

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 September 2016, the related consolidated and company statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and condensed notes to interim financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and of Thai Solar Energy Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review 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 interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
10 November 2016

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2016

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 30 September 2016

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		649,416,463	337,425,538	103,343,105	241,190,936
Short-term restricted bank deposits	6	35,753,248	25,091,922	-	551,565
Short-term investments	7	-	566,807,209	-	566,807,209
Trade and other receivables	8	169,283,013	47,559,313	199,744,591	77,940,169
Short-term loans		122,918,600	-	-	-
Short-term loans to subsidiaries	16 c)	-	-	926,775,034	240,399,141
Value added tax refundable		58,999,313	41,490,867	1,206,187	1,806,954
Other current assets		11,844,782	5,227,588	3,248,992	3,188,051
Total current assets		1,048,215,419	1,023,602,437	1,234,317,909	1,131,884,025
Non-current assets					
Long-term restricted bank deposits	6	396,050,000	159,131,000	396,050,000	159,131,000
Investments in subsidiaries	9	-	-	1,148,348,881	596,013,731
Investments in jointly controlled entities	10	1,548,543,575	1,476,668,878	350,000,130	350,000,130
Long-term loans		169,542	-	169,542	-
Investment properties		88,399,605	88,399,605	88,399,605	88,399,605
Property, plant and equipment	11	2,865,752,098	1,977,474,403	587,568,601	602,246,468
Deferred tax assets		107,556,381	105,985,368	105,516,975	105,273,108
Intangible assets	12	242,844,227	3,621,380	3,408,569	3,604,897
Other non-current assets		24,574,322	9,511,637	1,908,100	3,328,099
Total non-current assets		5,273,889,750	3,820,792,271	2,681,370,403	1,907,997,038
Total assets		6,322,105,169	4,844,394,708	3,915,688,312	3,039,881,063

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2016

	Notes	Consolidated		Company	
		(Unaudited) 30 September 2016 Baht	(Audited) 31 December 2015 Baht	(Unaudited) 30 September 2016 Baht	(Audited) 31 December 2015 Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions		696,277,054	152,949,889	696,277,054	-
Construction and other payables	13	139,467,437	34,506,196	119,019,345	4,056,427
Current portion of finance lease liabilities	14.1	4,645,735	4,491,620	4,645,735	4,491,620
Current portion of long-term borrowings	14.2	68,488,390	88,749,767	-	39,662,264
Short-term loans from related parties		173,500	-	-	-
Short-term loans		102,918,600	-	-	-
Income tax payable		584,622	67,921	-	-
Other current liabilities		2,526,491	3,662,941	1,205,913	2,441,805
Total current liabilities		1,015,081,829	284,428,334	821,148,047	50,652,116
Non-current liabilities					
Finance lease liabilities	14.1	324,700	3,828,455	324,700	3,828,454
Long-term borrowings	14.2	784,724,023	511,679,685	-	113,326,373
Long-term loans from related parties	16 d)	-	-	22,500,000	-
Employee benefit obligation		5,276,325	4,056,985	5,276,325	4,056,985
Deferred tax liabilities		1,474,888	-	-	-
Other non-current liabilities		72,000	72,000	72,000	72,000
Total non-current liabilities		791,871,936	519,637,125	28,173,025	121,283,812
Total liabilities		1,806,953,765	804,065,459	849,321,072	171,935,928
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares 1,815,000,000 shares of par Baht 1 each		1,815,000,000	1,815,000,000	1,815,000,000	1,815,000,000
Issued and paid-up share capital					
Ordinary shares, 1,815,000,000 shares of paid-up Baht 1 each		1,815,000,000	1,815,000,000	1,815,000,000	1,815,000,000
Premium on ordinary shares		727,554,273	727,554,273	727,554,273	727,554,273
Retained earnings		1,757,832,932	1,473,294,160	523,812,967	325,390,862
Other components of equity		117,753,123	24,478,025	-	-
Equity attributable to owners of the parent		4,418,140,328	4,040,326,458	3,066,367,240	2,867,945,135
Non-controlling interests		97,011,076	2,791	-	-
Total shareholders' equity		4,515,151,404	4,040,329,249	3,066,367,240	2,867,945,135
Total liabilities and shareholders' equity		6,322,105,169	4,844,394,708	3,915,688,312	3,039,881,063

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2016

	Consolidated		Company	
	30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Revenue from sales	42,268,345	25,301,826	21,466	135,417
Subsidy for adders	-	28,800	-	28,800
Management service income	9,818,107	9,707,675	13,324,821	10,957,514
Cost of sales and services	(34,978,323)	(32,394,233)	(18,850,444)	(22,743,992)
Gross profit (loss)	17,108,129	2,644,068	(5,504,157)	(11,622,261)
Dividends income	16 a) -	24	103,250,018	253,750,045
Other income	17 3,027,261	14,348,685	2,617,595	14,224,431
Administrative expenses	(32,456,691)	(19,318,362)	(24,383,500)	(16,878,488)
Finance costs	(11,824,683)	(6,898,073)	(4,587,598)	(2,283,644)
Share of profit from investments in jointly controlled entities	127,412,841	133,915,598	-	-
Profit (loss) before income tax expense	103,266,857	124,691,940	71,392,358	237,190,083
Tax income (expense)	(217,085)	201,146	81,287	67,138
Profit for the period	103,049,772	124,893,086	71,473,645	237,257,221
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	4,970,703	26,501,014	-	-
Total comprehensive income for the period	108,020,475	151,394,100	71,473,645	237,257,221
Profit attributable to:				
Owners of the parent	103,516,163	124,893,086	71,473,645	237,257,221
Non-controlling interests	(466,391)	-	-	-
	103,049,772	124,893,086	71,473,645	237,257,221
Comprehensive income attributable to:				
Owners of the parent	106,055,323	151,394,100	71,473,645	237,257,221
Non-controlling interests	1,965,152	-	-	-
	108,020,475	151,394,100	71,473,645	237,257,221
Earnings per share				
Basic earnings per share	0.06	0.07	0.04	0.13

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2016

	Notes	Consolidated		Company	
		30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Revenue from sales		121,374,921	60,526,831	757,974	2,815,294
Subsidy for adders		925,440	4,403,520	925,440	4,403,520
Management service income		28,830,949	28,275,686	36,117,663	31,067,423
Cost of sales and services		(107,235,255)	(87,681,932)	(58,578,201)	(66,224,832)
Gross profit (loss)		43,896,055	5,524,105	(20,777,124)	(27,938,595)
Dividends income	16 a)	-	47	358,750,066	416,850,083
Other income	17	42,098,210	36,746,369	41,448,073	34,839,188
Administrative expenses		(91,303,764)	(64,880,550)	(63,232,541)	(58,297,600)
Other expenses		(399,969)	(4,038)	(399,969)	-
Finance costs		(31,439,462)	(18,985,948)	(8,716,622)	(7,435,248)
Share of profit from investments in jointly controlled entities	10	430,624,763	447,450,212	-	-
Profit before income tax expense		393,475,833	405,850,197	307,071,883	358,017,828
Tax income (expense)	15	(509,806)	330,592	243,868	201,423
Profit for the period		392,966,027	406,180,789	307,315,751	358,219,251
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		95,706,640	28,550,996	-	-
Total comprehensive income for the period		488,672,667	434,731,785	307,315,751	358,219,251
Profit attributable to:					
Owners of the parent		393,432,418	406,180,789	307,315,751	358,219,251
Non-controlling interests		(466,391)	-	-	-
		392,966,027	406,180,789	307,315,751	358,219,251
Comprehensive income attributable to:					
Owners of the parent		486,707,516	434,731,785	307,315,751	358,219,251
Non-controlling interests		1,965,151	-	-	-
		488,672,667	434,731,785	307,315,751	358,219,251
Earnings per share					
Basic earnings per share		0.22	0.22	0.17	0.20

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited)
For the nine-month period ended 30 September 2016

Consolidated							
Attribute to owner of the parent							
				Other components of equity			
Note	Issued and called-up share capital Baht	Premium on ordinary capital Baht	Retained earnings (deficits) Baht	Translation of financial statements Baht	shareholders' equity Baht	Non-controlling interests Baht	Total Baht
Opening balance at 1 January 2015	1,815,000,000	1,266,097,322	408,153,742	-	3,489,251,064	-	3,489,251,064
Change in equity for the period							
Compensation of the accumulated loss from the share premium	-	(538,543,049)	538,543,049	-	-	-	-
Total comprehensive income for the period	-	-	406,180,789	28,550,996	434,731,785	-	434,731,785
Closing balance at 30 September 2015	<u>1,815,000,000</u>	<u>727,554,273</u>	<u>1,352,877,580</u>	<u>28,550,996</u>	<u>3,923,982,849</u>	<u>-</u>	<u>3,923,982,849</u>
Opening balance at 1 January 2016	1,815,000,000	727,554,273	1,473,294,160	24,478,025	4,040,326,458	2,791	4,040,329,249
Change in equity for the period							
Dividends paid	-	-	(108,893,646)	-	(108,893,646)	-	(108,893,646)
Total comprehensive income for the period	19	-	393,432,418	93,275,098	486,707,516	1,965,151	488,672,667
Non-controlling interests		-	-	-	-	95,043,134	95,043,134
Closing balance at 30 September 2016	<u>1,815,000,000</u>	<u>727,554,273</u>	<u>1,757,832,932</u>	<u>117,753,123</u>	<u>4,418,140,328</u>	<u>97,011,076</u>	<u>4,515,151,404</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2016

	Company				
	Note	Issued and called-up share capital Baht	Premium on ordinary capital Baht	Retained earnings (deficits) Baht	Total Baht
Opening balance at 1 January 2015		1,815,000,000	1,266,097,322	(538,543,049)	2,542,554,273
Change in equity for the period					
Compensation of the accumulated loss from the share premium		-	(538,543,049)	538,543,049	-
Total comprehensive income for the period		-	-	358,219,251	358,219,251
Closing balance at 30 September 2015		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>358,219,251</u>	<u>2,900,773,524</u>
Opening balance at 1 January 2016		1,815,000,000	727,554,273	325,390,862	2,867,945,135
Change in equity for the period					
Dividends paid	19	-	-	(108,893,646)	(108,893,646)
Total comprehensive income for the period		-	-	307,315,751	307,315,751
Closing balance at 30 September 2016		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>523,812,967</u>	<u>3,066,367,240</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2016

	Notes	Consolidated		Company	
		30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Cash flows from operating activities					
Profit before income tax expense		393,475,833	405,850,197	307,071,883	358,017,828
Adjustments for:					
Depreciation	11, 12	45,233,367	28,347,307	16,039,865	15,453,990
Share of profit from investments in jointly controlled entities	10	(430,624,763)	(447,450,212)	-	-
Provision for employee benefits obligations		1,219,340	1,007,115	1,219,340	1,007,115
Write-off intangible assets	12	1,676,666	-	1,676,666	-
Unrealised gain on exchange		-	(134,032)	(38,193,217)	(8,639,401)
Fair value loss (gain) on trading securities	7	399,969	(493,603)	399,969	(493,603)
Dividends income		-	(47)	(358,750,066)	(416,850,083)
Interest income	17	(6,573,433)	(18,147,935)	(6,028,451)	(17,961,632)
Finance cost		31,439,462	18,985,948	8,716,622	7,435,248
		36,246,441	(12,035,262)	(67,847,389)	(62,030,538)
Changes in operating assets and liabilities					
Trade and other receivables		(19,263,688)	(14,843,228)	(19,748,275)	8,829,014
Value added tax refundable		-	-	600,767	(2,026,010)
Other current assets		(13,170,513)	(8,602,124)	960,485	(18,646,664)
Other non-current assets		1,441,965	(1,366,771)	1,420,000	1,426,018
Other payables		12,365,042	10,965,328	12,287,243	3,733,647
Other current liabilities		(1,317,280)	(40,191,049)	(1,235,892)	(41,122,253)
Cash flows (used in) generated from operating activities		16,301,967	(66,073,106)	(73,563,061)	(109,836,786)
<u>Less</u> Income tax paid		(1,120,682)	(1,453,570)	(1,021,426)	(1,322,290)
Net cash (used in) generated from operating activities		15,181,285	(67,526,676)	(74,584,487)	(111,159,076)

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2016

	Notes	Consolidated		Company	
		30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	9	(115,807,468)	-	-	-
Increase in restricted bank deposits		(245,710,158)	(18,366,080)	(236,367,436)	(15,314,013)
Purchase of short-term investments		(242,607,505)	(1,274,202,543)	(242,607,505)	(1,274,202,543)
Proceeds from disposals of short-term investments		809,014,746	1,776,667,877	809,014,746	1,776,667,876
Short-term loans		(102,918,600)	-	-	-
Loans made to related parties	16 c)	-	(188,736,779)	(676,757,523)	(298,414,637)
Loan repayments received from related parties	16 c)	-	-	28,574,789	132,353,208
Acquisition of subsidiaries	9	-	-	(449,575,150)	(352,340,987)
Long-term loans		(169,542)	-	(169,542)	-
Acquisition of other long-term investments		-	(243,878,909)	-	-
Acquisition of property, plant and equipment		(903,797,825)	(342,017,561)	(1,107,391)	(12,531,107)
Acquisition of intangible asset		(1,779,130)	-	(1,779,130)	-
Deposit for purchase of land		(1,788,581)	-	-	-
Interest received		7,363,440	20,953,027	7,222,323	20,809,435
Dividends received		255,500,048	210,350,042	255,500,048	210,350,042
Net cash from (used in) investing activities		<u>(542,700,575)</u>	<u>(59,230,926)</u>	<u>(508,051,771)</u>	<u>187,377,274</u>
Cash flows from financing activities					
Proceed from bank overdrafts		543,327,165	-	696,277,054	-
Short-term loan		102,918,600	-	-	-
Increase in short-term loan to related party	16 d)	-	-	45,000,000	-
Repayment to short-term loan to related party	16 d)	-	-	(22,500,000)	-
Repayment to finance lease liabilities		(3,581,478)	(3,581,478)	(3,581,478)	(3,581,478)
Long-term borrowings	14.2	444,720,412	272,899,916	-	-
Repayment to long-term borrowings	14.2	(192,965,540)	(77,159,079)	(154,000,000)	(20,000,000)
Non-controlling interest of subsidiaries		3,134	-	-	-
Dividend payment	19	(108,893,646)	-	(108,893,646)	-
Interest expenses and financial service fee		(41,725,072)	(22,422,201)	(7,513,503)	(6,834,857)
Net cash from (used in) financing activities		<u>743,803,575</u>	<u>169,737,158</u>	<u>444,788,427</u>	<u>(30,416,335)</u>
Net increase (decrease) in cash and cash equivalents					
		216,284,285	42,979,556	(137,847,831)	45,801,863
Cash and cash equivalents at beginning of the period		337,425,538	7,210,028	241,190,936	4,061,247
Effect of exchange rate changes on translation of financial statements		95,706,640	28,550,996	-	-
Cash and cash equivalents at end of the period		<u><u>649,416,463</u></u>	<u><u>78,740,580</u></u>	<u><u>103,343,105</u></u>	<u><u>49,863,110</u></u>
Non-cash transaction					
Material non-cash transaction is as follow:					
Payable arising from purchase of investment in subsidiary		101,760,000	-	102,760,000	-

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. The address of the Company’s registered office is as follows:

3199 Maleenont Tower, 16th Floor, Rama IV Rd., Klongtan, Klongtoey, 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 to government and private sector.

The interim consolidated and company financial information was authorised for issue by the Board of Directors on 10 November 2016.

The interim consolidated and company financial information have been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

This interim consolidated and company financial information was prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statements of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2012), ‘Interim Financial Reporting’ and 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 2015.

An English version of the interim consolidated and company 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 2015.

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

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

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

a) Financial reporting standards, which have a significant impact to the group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) 'Separate financial statements' allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group. (Cont'd)

a) Financial reporting standards, which have a significant impact to the group: (Cont'd)

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015), 'Disclosure of interests in other entities' introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced).

b) Financial reporting standards with minor changes and do not have impact to the group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group. (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the group are as follows: (Cont'd)

TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS 29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

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 2015.

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4 Operating segments

Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which are Chief Executive Officer and executive committee. The following information is used by authorised persons to evaluate operation of each segment.

Financial information by geography segment

	For the three-month period ended 30 September (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from operations	43.72	50.59	14.90	-	58.62	50.59	(3.51)	(1.25)	55.11	49.34
Dividends income	103.25	253.75	-	-	103.25	253.75	(103.25)	(253.75)	-	-
Cost of operations	(32.00)	(33.64)	(4.86)	-	(36.86)	(33.64)	1.89	1.25	(34.97)	(32.39)
Operating profit	114.97	270.70	10.04	-	125.01	270.70	(104.87)	(253.75)	20.14	16.95
Selling and administrative expenses	(31.45)	(17.35)	(1.68)	(1.05)	(33.13)	(18.40)	1.62	-	(31.51)	(18.40)
Profit (loss) before finance cost, taxes, depreciation and amortisation	83.52	253.35	8.36	(1.05)	91.88	252.30	(103.25)	(253.75)	(11.37)	(1.45)
Depreciation and amortisation	(0.95)	(0.87)	-	-	(0.95)	(0.87)	-	-	(0.95)	(0.87)
Finance cost	(10.02)	(6.90)	(1.80)	-	(11.82)	(6.90)	-	-	(11.82)	(6.90)
Share of profit from investments in jointly controlled entity	127.41	133.91	-	-	127.41	133.91	-	-	127.41	133.91
Operating results before taxes	199.96	379.49	6.56	(1.05)	206.52	378.44	(103.25)	(253.75)	103.27	124.69
Income tax income (expense)	0.01	0.20	(0.23)	-	(0.22)	0.20	-	-	(0.22)	0.20
Net profit (loss)	199.97	379.69	6.33	(1.05)	206.30	378.64	(103.25)	(253.75)	103.05	124.89
Total assets									6,227.07	4,600.70
Total liabilities									1,806.95	676.72

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4 Operating segments (Cont'd)

Financial information by geography segment (Cont'd)

	For the nine-month period ended 30 September (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from operations	166.70	132.74	33.82	-	200.52	132.74	(7.29)	(2.79)	193.23	129.95
Dividends income	358.75	416.85	-	-	358.75	416.85	(358.75)	(416.85)	-	-
Cost of operations	(97.68)	(90.47)	(15.22)	-	(112.90)	(90.47)	5.67	2.79	(107.23)	(87.68)
Operating profit	427.77	459.12	18.60	-	446.37	459.12	(360.37)	(416.85)	86.00	42.27
Selling and administrative expenses	(74.31)	(60.88)	(16.25)	(1.46)	(90.56)	(62.34)	1.62	-	(88.94)	(62.34)
Profit (loss) before finance cost, taxes, depreciation and amortisation	353.46	398.24	2.35	(1.46)	355.81	396.78	(358.75)	(416.85)	(2.94)	(20.07)
Depreciation and amortisation	(2.76)	(2.55)	-	-	(2.76)	(2.55)	-	-	(2.76)	(2.55)
Finance cost	(24.57)	(18.98)	(6.87)	-	(31.44)	(18.98)	-	-	(31.44)	(18.98)
Share of profit from investments in jointly controlled entity	430.62	447.45	-	-	430.62	447.45	-	-	430.62	447.45
Operating results before taxes	756.75	824.16	(4.52)	(1.46)	752.23	822.70	(358.75)	(416.85)	393.48	405.85
Income tax income (expense)	(0.04)	0.33	(0.47)	-	(0.51)	0.33	-	-	(0.51)	0.33
Net profit (loss)	756.71	824.49	(4.99)	(1.46)	751.72	823.03	(358.75)	(416.85)	392.97	406.18
Total assets									6,227.07	4,600.70
Total liabilities									1,806.95	676.72

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).

As at 30 September 2016, the Company has no financial assets that are measured at fair value.

6 Restricted bank deposits

Short-term restricted bank deposits are saving deposits that subsidiaries pledged and assigned rights of claim to secure the credit facilities of the subsidiary with its lenders, which there is term of expense and stages of withdrawal for specially purpose according to the long-term loan agreements.

Long-term restricted bank deposits are saving deposits pledged to guarantee company and subsidiaries' gasoline credit card and assigned rights of claim to secure the credit facilities of the company and subsidiaries with lenders according to condition in long-term loan agreement.

7 Short-term investments

	Consolidated and Company			
	30 September 2016		31 December 2015	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	-	-	67,247,432	67,647,401
2. Held-to-maturity investments	-	-	499,159,808	499,159,808
Total			566,407,240	566,807,209
<u>Less</u> Revaluation adjustments	-	-	-	-
Total short-term investments	-	-	566,407,240	566,807,209

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7 Short-term investments (Cont'd)

During the nine-month period ended 30 September 2016, movements of trading securities are as follows:

	Consolidated and Company Baht
Book value - beginning balance	67,647,401
Additions	236,000,000
Disposal	(303,247,432)
Change in fair value	(399,969)
Book value - ending balance	-

8 Trade and other receivables

Trade and other receivables as at 30 September 2016 and 31 December 2015 comprise the following:

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Trade accounts receivable	22,564,101	14,219,119	6,969	5,900
<u>Less</u> Provision for impairment of trade accounts receivables	-	-	-	-
Total trade accounts receivable, net	22,564,101	14,219,119	6,969	5,900
Amounts due from and advances to related parties (Note 16 b)	3,501,792	5,001,004	73,098,063	55,363,499
Prepaid expenses	5,403,857	8,620,200	2,918,457	3,502,046
Dividends receivable (Note 16 b)	103,250,018	-	103,250,018	-
Other receivables	10,294,821	3,214,927	1,561,730	2,791,192
Advance payment	24,268,424	16,504,063	18,909,354	16,277,532
Total other receivables	146,718,912	33,340,194	199,737,622	77,934,269
Total trade and other receivables	169,283,013	47,559,313	199,744,591	77,940,169

All outstanding trade accounts receivable are not yet due.

9 Investments in subsidiaries

9.1 Movements of investments in subsidiaries

	Company Baht
For the nine-month period ended 30 September 2016	
Opening net book amount	596,013,731
Acquisitions during the period	552,335,150
Closing net book amount	<u>1,148,348,881</u>

Additional investments under Thai Solar Energy Plc.

Investments in TSE Group International Pte. Ltd.

The Company made additional payment for the remaining called-up capital of TSE Group International Pte. Ltd. amounting to Baht 266.88 million during the first quarter of 2016.

Investments in Solar Assets Pte. Ltd.

The Company made additional payment for the remaining called-up capital of Solar Assets Pte. Ltd. amounting to Baht 62.70 million during the first quarter of 2016.

Investments in Bangsawan Green Co., Ltd.

On 14 July 2016, the Company has established Bangsawan Green Co., Ltd. for the purposes of generating and distributing electricity from biomass power plants. The total investment is Baht 1 million. The Company has the voting right of 100 percent in this company and classified the investment in Bangsawan Green Co. Ltd. as subsidiary.

On 1 November 2016, Bangsawan Green Co., Ltd. increased its capital from Baht 1 million to Baht 165 million. The Company has increased the investment in Bangsawan Green Co., Ltd for the total of Baht 129 million.

Investments in Oscar Save The World Co., Ltd.

On 26 August 2016, the Company has acquired 70 percent of ordinary shares of Oscar Save the World Co., Ltd. from Thai Nakorn Parawood Co., Ltd. for a consideration of Baht 221.76 million. The payment has been made during the period for Baht 120 million, with the remaining subscription payables of Baht 101.76 million (Note 13). However, those shares were transferred to the Company on 26 August 2016.

9 Investments in subsidiaries (Cont'd)

9.1 Movements of investments in subsidiaries (Cont'd)

Details of acquisition are as follows:

Consideration at 26 August 2016	Baht
Cash	120,000,000
Share payable	101,760,000
Total consideration	221,760,000
Non-controlling interests	95,040,000
Recognised amounts of identifiable assets acquired and liabilities assumed	Baht
Cash and cash equivalents	4,192,533
Short-term restricted bank deposits	1,870,168
Short-term loans	20,000,000
Value added tax refundable	885,340
Other current assets	9,038,336
Property, plant and equipment, net	27,028,211
Other non-current assets	14,716,068
Construction and other payables	(146,698)
Short-term loans from related parties	(173,500)
Other current liabilities	(34,131)
Net fair value	77,376,327
Intangible assets: Power Purchase Agreements	239,423,673
Total identifiable net assets	316,800,000

Additional investments under TSE Group International Pte. Ltd.

Investments in Ishikawa Hanamizuki 1 GK

In March 2016, the Group invested in Ishikawa Hanamizuki 1 GK totaling Baht 235.06 million for the purpose of generating and distributing electricity from solar power in Japan. In the second and third quarter of 2016 the Group additionally invested in Ishikawa Hanamizuki 1 GK totaling Baht 86.84 million and Baht 127.51 million, respectively. The investment was made in accordance with the Godo Kaisha Agreement (GK agreement) which indicates that operating profits and losses will be distributed among the investors and the operator in the proportion of 97 percent and 3 percent, respectively.

Additional investments under TSE Rooftop Co., Ltd.

Investments in World Solar Co., Ltd.

On 24 August 2016, TSE Rooftop Co., Ltd. acquired entire ordinary shares of World Solar Co., Ltd. from Solar Visible Co. Ltd. for a consideration of Baht 0.25 million.

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9 Investments in subsidiaries (Cont'd)

9.2 Details of investment in subsidiaries

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 September 2016	31 December 2015
Subsidiaries directly held by the Company				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100
Solar Visible Co., Ltd. ("Formerly TSE Operations Co., Ltd.")	Provision of maintenance service for power plants	Thailand	100	100
TSE Group International. Pte. Ltd.	Investment	Singapore	100	100
Solar Assets Pte. Ltd.	Investment	Singapore	100	100
The Solar Earth Co., Ltd. ("Formerly Central Rooftop Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
Clean Renewable Co., Ltd. ("Formerly Clean Solar Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	48	-
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	70	-
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
World Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Subsidiaries held by Solar Visible Co., Ltd				
Thai Community Energy Co., Ltd. ("Formerly Win Win Investment Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
Sun Future Co., Ltd. ("Formerly Home Rooftop Co., Ltd.")	Production and distribution of electricity	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
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	-
Subsidiaries held by Solar Assets Pte. Ltd.				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100

10 Investments in jointly controlled entities

10.1 Movements of investments in jointly controlled entities

	Consolidated Baht	Company Baht
For the nine-month period ended 30 September 2016		
Opening net book amount	1,476,668,878	350,000,130
Share of profit	430,624,763	-
Dividends received	(358,750,066)	-
Closing net book amount	<u>1,548,543,575</u>	<u>350,000,130</u>

As at 30 September 2016, 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 2015: 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 land with construction thereon and machinery with a total net book value of Baht 5,493 million (31 December 2015: Baht 5,673 million) and pledged bank deposits amounting to Baht 442 million (31 December 2015: Baht 336 million), as collateral for credit facilities granted by a commercial bank.

The Company has pledged all share certificates of investments in jointly controlled entities with a lender as collateral for Siam Solar Energy 1 Company Limited's credit facilities received from the commercial bank.

10.2 Details of investment in jointly controlled entities

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 September 2016	31 December 2015
Jointly controlled entity directly held by the Company				
Thai Solar Renewable Co., Ltd.	Investment	Thailand	60	60
Jointly controlled entity held by Thai Solar Renewable Co., Ltd.				
Siam Solar Energy 1 Co., Ltd.*	Generation and distribution of electricity	Thailand	60	60

* The Company also directly holds one share.

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11 Property, plant and equipment

Property, plant and equipment for the nine-month period ended 30 September 2016 have the following movement:

	Consolidated Baht	Company Baht
For the nine-month period ended 30 September 2016		
Opening net book amount	1,977,474,403	602,246,468
Acquisition of a subsidiary	27,028,211	-
Foreign currency translation differences	139,387,932	-
Additions	790,921,185	1,063,206
Transfer out	(24,129,556)	-
Depreciation	(44,930,077)	(15,741,073)
Closing net book amount	<u>2,865,752,098</u>	<u>587,568,601</u>

Borrowing costs of Baht 11.31 million (2015: Baht 3.00 million) were capitalised during the period and are included in "Additions". Borrowing costs arising from financing specifically entered into for the construction of a new power plant, were capitalised during the period until it gets ready for its intended use. A capitalisation rates of 2.91 per annum (2015: 4.53% to 4.75%) were used, representing the actual borrowing cost of the borrowing used to finance the project.

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Currency	Consolidated		Company	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
Land	Baht	19,700,000	-	-	-
Power plant	Baht	18,048,068	-	-	-
Power plant	Yen	5,125,808,653	7,329,840,672	-	-
Power plant	Dollar	396,050	-	-	-
Machinery	Euro	51,503	51,503	51,503	51,503

As at 30 September 2016, the Company had vehicles under hire purchase agreements with net book value amounting to Baht 14 million (31 December 2015: Baht 16 million).

The Company, its subsidiaries and its jointly controlled entity have pledged assets with the net book value amounting to Baht 2,106 million (31 December 2015: Baht 1,077 million) Company: Baht 570 million (31 December 2015: Baht 571 million) as collateral for credit facilities received from the commercial bank.

12 Intangible assets

	Consolidated Baht	Company Baht
For the nine-month period ended 30 September 2016		
Opening net book amount	3,621,380	3,604,897
Acquisition of a subsidiary (Note 9)	239,423,673	-
Additions	1,779,130	1,779,130
Write-off	(1,676,666)	(1,676,666)
Amortisation	(303,290)	(298,792)
Closing net book amount	<u>242,844,227</u>	<u>3,408,569</u>

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13 Construction and other payables

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Amounts due to related parties (Note 16 b)	-	-	-	408,737
Construction payables and retention guarantee	306,410	8,964,757	208,788	39,300
Other payables	6,078,235	2,325,267	1,483,776	547,470
Subscription payables	101,760,000	-	102,760,000	-
Accrued expenses	31,322,792	23,216,172	14,566,781	3,060,920
	139,467,437	34,506,196	119,019,345	4,056,427

14 Borrowings

14.1 Finance lease liabilities

The present value of finance lease liabilities is due for settlement as follows:

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Not later than 1 year	4,645,735	4,491,620	4,645,735	4,491,620
Later than 1 year but not later than 5 years	324,700	3,828,455	324,700	3,828,454
Total	4,970,435	8,320,075	4,970,435	8,320,074

14.2 Long-term borrowings

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Current portion of long-term borrowings	68,488,390	88,749,767	-	39,662,264
Long-term borrowings repayable between 1 to 5 years	360,280,262	377,374,224	-	113,326,373
Long-term borrowings repayable more than 5 years	424,443,761	134,305,461	-	-
Total	853,212,413	600,429,452	-	152,988,637

14 Borrowings (Cont'd)

14.2 Long-term borrowings (Cont'd)

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

	Consolidated Baht	Company Baht
For the nine-month period ended 30 September 2016		
Opening book amount	600,429,452	152,988,637
Addition	444,720,412	-
Repayment	(192,965,540)	(154,000,000)
Financial service fee	(320,702)	-
Amortisation of financial service fee	1,348,791	1,011,363
	<u>853,212,413</u>	<u>-</u>
Closing book amount	<u>853,212,413</u>	<u>-</u>

Subsidiaries entered into long-term loan agreements with a local commercial bank to obtain a loan facility of Baht 561 million in order to finance their obligations in respect of solar rooftop panel installation projects. The long-term loans carry interest at MLR minus a stipulated margin per annum. The long-term loans of Baht 521 million are repayable in quarterly installments from December 2014 to September 2026, at the percentage specified in the loan agreements. The long-term loans of Baht 32 million are repayable within October 2015 and the loans of Baht 4 million are repayable within September 2016.

The loans 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.

Subsidiaries entered into long-term loan agreements with an international commercial bank to obtain a loan facility of Yen 1,198 million in order to finance their obligations in respect of power plant construction projects. The long-term loans carry interest at three-month interest rate of Tokyo market plus a stipulated margin per annum. The long-term loan principal is repayable in quarterly installments from September 2016 to June 2033, at the percentage specified in the loan agreements.

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

14 Borrowings (Cont'd)

14.3 Borrowing facilities

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

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Floating rate				
Expiring beyond one year		- 3,705,476	-	-

Borrowings facilities and bank overdrafts are secured by the pledge and the assignment of rights over the Company's bank deposits, the mortgage of the Company's land with construction thereon, machinery and investment properties, the assignment of rights under all project agreements, the pledge of the Company's shares held by the parent company and guarantees provided by a shareholder of the parent company.

15 Promotional privileges and income tax

Promotional privileges

The Company, its subsidiaries and its jointly controlled entity have received several certificates of promotional privileges from the Board of Investment for the production of electricity generated from concentrated solar thermal energy, solar rooftop energy and solar energy, respectively.

Subject to certain imposed conditions, the privileges include an exemption of import duty on imported machinery, an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (the commercial operation date) and a 50-percent reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's, and its subsidiaries' operating revenue from sales and subsidy for adders as presented in the statements of comprehensive income for the nine-month periods ended 30 September 2016 and 2015 totally resulted from promoted operations in Thailand according to the information of operating segments disclosed in Note 4.

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 0.13%.

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16 Related party transactions

The Company is controlled by P.M. Energy Company Limited (incorporated in Thailand) which owns 43% of the Company's shares. The remaining 57% of the shares are widely held. 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		Company	
	30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Subsidiaries				
Management service income	-	-	1,470,000	1,249,839
Operation and maintenance income	-	-	420,000	357,097
Service income	-	-	250,000	-
	-	-	2,140,000	1,606,936
Jointly controlled entity				
Management service income	9,818,107	9,350,578	9,818,107	9,350,578
Rental income	108,000	108,000	108,000	108,000
Other income	-	712,402	-	712,403
Dividends income	-	24	103,250,018	253,750,045
	9,926,107	10,171,004	113,176,125	263,921,026
Related parties				
Rental income	69,472	69,472	69,472	69,472
Service income	46,315	46,315	46,315	46,315
Other income	7,179	7,161	7,179	7,161
	122,966	122,948	122,966	122,948

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16 Related party transactions (Cont'd)

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

a) Sales of goods and services (Cont'd)

For the nine-month period ended	Consolidated		Company	
	30 September 2016 Baht	30 September 2015 Baht	30 September 2016 Baht	30 September 2015 Baht
Subsidiaries				
Management service income	-	-	6,026,714	2,791,737
Operation and maintenance income	-	-	1,260,000	817,639
Service income	-	-	250,000	-
	-	-	7,536,714	3,609,376
Jointly controlled entity				
Management service income	28,830,949	27,458,047	28,830,949	27,458,047
Rental income	324,000	324,000	324,000	324,000
Other income	-	712,402	-	712,403
Dividends income	-	47	358,750,066	416,850,083
	29,154,949	28,494,496	387,905,015	445,344,533
Related parties				
Rental income	208,417	138,944	208,417	138,945
Service income	138,945	92,630	138,945	92,630
Other income	20,644	22,882	20,644	22,882
	368,006	254,456	368,006	254,457

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

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Amounts due from and advances to related parties (Note 8)				
Subsidiaries	-	1,626,729	69,596,271	51,989,224
Jointly controlled entity	3,501,792	3,374,275	3,501,792	3,374,275
	3,501,792	5,001,004	73,098,063	55,363,499
Dividends receivable (Note 8)				
Jointly controlled entity	103,250,018	-	103,250,018	-
Amounts due to related parties (Note 13)				
Subsidiaries	-	-	-	408,737

16 Related party transactions (Cont'd)

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

c) Short-term loans to subsidiaries

	Company	
	30 September	31 December
	2016	2015
	Baht	Baht
Short-term loans to subsidiaries	<u>926,775,034</u>	<u>240,399,141</u>

Movements in loans to subsidiaries are analysed as follows:

	Company
	Baht
For the nine-month period ended 30 September 2016	
Opening net book amount	240,399,141
Addition	676,757,523
Repayment	(28,574,789)
Foreign currency translation differences	38,193,159
Closing net book amount	<u>926,775,034</u>

Loans to subsidiaries are the promissory notes and loan agreement with maturity within May 2017 and carrying interest at 6% per annum.

d) Long-term loans from subsidiaries

	Company	
	30 September	31 December
	2016	2015
	Baht	Baht
Long-term loans from subsidiaries	<u>22,500,000</u>	<u>-</u>

Movements in loans from subsidiaries are analysed as follows:

	Company
	Baht
For the nine-month period ended 30 September 2016	
Opening net book amount	-
Addition	45,000,000
Repayment	(22,500,000)
Closing net book amount	<u>22,500,000</u>

Loans from subsidiaries are the promissory notes with maturity within September 2018 and there is no interest thereon.

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16 Related party transactions (Cont'd)

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

e) Key management compensation

For the three-month period ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Short-term employee benefits	6,120,287	8,096,750	6,120,287	8,096,750
Post-employment benefits	262,037	304,255	262,037	304,255
	6,382,324	8,401,005	6,382,324	8,401,005

For the nine-month period ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Short-term employee benefits	20,275,733	21,405,250	20,275,733	21,405,250
Post-employment benefits	862,849	829,931	862,849	829,931
	21,138,582	22,235,181	21,138,582	22,235,181

17 Other income

For the three-month period ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Rental income	303,399	363,342	303,399	363,342
Service income	309,942	99,904	309,942	99,904
Interest income	2,207,847	3,267,158	1,799,393	3,225,250
Realised gain on foreign exchange	-	9,114,115	-	9,114,115
Fair value gain on trading securities	133,579	580,476	133,579	580,476
Other income	72,494	923,690	71,282	841,344
	3,027,261	14,348,685	2,617,595	14,224,431

For the nine-month period ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Rental income	906,758	1,055,909	906,758	1,055,909
Service income	429,828	364,109	429,828	364,109
Interest income	6,573,433	18,147,935	6,028,451	17,961,632
Realised gain on foreign exchange	32,677,871	10,711,275	32,658,579	9,221,423
Fair value gain on trading securities	778,071	2,076,354	778,071	2,076,354
Other income	732,249	4,390,787	646,386	4,159,761
	42,098,210	36,746,369	41,448,073	34,839,188

18 Commitments and contingencies

18.1 Power purchase agreements

Domestic

As at 30 September 2016, the Group has 29 power purchase agreements with the Provincial Electricity Authority (“PEA”) and the Metropolitan Electricity Authority (“MEA”) (31 December 2015: 25 agreements). Currently, the Group has commenced their production and distribution of electricity for the PEA under 25 power purchase agreements.

The power purchase agreements require the Company and its jointly controlled entity to sell electricity in a specified quantity and at a stipulated price as defined in the agreements. The agreements are for a period of 5 years and will automatically renew every 5 years until termination. In the electricity selling to the PEA, the Company and its jointly controlled entity have also been granted an adder amounting to Baht 6.50 - 8 per kilowatt-hour (Company: Baht 8 per kilowatt-hour) for the period of 10 years commencing from the commercial operation date.

The power purchase agreements require subsidiaries to sell electricity generated by solar rooftop to the PEA and the MEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from December 2013.

The power purchase agreements of another subsidiary require the subsidiary to sell electricity generated from biomass to the PEA under the Feed-in Tariff system (FiT) granted for periods of 5 years with automatic renewal of the contracts for 5 years until the contract is terminated. The biomass power plant mentioned in the contract is under construction.

Overseas

As at 30 September 2016, subsidiaries operating in Japan have obtained 4 power purchase agreements with the power purchasing agencies, of which the power plants have already commenced generating and distributing the electricity. In addition, the subsidiaries have obtained the permission licenses for entering into another 3 power purchase agreements for the projects which have not commenced generating and distributing the electricity.

The power purchase agreements are conditioned to sell the electricity generated from solar energy under the Feed-in Tariff (FiT) for the periods of 20 years starting August 2015.

18.2 Operating lease commitments - where the Group is the lessee

The Company, its subsidiaries and its jointly controlled entities 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 September 2016 and 31 December 2015, future minimum lease payments required under these operating lease contracts were as follows:

	Consolidated		Company	
	30 September 2016 Baht	31 December 2015 Baht	30 September 2016 Baht	31 December 2015 Baht
Not later than 1 year	17,524,977	15,346,783	5,614,160	4,869,200
Later than 1 year but not later than 5 years	50,586,065	50,525,145	5,633,340	7,460,300
Later than 5 years	196,587,057	198,841,131	-	-
	<u>264,698,099</u>	<u>264,713,059</u>	<u>11,247,500</u>	<u>12,329,500</u>

In addition, under agreements to lease rooftop space and other building space, subsidiaries have commitments to pay rental fee at the higher of a percentage of sales and minimum amounts as specified in the agreements.

18 Commitments and contingencies (Cont'd)

18.3 Contracts and other commitments

- a) The Company has entered into a financial advisory service agreement for providing advices to the Company relating to acquisition of power businesses which the future payment was in accordance with the agreement.
- b) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 5 million per annum (in proportionate of the Company's interest in the jointly controlled entity) for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the nine-month period ended 30 September 2016 amounting to approximately Baht 2 million (30 September 2015: Baht 2 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- c) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of three power plants with a company, amounting to approximately Baht 84 million per annum (31 December 2015: Baht 106 million per annum) for the period of 10 years from the commercial operation dates.
- d) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of seven power plants with a company, amounting to approximately Baht 5 million per annum (in proportionate of the Company's interest in the jointly controlled entity) for the period of 10 years from the commercial operation date.
- e) A jointly controlled entity has commitments in respect of monitoring the operation and maintenance agreements of ten power plants with a company, amounting to approximately Baht 1 million per annum (31 December 2015: Baht 1 million per annum) (in proportionate of the Company's interest in the jointly controlled entity) for the period of 7 years from the commercial operation dates.
- f) According to the management agreement, one of the subsidiaries has an obligation to its capital investor totalling Baht 27 million per annum. The management fee will be increased annually according to the percentage specified in the contract. For the period of nine month ended 30 September 2016, the subsidiary has the total management expenses based on the specified contract for the amount of Baht 2 million (30 September 2015: nil).

18.4 Guarantees

- a) The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 962 million (31 December 2015: Baht 690 million).
- b) As at 30 September 2016, there were outstanding bank guarantees of Baht 9 million (31 December 2015: 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.

18.5 Litigation

The Company was sued by a shareholder seeking damages amounting to Baht 1,000 million resulting from the Company's sale of that shareholder's shares in arrears by auction. The Bangkok South Civil Court dismissed the case on 6 August 2013. On 18 June 2014 the Court of Appeals ordered the Civil Court to prejudge. At present, this case is currently under the Supreme Court's proceedings.

On 15 October 2014, the Bangkok South Criminal Court dismissed the criminal case in association with revocation of the share auction as mentioned above and ordered to dismiss civil case relating to this criminal case out of the case-list. On 15 October 2015, the Appeal Court has judged to consent with the judgement of the Civil Court to dismiss such criminal case. Therefore, the management believes that Company will not suffer any losses. At present, this case is currently under the Supreme Court's proceedings.

19 Dividends

On 27 April 2016, the Annual General Meeting of Shareholders approved a dividends payment in respect of operating results for the year 2015 to shareholders at Baht 0.06 per share, totaling Baht 108.9 million. The dividends were paid on 25 May 2016.

20. Events after the reporting period

Issuance and offering of bonds

On 28 October 2016, the Company issued bonds totalling Baht 2,050 million with the interest of 4.20% per annum payable every 6 months. The issued bonds have the face value of Baht 1,000 with the offering price of Baht 1,000. The bond will be redeemed within three years after the issuance date at the amount equal to its face value.