772	233,161
<b>Closing balance at 30 June 2019</b>		<u>1,905,750</u>	<u>727,554</u>	<u>63,972</u>	<u>2,457,538</u>	<u>(7,769)</u>	<u>(271,082)</u>	<u>-</u>	<u>4,875,963</u>	<u>167,006</u>	<u>5,042,969</u>
<b>Opening balance at 1 January 2020</b>											
- previously report		2,117,716	1,045,504	81,304	2,856,784	(18,292)	(455,015)	-	5,628,001	4,324	5,632,325
Impact of first-time adoption of new financial reporting standards	5	-	-	-	(27,401)	-	-	(47,853)	(75,254)	-	(75,254)
<b>Opening balance at 1 January 2020</b>											
- restated		2,117,716	1,045,504	81,304	2,829,383	(18,292)	(455,015)	(47,853)	5,552,747	4,324	5,557,071
<b>Change in equity for the period</b>											
Legal reserves	13	-	-	4,355	(4,355)	-	-	-	-	-	-
Dividends	14	-	-	-	(254,125)	-	-	-	(254,125)	-	(254,125)
Total comprehensive income for the period		-	-	-	248,908	-	224,220	(2,914)	470,214	575	470,789
Non-controlling interests arising from acquisition of subsidiary	10.1	-	-	-	-	-	-	-	-	147	147
<b>Closing balance at 30 June 2020</b>		<u>2,117,716</u>	<u>1,045,504</u>	<u>85,659</u>	<u>2,819,811</u>	<u>(18,292)</u>	<u>(230,795)</u>	<u>(50,767)</u>	<u>5,768,836</u>	<u>5,046</u>	<u>5,773,882</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 2020**

	Separate financial information					
	Notes	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		Total Baht Thousand
				Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	
<b>Opening balance at 1 January 2019</b>		1,905,750	727,554	50,894	366,933	3,051,131
<b>Change in equity for the period</b>						
Dividends		-	-	-	(104,814)	(104,814)
Total comprehensive income for the period		-	-	-	37,399	37,399
<b>Closing balance at 30 June 2019</b>		<u>1,905,750</u>	<u>727,554</u>	<u>50,894</u>	<u>299,518</u>	<u>2,983,716</u>
<b>Opening balance at 1 January 2020 - previously reported</b>		2,117,716	1,045,504	67,603	359,343	3,590,166
Impact of first-time adoption of new financial reporting standards	5	-	-	-	(3,985)	(3,985)
<b>Opening balance at 1 January 2020 - restated</b>		2,117,716	1,045,504	67,603	355,358	3,586,181
<b>Change in equity for the period</b>						
Dividends	14	-	-	-	(254,125)	(254,125)
Total comprehensive income for the period		-	-	-	164,408	164,408
<b>Closing balance at 30 June 2020</b>		<u>2,117,716</u>	<u>1,045,504</u>	<u>67,603</u>	<u>265,641</u>	<u>3,496,464</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 2020**

	Consolidated financial information		Separate financial information		
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	
	Notes	Baht Thousand	Baht Thousand	Baht Thousand	
<b>Cash flows from operating activities</b>					
Profit before income tax		249,262	377,008	163,713	36,538
Adjustments for:					
Depreciation		162,810	142,311	6,592	4,131
Amortisation	11	28,382	19,464	1,000	975
Share of profit from joint ventures	10.2	(338,579)	(333,764)	-	-
Provision for employee benefits obligations		1,925	1,373	1,925	1,373
Unrealised loss (gain) on exchange		64,030	8,085	(63,295)	86,933
Fair value loss on trading securities	8	498	-	498	-
Loss from impairment of assets	11	14,310	-	-	-
Loss from disposal of equipment		522	-	-	-
Gain on disposal of trading securities		(717)	(683)	(717)	(683)
Loss from write-off withholding tax		-	8	-	-
Dividends income	15.1	-	-	(299,600)	(328,230)
Interest income		(470)	(897)	(8,755)	(2,046)
Finance cost		155,651	113,894	147,263	154,591
Gain on bargain purchase of subsidiary		-	(5,683)	-	-
Loss on impairment of goodwill		405	564	-	-
		338,029	321,680	(51,376)	(46,418)
<b>Changes in operating assets and liabilities</b>					
Trade and other receivables		(55,247)	37,657	8,408	5,162
Inventories		(416)	(8,451)	-	-
Refundable Value Added Tax		141,356	31,345	-	-
Other current assets		10,365	1,121	358	(2)
Other non-current assets		(3,025)	(315)	(1,907)	(103)
Construction and other payables		(107,984)	(72,900)	10,365	3,813
Other current liabilities		12,178	(61)	(1,703)	864
Cash flows generated from (used in) operating activities		335,256	310,076	(35,855)	(36,684)
<u>Less</u> Income tax paid		(3,437)	(923)	(1,351)	(1,412)
Net cash from (used in) operating activities		331,819	309,153	(37,206)	(38,096)

The accompanying notes form part of this interim financial information.

**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the six-month period ended 30 June 2020**

	Notes	Consolidated financial information		Separate financial information	
		30 June 2020 Baht Thousand	30 June 2019 Baht Thousand	30 June 2020 Baht Thousand	30 June 2019 Baht Thousand
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	10.1	(20,215)	(131,132)	-	-
Decrease in restricted bank deposits		6,364	8,112	5,811	390
Purchase of short-term investments	8	(520,002)	(335,388)	(520,002)	(335,388)
Proceeds from disposals of short-term investments		740,869	336,069	740,869	336,069
Purchase of held-to-maturity investments		-	(18,000)	-	(10,000)
Short-term loans made to others		(6,650)	-	(6,650)	-
Short-term loans made to subsidiaries	15.3	-	-	(41,300)	(221,000)
Short-term loans repayments received from subsidiaries	15.3	-	-	64,400	34,787
Long-term loans made to subsidiaries	15.4	-	-	(544,258)	(31,251)
Long-term loans repayments received from subsidiaries	15.4	-	-	56,421	-
Purchase of property, plant and equipment		(952,911)	(282,968)	(1,507)	(1,346)
Proceeds from disposals of equipment		7,378	15	-	15
Purchase of intangible asset		(128)	(1,743)	-	(1,303)
Interest received		20,942	687	8,854	251
Dividends received		307,650	308,630	307,650	308,630
Net cash (used in) generated from investing activities		(416,703)	(115,718)	70,288	79,854
<b>Cash flows from financing activities</b>					
Proceed from short-term borrowings from financial institutions, net of financial service fee	12.1	1,277,630	47,879	1,277,630	47,879
Repayment to short-term loans to financial institutions	12.1	(1,050,000)	-	(1,050,000)	-
Repayment to finance lease liabilities		(14,806)	(2,120)	(4,206)	(1,487)
Proceeds from long-term borrowings, net of financial service fee	12.2	1,205,444	364,477	368,987	29,792
Repayment to long-term borrowings	12.2	(518,763)	(249,505)	(169,835)	(91,200)
Proceed from issuance of debenture	12.3	1,096,750	-	1,096,750	-
Repayment to debenture	12.3	(950,000)	-	(950,000)	-
Cash dividends payment	14	(254,125)	(104,814)	(254,125)	(104,814)
Interest expenses and financial service fee		(184,006)	(146,578)	(120,754)	(99,103)
Net cash generated from (used in) financing activities		608,124	(90,661)	194,447	(218,933)
<b>Net increase (decrease) in cash and cash equivalents</b>		523,240	102,774	227,529	(177,175)
Cash and cash equivalents at beginning of the period		643,594	561,021	43,844	209,558
Exchange differences on cash and cash equivalents		(696)	272	(708)	(2,021)
Effect of exchange rate change on translation of financial statements		50,638	2,428	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>1,216,776</b>	<b>666,495</b>	<b>270,665</b>	<b>30,362</b>
<b>Non-cash transaction</b>					
Significant non-cash transactions are as follow:					
Payables arising from purchase of investment in subsidiary		32,250	54,400	250	2,043
Receivables from disposal of investments	15.2	-	-	1,383,683	1,383,683
Capitalise borrowing cost to property, plant and equipment and intangible assets		62,343	114,293	-	-

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, 19<sup>th</sup> Floor, Sukhumvit Rd., Klongton Nua, Wattana, Bangkok.

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

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

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 13 August 2020.

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

## **2 Basis of preparation**

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

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

## **3 Accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following.

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

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

#### **3.1.1 TFRS 16, Leases**

#### **3.1.2 Financial instruments**

The new financial standards relate to financial instruments are:

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

**3 Accounting policies (Cont'd)**

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

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

**4 Reclassification**

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

Summary impact to statement of comprehensive income is as follows:

**For the three-month period ended 30 June 2020**

<b>Consolidated financial information</b>			
	<b>Previously reported Baht Thousand</b>	<b>Reclassification Baht Thousand</b>	<b>Restated Baht Thousand</b>
Administrative expenses	(48,827)	2,489	(46,338)
Loss on exchange rate	-	(2,489)	(2,489)
<b>Separate financial information</b>			
	<b>Previously reported Baht Thousand</b>	<b>Reclassification Baht Thousand</b>	<b>Restated Baht Thousand</b>
Administrative expenses	(48,717)	23,638	(25,079)
Loss on exchange rate	-	(23,638)	(23,638)

**For the six-month period ended 30 June 2020**

<b>Consolidated financial information</b>			
	<b>Previously reported Baht Thousand</b>	<b>Reclassification Baht Thousand</b>	<b>Restated Baht Thousand</b>
Administrative expenses	(115,515)	4,366	(111,149)
Loss on exchange rate	-	(4,366)	(4,366)
<b>Separate financial information</b>			
	<b>Previously reported Baht Thousand</b>	<b>Reclassification Baht Thousand</b>	<b>Restated Baht Thousand</b>
Administrative expenses	(151,581)	87,318	(64,263)
Loss on exchange rate	-	(87,318)	(87,318)

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

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

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

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

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

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

5.1 Financial instruments

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

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

	Consolidated financial information Baht Thousand
Other component of equity as at 31 December 2019	-
Hedge accounting and derivatives	47,853
Adjustment to other components of equity	47,853

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

5.1 Financial instruments (Cont'd)

Classification and measurement

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

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

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

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

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

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

5.1 Financial instruments (Cont'd)

Classification and measurement (Cont'd)

Hedge accounting

The Group and the Company has the following derivative instruments:

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

5.2 Leases

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

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

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

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

5.2 Leases (Cont'd)

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

	Consolidated financial information		Separate financial information	
	30 June 2020 Baht Thousand	1 January 2020 Baht Thousand	30 June 2020 Baht Thousand	1 January 2020 Baht Thousand
Properties	213,020	213,776	11,484	13,434
Motor vehicles	35,123	37,890	20,320	21,029
<b>Total right-of-use assets</b>	<b>248,143</b>	<b>251,666</b>	<b>31,804</b>	<b>34,463</b>

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

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

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

Investments and other financial assets

Classification and measurements

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

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

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

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



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

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

Debt instruments

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

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

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

Impairment

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

Derivatives and hedging activities

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

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

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

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

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

Derivatives and hedging activities (Cont'd)

a) Cash flow hedges that qualify for hedge accounting

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

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

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

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

b) Derivatives that do not qualify for hedge accounting

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

Leases

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

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

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

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

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

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

Leases (Cont'd)

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

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

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

**6 Estimates**

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

**Thai Solar Energy Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 30 June 2020**

**7 Operating segments**

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass and operating its business in Thailand and in Japan. Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which are Chief Executive Officer and the Executive Committee.

**Financial information by geography segment**

	<b>For the six-month period ended 30 June (Million Baht)</b>									
	<b>Domestic</b>		<b>International</b>		<b>Total</b>		<b>Elimination</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenue from operations	657.84	533.94	165.92	160.18	823.76	694.12	(33.32)	(22.09)	790.44	672.03
Other income	13.82	20.14	1.61	1.77	15.43	21.91	(8.61)	(1.64)	6.82	20.27
Dividends income	299.60	328.23	-	-	299.60	328.23	(299.60)	(328.23)	-	-
Cost of operations	(388.80)	(333.13)	(108.63)	(94.12)	(497.43)	(427.25)	(2.57)	7.60	(500.00)	(419.65)
Operating profit	582.46	549.18	58.90	67.83	641.36	617.01	(344.10)	(344.36)	297.26	272.65
Selling and administrative expenses	(166.59)	(99.55)	(28.92)	(25.62)	(195.51)	(125.17)	35.70	14.02	(159.81)	(111.15)
Profit (loss) before finance cost, taxes.	415.87	449.63	29.98	42.21	445.85	491.84	(308.40)	(330.34)	137.45	161.50
Finance cost	(197.27)	(207.92)	(23.97)	(21.90)	(221.24)	(229.82)	65.59	115.93	(155.65)	(113.89)
Gain (loss) from exchange	30.33	(66.50)	(3.10)	(0.16)	27.23	(66.66)	(98.35)	62.29	(71.12)	(4.37)
Share of profit from joint ventures	338.58	333.76	-	-	338.58	333.76	-	-	338.58	333.76
Operating results before taxes	587.51	508.97	2.91	20.15	590.42	529.12	(341.16)	(152.12)	249.26	377.00
Income tax	0.70	0.88	(0.65)	(0.02)	0.05	0.86	-	-	0.05	0.86
<b>Net profit (loss)</b>	<b>588.21</b>	<b>509.85</b>	<b>2.26</b>	<b>20.13</b>	<b>590.47</b>	<b>529.98</b>	<b>(341.16)</b>	<b>(152.12)</b>	<b>249.31</b>	<b>377.86</b>
<b>Timing of revenue recognition</b>										
At a point in time									767.33	648.01
Over time									23.11	24.02
<b>Total revenue</b>									<b>790.44</b>	<b>672.03</b>
<b>Total assets</b>									<b>17,564.26</b>	<b>15,102.03</b>
<b>Total liabilities</b>									<b>11,790.38</b>	<b>10,059.06</b>

## 8 Short-term investments

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

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

## 9 Trade receivables

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

	Consolidated financial information	
	30 June 2020 Baht Thousand	31 December 2019 Baht Thousand
Not yet due	255,626	237,262
<u>Less</u> Provision for impairment of trade receivables	-	-
Total trade receivables, net	255,626	237,262

## 10 Investments in subsidiaries and joint ventures

### 10.1 Movements of investments in subsidiaries

#### Additional investment under Solar Visible Co., Ltd.

#### Investment in BP Trading (Thailand) Co., Ltd.

On 12 June 2020, the Group acquired 8,000 ordinary shares of BP Trading (Thailand) Company Limited, representing 80% of the registered capital with a total consideration of Baht 53.2 million, in order to acquire a business with a private Power Purchase Agreement (Private PPA) of the electricity generation from floating solar in Kabinburi Industrial Estate. The acquisition is considered as assets acquisition.

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

<b>Consideration paid</b>	<b>Baht Thousand</b>
Cash	20,950
Payables from acquisition of investments	32,250
<b>Total consideration</b>	<b>53,200</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>Baht Thousand</b>
Cash and cash equivalents	735
Power Purchase Agreement	52,612
Non-controlling interests	(147)
Total identifiable net assets	53,200

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

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

**10.2 Movements of investments in joint ventures**

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

	Consolidated financial information		Separate financial information	
	Equity method		Cost method	
	2020 Baht Thousand	2019 Baht Thousand	2020 Baht Thousand	2019 Baht Thousand
Opening net book value	1,840,055	1,787,087	350,000	350,000
Share of profit	338,579	333,764	-	-
Dividends received	(299,600)	(316,400)	-	-
Closing net book value	<u>1,879,034</u>	<u>1,804,451</u>	<u>350,000</u>	<u>350,000</u>

Thai Solar Renewable Company Limited, joint venture, has pledged share certificates of its subsidiary, Siam Solar Energy 1 Company Limited, amounting to Baht 1,080 million (31 December 2019: Baht 1,080 million) as collateral for the subsidiary's credit facilities granted by a commercial bank. In addition, Siam Solar Energy 1 Company Limited has mortgaged its land including constructions thereon and machinery with a total net book value of Baht 4,638.95 million (31 December 2019: Baht 4,754.92 million) and pledged bank deposits amounting to Baht 362 million (31 December 2019: Baht 360 million) as collateral for credit facilities granted by a commercial bank.

**11 Property, plant and equipment and intangible assets**

Movements of property, plant and equipment and intangible assets for the six-month period ended 30 June 2020 are as follows:

	Consolidated financial information		Separate financial information	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Opening net book value				
As previously reported	7,549,859	4,669,898	273,738	7,057
Reclassification due to adoption of new financial reporting standard (Note 5)	(43,204)	-	(18,866)	-
Opening net book value as modified retrospective	<u>7,506,655</u>	<u>4,669,898</u>	<u>254,872</u>	<u>7,057</u>
Acquisition of assets of a subsidiary (Note 10.1)	-	52,612	-	-
Additions	956,587	47,362	1,515	-
Disposals, net	(7,900)	-	-	-
Depreciation and amortisation	(150,985)	(28,382)	(2,684)	(1,000)
Provision of impairment	(14,310)	-	-	-
Foreign currency translation differences	119,241	134,475	-	-
Closing net book value	<u>8,409,288</u>	<u>4,875,965</u>	<u>253,703</u>	<u>6,057</u>

Borrowing costs incurring from the borrowings for the construction of the power plants during the period were capitalised in property, plant and equipment and included as "Additions" for Baht 15.06 million (31 December 2019: Baht 20.34 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (31 December 2019: 3.01% to 4.58% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate is the actual rate of the borrowings which were used for the construction.

**11 Property, plant and equipment and intangible assets (Cont'd)**

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

Land, building and equipment with the net book value amounting to Baht 6,854 million (31 December 2019: Baht 4,783 million) have been pledged as collaterals for credit facilities received from commercial bank.

**12 Borrowings**

**12.1 Short-term borrowings from financial institutions**

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

	<b>Consolidated and Separate financial information Baht Thousand</b>
Opening net book value	98,470
Cash inflows (outflows):	
Additions	1,280,000
Repayment	(1,050,000)
Discount on notes payable	(2,370)
Non-cash changes:	
Amortisation of discount on notes payable	3,267
Closing net book value	<u>329,367</u>

**12.2 Long-term borrowings from financial institutions**

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

	<b>Consolidated financial information Baht Thousand</b>	<b>Separate financial information Baht Thousand</b>
Opening net book value	6,474,190	2,563,956
Cash inflows (outflows):		
Additions	1,290,279	370,000
Financial service fee	(84,835)	(1,013)
Repayment	(518,763)	(169,835)
Non-cash changes:		
Foreign currency translation differences	149,960	79,031
Amortisation of financial service fee	8,509	2,222
Closing net book value	<u>7,319,340</u>	<u>2,844,361</u>

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

**12 Borrowings (Cont'd)**

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

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

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

**12.3 Debentures**

Movements in Debentures for the six-month period ended 30 June 2020 are analysed as follows:

	<b>Consolidated and Separate financial information Baht Thousand</b>
Opening net book value	3,294,826
Cash inflows (outflows):	
Issuance of debentures	1,099,600
Repayment	(950,000)
Deferred issuance cost	(2,850)
Non-cash changes:	
Amortisation of issuance cost	1,209
Closing net book value	<u>3,442,785</u>

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

**13 Legal reserve**

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	81,304	63,972	67,603	50,894
Appropriation	4,355	-	-	-
At 31 December	<u>85,659</u>	<u>63,972</u>	<u>67,603</u>	<u>50,894</u>

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

**14 Dividends**

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



## 15 Related party transactions

The Group is controlled by the following entities:

Name	Relationship	Place of incorporation	% of ownership interest	
			30 June 2020	31 December 2019
P.M. Energy Company Limited	Parent	Thailand	36.98	36.96
Sino-Thai Engineering & Construction Public Company Limited	Related party	Thailand	9.00	9.00
Wave Entertainment Public Company Limited	Related party	Thailand	6.37	9.01
Miss Cathleen Maleenont	Related party	-	8.72	8.72

The remaining 38.93% of the shares is widely held.

### 15.1 Sales of services and dividends

For the six-month period ended	Consolidated financial information		Separate financial information	
	30 June 2020 Baht Thousand	30 June 2019 Baht Thousand	30 June 2020 Baht Thousand	30 June 2019 Baht Thousand
<b>Sales of services</b>				
Subsidiaries	-	-	32,280	23,428
Joint venture	23,337	22,237	23,337	22,237
	<u>23,337</u>	<u>22,237</u>	<u>55,617</u>	<u>45,665</u>
<b>Dividends income</b>				
Subsidiaries	-	-	-	11,830
Joint venture	-	-	299,600	316,400
	<u>-</u>	<u>-</u>	<u>299,600</u>	<u>328,230</u>

15 Related party transactions (Cont'd)

15.2 Outstanding balances arising from sales/purchases of services

	Consolidated financial information		Separate financial information	
	30 June 2020 Baht Thousand	31 December 2019 Baht Thousand	30 June 2020 Baht Thousand	31 December 2019 Baht Thousand
<b>Amounts due from and advances to related parties</b>				
Subsidiaries	-	-	92,355	95,015
Joint venture	4,256	4,054	4,256	4,054
	<u>4,256</u>	<u>4,054</u>	<u>96,611</u>	<u>99,069</u>
<b>Dividends receivable</b>				
Joint venture	145,250	153,300	145,250	153,300
<b>Receivables from disposal of investments</b>				
Subsidiaries	-	-	1,383,683	1,383,683

15.3 Short-term loans to subsidiaries

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

	<b>Separate financial information</b>
	<b>30 June 2020 Baht Thousand</b>
Opening net book value	701,001
Additions	41,300
Repayment received	<u>(64,400)</u>
Closing net book value	<u>677,901</u>

Loans to subsidiaries are non-bearing interest promissory notes denominated in Thai Baht with maturity within March 2021.

15 Related party transactions (Cont'd)

15.4 Long-term loans to subsidiaries

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

	<b>Separate financial information</b>
	<b>30 June 2020</b>
	<b>Baht Thousand</b>
Opening net book value	5,065,751
Additions	544,258
Repayment received	(56,421)
Foreign currency translation differences	124,010
Closing net book value	<u>5,677,598</u>

Long-term loans to subsidiaries are in form of loan agreements denominated in Japanese Yen and Thai Baht. Loans carry interests at 0% and the rates range from 4.3% to 6.0% per annum respectively. Certain loans are due for repayment at call and other loans have maturity within 2021 to 2026.

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

15.5 Short-term loan from subsidiary

	<b>Separate financial information</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>Baht Thousand</b>	<b>Baht Thousand</b>
Short-term loan from subsidiary	<u>22,500</u>	<u>22,500</u>

Short-term loan from subsidiary is in form of a promissory note with no interest and due for repayment within September 2020.

15.6 Key management compensation

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
<b>For the six-month period ended</b>	<b>Baht Thousand</b>	<b>Baht Thousand</b>	<b>Baht Thousand</b>	<b>Baht Thousand</b>
Short-term employee benefits	18,043	15,420	12,359	10,855
Post-employment benefits	791	686	791	686
	<u>18,834</u>	<u>16,106</u>	<u>13,150</u>	<u>11,541</u>

## 16 Commitments

### 16.1 Capital commitments

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

	Currency	Consolidated and Separate financial information	
		30 June 2020	31 December 2019
Power plants	USD Thousand	50,126	-
Power plants	JPY Thousand	17,728,020	-

### 16.2 Power purchase agreements

During the six-month period ended 30 June 2020, the Group has 1 new domestic power purchase agreement in addition to those agreements disclosed in Note 33.1 to the 2019 annual financial statements. Details are as follows:

The electricity generated system	Company	Number of agreement	Production capacity MW	Electricity rate (Baht/kilowatt.hour)	The term of the agreement
Floating solar	Subsidiary	1	8	Time of Use Rate (TOU) and FT rate specified by the Provincial Electricity Authority (PEA)	For a period of 25 years commencing from commercial operation date (COD)

### 16.3 Commitments and significant agreements

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

The future minimum payments for all commitments are as follows:

	Consolidated and Separate financial information
	30 June 2020 Baht Thousand
Not later than 1 year	5,822
Later than 1 year but not later than 5 years	11,663
	<u>17,485</u>

## 17 Contingencies

### Guarantees

As at 30 June 2020, there were outstanding bank guarantees of Baht 6 million (31 December 2019: Baht 6 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

## 18 Events after the reporting period

On 14 July 2020, the Group acquired 1,000,000 ordinary shares representing 100% interests in Earth Energy Systems Company Limited, which operates a ground-mounting solar power plant with the production capacity of 5 MW for a consideration of Baht 152.17 million. The acquisition is considered as an acquisition of business.