

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

31 MARCH 2017

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 separate financial information of Thai Solar Energy Public Company Limited. This financial information comprises the consolidated and separate statements of financial position as at 31 March 2017, and the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
11 May 2017

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2017	2016	2017	2016
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets					
Current assets					
Cash and cash equivalents		884,357	977,037	305,531	497,008
Short-term restricted bank deposits	6	28,094	39,003	-	-
Short-term investments	7	962,041	1,764,966	962,041	1,764,966
Trade and other receivables	8	382,979	349,994	392,652	373,101
Short-term loans		20,000	20,000	-	-
Short-term loans to subsidiaries	16 c)	-	-	1,053,393	868,172
Refundable Value Added Tax		84,855	76,184	673	983
Other current assets		11,450	9,024	4,359	3,757
Total current assets		2,373,776	3,236,208	2,718,649	3,507,987
Non-current assets					
Long-term restricted bank deposits	6	2,850	1,050	1,050	1,050
Investments in subsidiaries	9	-	-	1,489,074	1,390,224
Investments in jointly controlled entities	10	1,688,557	1,615,092	350,000	350,000
General investments	9	350,448	-	350,448	-
Investment property		88,400	88,400	88,400	88,400
Property, plant and equipment	11	3,027,057	2,850,492	577,847	582,459
Intangible assets	12	486,321	485,542	5,012	4,155
Deferred tax assets		76,175	76,002	75,604	75,377
Other non-current assets		21,985	22,084	1,952	1,860
Total non-current assets		5,741,793	5,138,662	2,939,387	2,493,525
Total assets		8,115,569	8,374,870	5,658,036	6,001,512

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	14.1	69,982	488,997	69,982	488,997
Construction and other payables	13	507,562	450,851	227,429	199,184
Current portion of finance lease liabilities	14.2	1,964	3,828	1,964	3,828
Current portion of long-term borrowings	14.3	60,327	61,663	-	-
Income tax payable		593	929	-	-
Other current liabilities		3,096	3,782	1,177	2,196
Total current liabilities		643,524	1,010,050	300,552	694,205
Non-current liabilities					
Long-term borrowings	14.3	706,241	728,771	-	-
Long-term loans from subsidiaries	16 d)	-	-	22,500	22,500
Debenture	14.5	2,045,560	2,044,875	2,045,560	2,044,875
Employee benefit obligations		6,131	5,683	6,131	5,683
Other non-current liabilities		72	72	72	72
Total non-current liabilities		2,758,004	2,779,401	2,074,263	2,073,130
Total liabilities		3,401,528	3,789,451	2,374,815	2,767,335
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 1,815,000,000 shares of par Baht 1 each		1,815,000	1,815,000	1,815,000	1,815,000
Issued and paid-up share capital					
Ordinary shares, 1,815,000,000 shares of paid-up Baht 1 each		1,815,000	1,815,000	1,815,000	1,815,000
Premium on ordinary shares		727,554	727,554	727,554	727,554
Legal reserve		46,826	46,826	40,026	40,026
Retained earnings		2,065,426	1,935,203	700,641	651,597
Other components of equity		37,103	37,992	-	-
Equity attributable to owners of the parent		4,691,909	4,562,575	3,283,221	3,234,177
Non-controlling interests		22,132	22,844	-	-
Total equity		4,714,041	4,585,419	3,283,221	3,234,177
Total liabilities and equity		8,115,569	8,374,870	5,658,036	6,001,512

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		31 March 2017 Baht Thousand	31 March 2016 Baht Thousand	30 March 2017 Baht Thousand	31 March 2016 Baht Thousand
Revenue from sales		44,766	30,588	-	92
Management service income		9,818	9,351	16,558	11,241
Cost of sales and services		(40,457)	(30,689)	(18,883)	(18,717)
Gross profit (loss)		14,127	9,250	(2,325)	(7,384)
Dividends income	16 a)	-	-	91,000	131,250
Other income	17	7,789	12,200	8,291	12,074
Administrative expenses		(29,759)	(37,474)	(24,976)	(21,156)
Other expenses		(220)	(371)	(220)	(371)
Finance costs		(26,809)	(9,320)	(22,953)	(1,997)
Share of profit from investments in jointly controlled entities	10.1	164,465	155,245	-	-
Profit before income tax		129,593	129,530	48,817	112,416
Income tax		(73)	(138)	227	81
Profit for the period		129,520	129,392	49,044	112,497
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		(898)	19,882	-	-
Total comprehensive income for the period		128,622	149,274	49,044	112,497
Profit attributable to:					
Owners of the parent		130,223	129,392	49,044	112,497
Non-controlling interests		(703)	-	-	-
		129,520	129,392	49,044	112,497
Total comprehensive income attributable to:					
Owners of the parent		129,334	149,274	49,044	112,497
Non-controlling interests		(712)	-	-	-
		128,622	149,274	49,044	112,497
Basic earnings per share					
Earnings per share (Baht)		0.07	0.07	0.03	0.06

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2017

	Consolidated financial information								
	Attribute to owner of the parent							Non-controlling interests Baht Thousand	Total Baht Thousand
	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		Other components of equity		Total owners of the parent Baht Thousand		
			Appropriated - legal reserve	Unappropriated	Translation of financial statements				
Baht Thousand			Baht Thousand	Baht Thousand					
Opening balance at 1 January 2016	1,815,000	727,554	-	1,473,294	24,478	4,040,326	3	4,040,329	
Change in equity for the period									
Total comprehensive income for the period	-	-	-	129,392	19,882	149,274	-	149,274	
Closing balance at 31 March 2016	<u>1,815,000</u>	<u>727,554</u>	<u>-</u>	<u>1,602,686</u>	<u>44,360</u>	<u>4,189,600</u>	<u>3</u>	<u>4,189,603</u>	
Opening balance at 1 January 2017	1,815,000	727,554	46,826	1,935,203	37,992	4,562,575	22,844	4,585,419	
Change in equity for the period									
Total comprehensive income for the period	-	-	-	130,223	(889)	129,334	(712)	128,622	
Closing balance at 31 March 2017	<u>1,815,000</u>	<u>727,554</u>	<u>46,826</u>	<u>2,065,426</u>	<u>37,103</u>	<u>4,691,909</u>	<u>22,132</u>	<u>4,714,041</u>	

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Unaudited) (Cont'd)
For the three-month period ended 31 March 2017

	Separate financial information				Total Baht Thousand
	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	
Opening balance at 1 January 2016	1,815,000	727,554	-	325,391	2,867,945
Change in equity for the period					
Total comprehensive income for the period	-	-	-	112,497	112,497
Closing balance at 31 March 2016	<u>1,815,000</u>	<u>727,554</u>	<u>-</u>	<u>437,888</u>	<u>2,980,442</u>
Opening balance at 1 January 2017	1,815,000	727,554	40,026	651,597	3,234,177
Change in equity for the period					
Total comprehensive income for the period	-	-	-	49,044	49,044
Closing balance at 31 March 2017	<u>1,815,000</u>	<u>727,554</u>	<u>40,026</u>	<u>700,641</u>	<u>3,283,221</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		31 March 2017 Baht Thousand	31 March 2016 Baht Thousand	31 March 2017 Baht Thousand	31 March 2016 Baht Thousand
Cash flows from operating activities					
Profit before income tax		129,593	129,530	48,817	112,416
Adjustments for:					
Depreciation	11	21,292	13,193	5,137	5,229
Amortisation	12	181	105	103	101
Share of profit from investments in jointly controlled entities	10	(164,465)	(155,245)	-	-
Provision for employee benefits obligations		449	406	449	406
Loss from write-off of equipment	11	15	-	-	-
Unrealised loss(gain) on exchange		-	-	1,053	(7,459)
Fair value loss on trading securities	7	220	371	220	371
Dividends income	16 a)	-	-	(91,000)	(131,250)
Interest income	17	(4,120)	(3,071)	(6,551)	(3,007)
Finance cost		26,809	9,320	22,953	1,997
		9,974	(5,391)	(18,819)	(21,196)
Changes in operating assets and liabilities					
Trade and other receivables		(17,824)	(9,794)	(6,370)	(7,575)
Refundable Value Added Tax		(8,671)	-	310	129
Other current assets		(2,053)	601	(236)	(6)
Other non-current assets		100	(120)	(92)	(140)
Other payables		4,488	2,456	6,789	4,563
Other current liabilities		(690)	(963)	(1,023)	(1,127)
Cash flows used in operating activities		(14,676)	(13,211)	(19,441)	(25,352)
<u>Less</u> Income tax paid		(955)	(374)	(367)	(315)
Net cash used in operating activities		(15,631)	(13,585)	(19,808)	(25,667)

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from investing activities					
Decrease (increase) in restricted bank deposits		9,109	(7,911)	-	(5,521)
Purchase of short-term investments	7	(1,159)	(2,058)	(1,159)	(2,058)
Proceeds from disposals of short-term investments	7	803,864	315,981	803,864	315,981
Short-term loans made to subsidiaries	16 c)	-	-	(186,274)	(169,248)
Short-term loans repayments received from subsidiaries		-	-	-	5,364
Acquisition of subsidiaries	9	-	-	(98,850)	(329,575)
Long-term loans		-	(155)	-	(155)
Purchase of other long-term investments		(350,448)	-	(350,448)	-
Purchase of property, plant and equipment		(169,310)	(223,943)	(293)	(915)
Purchase of intangible asset		(960)	-	(960)	-
Interest received		1,209	2,079	1,170	2,078
Dividends received		78,750	-	83,200	-
Net cash from / (used in) investing activities		371,055	83,993	250,250	(184,049)
Cash flows from financing activities					
Proceed from short-term loans from bank		-	7,047	-	-
Repayment to short-term loans from bank	14.1	(420,000)	-	(420,000)	-
Proceed from short-term loan from subsidiaries		-	-	-	45,000
Repayment to finance lease liabilities		(1,917)	(1,194)	(1,917)	(1,194)
Repayment to long-term borrowings	14.3	(20,444)	(9,131)	-	-
Dividend payment		(2)	-	(2)	-
Interest expenses and financial service fee		(4,843)	(9,059)	-	(1,844)
Net cash from / (used in) financing activities		(447,206)	(12,337)	(421,919)	41,962
Net increase (decrease) in cash and cash equivalents					
		(91,782)	58,071	(191,477)	(167,754)
Cash and cash equivalents at beginning of the period		977,037	337,426	497,008	241,191
Effect of exchange rate on translation of financial statements		(898)	19,882	-	-
Cash and cash equivalents at end of the period		884,357	415,379	305,531	73,437
Non-cash transaction					
Material non-cash transaction is as follow:					
Payable arising from construction and purchase of equipments		29,794	2,889	804	156

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 listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. 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:

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 and biomass to government and private sector and investments in companies which generate and distribute electricity.

The interim consolidated and separate company financial information was authorised for issue by the Board of Directors on 11 May 2017.

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

2 Accounting policies

2.1 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016.

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16. This standard has no impact to the Group.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. This standard has no impact to the Group.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. This standard has no impact to the Group.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture. 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.
(Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements. This standard has no impact to the Group.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated. This standard has no impact to the Group.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. This standard has no impact to the Group.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. This standard has no impact to the Group.

b) There are 47 revised financial reporting standards and interpretations with minor changes and which do not have any impact to the Group.

3 Estimates

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

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

4 Operating segments

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

Financial information by geography segment

	For the three-month period ended 31 March (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from operations	54.76	44.35	16.73	2.07	71.49	46.42	(9.32)	(1.89)	62.17	44.53
Dividends income	91.00	131.25	-	-	91.00	131.25	(91.00)	(131.25)	-	-
Cost of operations	(32.36)	(31.57)	(8.56)	(1.01)	(40.92)	(32.58)	0.47	1.89	(40.45)	(30.69)
Operating profit	113.40	144.03	8.17	1.06	121.57	145.09	(99.85)	(131.25)	21.72	13.84
Selling and administrative expenses	(27.10)	(23.37)	(1.50)	(13.53)	(28.60)	(36.90)	1.45	-	(27.15)	(36.90)
Profit (loss) before finance cost, taxes, depreciation and amortisation	86.30	120.66	6.67	(12.47)	92.97	108.19	(98.40)	(131.25)	(5.43)	(23.06)
Depreciation and amortisation	(1.78)	(0.94)	-	-	(1.78)	(0.94)	-	-	(1.78)	(0.94)
Finance cost	(28.67)	(7.25)	(0.17)	(2.07)	(28.84)	(9.32)	2.03	-	(26.81)	(9.32)
Profit (loss) from exchange rate	(0.85)	7.61	-	-	(0.85)	7.61	-	-	(0.85)	7.61
Share of profit from investments in jointly controlled entity	164.46	155.24	-	-	164.46	155.24	-	-	164.46	155.24
Operating results before taxes	219.46	275.32	6.50	(14.54)	225.96	260.78	(96.37)	(131.25)	129.59	129.53
Income tax	0.23	(0.14)	(0.30)	-	(0.07)	(0.14)	-	-	(0.07)	(0.14)
Net profit (loss)	219.69	275.18	6.20	(14.54)	225.89	260.64	(96.37)	(131.25)	129.52	129.39
Total assets									8,115.57	4,986.84
Total liabilities									3,401.53	794.24

5 Fair value

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

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

The following table presents the group's financial assets that are measured at fair value at 31 March 2017.

Asset	Consolidated and Separate financial information
	Level 1
	Baht Thousand
Trading securities	122,041

6 Restricted bank deposits

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

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

7 Short-term investments

	Consolidated and Separate financial information			
	31 March 2017		31 December 2016	
	Cost Baht Thousand	Fair value Baht Thousand	Cost Baht Thousand	Fair value Baht Thousand
Short-term investments comprise:				
1. Trading securities	121,294	122,041	520,000	520,966
2. Held-to-maturity investments	840,000	840,000	1,244,000	1,244,000
Total	961,294	962,041	1,764,000	1,764,966
<u>Less</u> Revaluation adjustments	-	-	-	-
Total short-term investments	961,294	962,041	1,764,000	1,764,966

During the three-month period ended 31 March 2017, movements of short-term investments are as follows:

	Consolidated and Separate financial information		
	Trading	Held-to-maturity due within 1 year	Total
	Baht Thousand	Baht Thousand	Baht Thousand
Book value - beginning balance	520,966	1,244,000	1,764,966
Addition	-	1,159	1,159
Disposal	(398,705)	(405,159)	(803,864)
Change in fair value	(220)	-	(220)
Book value - ending balance	122,041	840,000	962,041

8 Trade and other receivables

Trade and other receivables as at 31 March 2017 and 31 December 2016 comprise the following:

	Consolidated financial information		Separate financial information	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Trade receivables	28,052	16,060	-	-
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	28,052	16,060	-	-
Amounts due from and advances to related parties (Note 16 b)	225,304	225,262	274,388	226,164
Prepaid expenses	10,396	7,490	3,064	2,530
Dividends receivable (Note 16 b)	91,000	78,750	91,000	83,200
Other receivables	9,117	3,668	5,977	43,141
Advance payment	19,110	18,764	18,223	18,066
Total other receivables	354,927	333,934	392,652	373,101
<u>Less</u> Provision for impairment of other receivables	-	-	-	-
Total other receivables, net	354,927	333,934	392,652	373,101
Total trade and other receivables	382,979	349,994	392,652	373,101

All outstanding trade receivables are not yet due.

9 Investments in subsidiaries

9.1 Movements of investments in subsidiaries

	Separate financial information Baht Thousand
For the three-month period ended 31 March 2017	
Opening net book amount	1,390,224
Increase in investments during the period	98,850
Closing net book amount	1,489,074

Additional investments under Thai Solar Energy Plc.

Investments in TSE Group International Pte. Ltd.

The Company made additional payments for the remaining called-up capital of TSE Group International Pte. Ltd. amounting to Baht 96.16 million during the first quarter of 2017.

Investments in Solar Assets Pte. Ltd.

The Company made additional payments for the remaining called-up capital of Solar Assets Pte. Ltd. amounting to Baht 0.19 million during the first quarter of 2017.

Investments in TSE Overseas Group Co., Ltd.

On 20 March 2017, the Group has established TSE Overseas Group Co., Ltd. with the total investment of Baht 2.50 million for the purpose of supporting its international investment in renewable energy. The Company has the voting right of 100 percent in this company and has classified the investment in TSE Overseas Group Co., Ltd. as an investment in subsidiary.

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9 Investments in subsidiaries (Cont'd)

9.2 Details of investments in subsidiaries

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			31 March 2017	31 December 2016
Subsidiaries directly held by the Company				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100
Solar Visible Co., Ltd.	Provision of maintenance service for power plants	Thailand	100	100
TSE Group International. Pte. Ltd.	Investment	Singapore	100	100
Solar Assets Pte. Ltd.	Investment	Singapore	100	100
TSE Overseas Group Co.,Ltd.	Investment	Thailand	100	-
The Solar Earth Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Clean Renewable Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	49	49
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	70	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	100
Subsidiaries held by Solar Visible Co., Ltd				
Thai Community Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Sun Future Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Solar Community Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Subsidiaries held by TSE Group International. Pte. Ltd.				
Eco Solar Aizu GK	Production and distribution of electricity	Japan	97	97
Ishikawa Hanamizuki 1 GK	Production and distribution of electricity	Japan	97	97
Subsidiaries held by Solar Assets Pte. Ltd.				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100

9.3 General investment

The Company paid a down-payment of Baht 350 million for a new investment in the solar power plant project in Japan. Due to the investment structure is not finalised, the Company currently classified this down-payment as a general investment.

10 Investments in jointly controlled entities

10.1 Movements of investments in jointly controlled entities

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2017		
Opening net book amount	1,615,092	350,000
Share of profit	164,465	-
Dividends received	(91,000)	-
Closing net book amount	<u>1,688,557</u>	<u>350,000</u>

As at 31 March 2017, 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 2016: Baht 1,080 million) as collateral for its subsidiary's credit facilities granted by a commercial bank. In addition, Siam Solar Energy 1 Company Limited has mortgaged its land including constructions thereon and machinery with a total net book value of Baht 5,379 million (31 December 2016: Baht 5,436 million) and has pledged its bank deposits amounting to Baht 549 million (31 December 2016: Baht 461 million), as collateral for credit facilities granted by a commercial bank.

The Company has pledged all share certificates of its 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 investments in jointly controlled entities

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			31 March 2017	31 December 2016
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.

11 Property, plant and equipment

Property, plant and equipment for the three-month period ended 31 March 2017 have the following movement:

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2017		
Opening net book amount	2,850,492	582,459
Currency translation differences	(924)	-
Additions	200,648	525
Disposals	(15)	-
Transfer-out	(1,852)	-
Depreciation	(21,292)	(5,137)
Closing net book amount	<u>3,027,057</u>	<u>577,847</u>

Borrowing costs of Baht 2.69 million (2016: Baht 12.23 million) were capitalised during the period and are included in "Additions". The borrowing costs arising from specific borrowings for the construction of new power plants will be capitalised until the assets get ready for its intended use. The capitalisation rate is 2.91% to 6.00% per annum (2016: 2.91% to 6.00% per annum), representing the actual borrowing costs of the borrowings used to finance the projects.

Capital commitments

Capital commitments as at the statement of financial position date which are not recognised in the financial statements are as follows:

	Currency	Consolidated financial information		Separate financial information	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
Power plant	Baht Thousand	1,330,580	367,177	-	-
Power plant	Yen Thousand	4,947,612	5,125,809	-	-
Power plant	USD Thousand	4,554	1,523	-	-
Machinery	Euro Thousand	52	52	52	52

As at 31 March 2017, the Company has vehicles under hire purchase agreements with net book value amounting to Baht 12.83 million (31 December 2016: Baht 13.38 million).

The Company's subsidiaries have pledged their assets with the net book value amounting to Baht 1,558 million (31 December 2016: Baht 1,574 million) as collateral for credit facilities received from the commercial bank.

12 Intangible assets

	Consolidated financial information Baht Thousand	Separate financial information Baht Thousand
For the three-month period ended 31 March 2017		
Opening net book amount	485,542	4,155
Additions	960	960
Amortisation	(181)	(103)
Closing net book amount	<u>486,321</u>	<u>5,012</u>

13 Construction and other payables

	Consolidated financial information		Separate financial information	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Baht	Baht	Baht	Baht
	Thousand	Thousand	Thousand	Thousand
Amounts due to related parties (Note 16 b)	231,135	229,260	-	-
Construction payables and retention guarantee	31,225	2,788	803	573
Other payables	2,174	5,758	997	2,223
Subscription payables	179,635	179,635	179,635	179,635
Accrued expenses	63,393	33,410	45,994	16,753
	<u>507,562</u>	<u>450,851</u>	<u>227,429</u>	<u>199,184</u>

14 Borrowings

14.1 Short-term borrowings from financial institutions

	Consolidated and Separate financial information	
	31 March 2017	31 December 2016
	Baht Thousand	Baht Thousand
Short-term borrowings from bank	69,982	488,997

Movements in short-term borrowings are analysed as follows:

	Consolidated and Separate financial information
	Baht Thousand
For the three-month for the period ended 31 March 2017	
Opening amount as at 1 January	488,997
Repayment to borrowings	(420,000)
Amortisation of discount on note payables	985
Closing amount as at 31 March	<u>69,982</u>

14.2 Finance lease liabilities

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

	Consolidated and Separate financial information	
	31 March 2017	31 December 2016
	Baht Thousand	Baht Thousand
Not later than 1 year	1,964	3,828
Later than 1 year but not later than 5 years	-	-
Total	<u>1,964</u>	<u>3,828</u>

14 Borrowings (Cont'd)

14.3 Long-term borrowings from financial institutions

	Consolidated financial information	
	31 March 2017	31 December 2016
	Baht Thousand	Baht Thousand
Current portion of long-term borrowings	60,327	61,663
Long-term borrowings repayable between 1 to 5 years	341,988	347,345
Long-term borrowings repayable more than 5 years	364,253	381,426
Total	766,568	790,434

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

	Consolidated financial information Baht Thousand
For the three-month period ended 31 March 2017	
Opening book amount	790,434
Repayment of borrowings	(20,444)
Financial service fee	(3,685)
Amortisation of financial service fee	263
Closing book amount	766,568

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 repaid in September 2016. The subsidiary cancelled the credit limit of Baht 4 million in March 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.

14.4 Borrowing Facilities

The Group and the Company do not have undrawn borrowing facilities.

14 Borrowings (Cont'd)

14.5 Debenture

	Consolidated and Separate financial information	
	31 March 2017 Baht Thousand	31 December 2016 Baht Thousand
Current portion of debenture	-	-
Debenture payable between 1 to 5 years	2,045,560	2,044,875
Total	2,045,560	2,044,875

Movements in debenture are analysed as follows

	Consolidated and Separate financial information Baht Thousand
For the three-month period ended 31 March 2017	
Opening amount as at 1 January	2,044,875
Amortisation of debt issuance costs	685
Closing amount as at 31 March	2,045,560

On 28 October 2016, the Company issued name-registered certificate of unsubordinated and unsecured bonds totalling 2,050,000 units with the fixed interest of 4.20% per annum payable every 6 months. The issued bond unit has the face value of Baht 1,000. The bond will be redeemed within three years after the issuance date at the amount Baht 2,050,000,000.

15 Promotional privileges and income tax

Promotional privileges

The Group has received 27 certificates of promotional privileges from the Board of Investment for the production of electricity generated from solar power and biomass.

Subject to certain imposed conditions specified in the 25 certificates of promotional privileges for the production of electricity generated from concentrated solar thermal energy, solar rooftop energy and solar power, 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.

Subject to certain imposed conditions specified in the certificate of promotional privileges for the production of electricity generated from solar power, 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 the maximum of exempted corporate income tax is 50,000,000 Baht. However, the maximum amount will be adjusted according to the investment amount excluding land and actual working capitals on the commercial operation date.

Subject to certain imposed conditions specified in the certificate of promotional privileges for the production of electricity generated from biomass, 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 the maximum of exempted corporate income tax is 648,000,000 Baht. However, the maximum amount will be adjusted according to the investment amount excluding land and actual working capitals on the commercial operation date.

The Company's, and its subsidiaries' operating revenue from sales and subsidy for adders as presented in the statements of comprehensive income for the three-month periods ended 31 March 2017 and 2016 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 0.06%.

16 Related party transactions

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

The following material transactions were carried out with related parties:

a) Sales of goods and services

For the three-month period ended	Consolidated financial information		Separate financial information	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Subsidiaries				
Management service income	-	-	6,320	1,470
Operation and maintenance income	-	-	420	420
	-	-	6,740	1,890
Jointly controlled entity				
Management service income	9,818	9,351	9,818	9,351
Rental income	108	108	108	108
Dividends income	-	-	91,000	131,250
	9,926	9,459	100,926	140,709
Related parties				
Rental income	69	69	69	69
Service income	46	46	46	46
Other income	8	7	8	7
	123	122	123	122

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

	Consolidated financial information		Separate financial information	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Amounts due from and advances to related parties (Note 8)				
Subsidiaries	-	-	49,084	40,902
Jointly controlled entity	3,502	3,502	3,502	3,502
Related parties	221,802	221,760	221,802	221,760
	225,304	225,262	274,388	266,164
Dividends receivable (Note 8)				
Subsidiaries	-	-	-	4,450
Jointly controlled entity	91,000	78,750	91,000	78,750
	91,000	78,750	91,000	83,200
Amounts due to related parties (Note 13)				
Related parties	231,135	229,260	-	-
	231,135	229,260	-	-

16 Related party transactions (Cont'd)

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

c) Short-term loans to subsidiaries

	<u>Separate financial information</u>	
	<u>31 March 2017</u>	<u>31 December 2016</u>
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term loans to subsidiaries	1,053,393	868,172

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

	<u>Separate financial information Baht Thousand</u>
For the three-month period ended 31 March 2017	
Opening net book amount	868,172
Addition	186,274
Currency translation differences	(1,053)
Closing net book amount	<u>1,053,393</u>

Short-term loans to a subsidiary are non-bearing interest promissory notes denominated in Thai Baht with maturity within 2017.

Short-term loans to a subsidiary are promissory notes denominated in Thai Baht with 6% interest per annum. Loans are due for repayment within May 2017.

Short-term loans to a subsidiary are loan agreements denominated in Singapore Dollar with no interest and due for repayment at call.

d) Long-term loans from subsidiaries

	<u>Separate financial information</u>	
	<u>31 March 2017</u>	<u>31 December 2016</u>
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Long-term loans from subsidiaries	22,500	22,500

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

e) Key management compensation

	<u>Consolidated and Separate financial information</u>	
	<u>31 March 2017</u>	<u>31 March 2016</u>
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term employee benefits	6,013	7,073
Post-employment benefits	276	308
	<u>6,289</u>	<u>7,381</u>

17 Other income

For the three-month period ended	Consolidated financial information		Separate financial information	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Rental income	303	230	301	230
Service income	60	60	60	60
Interest income	4,120	3,071	6,551	3,007
Realised gain on foreign exchange	200	7,606	-	7,606
Fair value gain on trading securities	1,294	615	1,294	615
Other income	1,812	618	85	556
	<u>7,789</u>	<u>12,200</u>	<u>8,291</u>	<u>12,074</u>

18 Commitments and contingencies

18.1 Power purchase agreements

Domestic

As at 31 March 2017, the Group has 29 power purchase agreements with the Provincial Electricity Authority (“PEA”) and the Metropolitan Electricity Authority (“MEA”) (31 December 2016: 29 agreements). Currently, the Group has commenced the production and distribution of electricity to the PEA and MEA as specified in 26 power purchase agreements.

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

The 14 power purchase agreements require subsidiaries to sell electricity generated from solar rooftops to the PEA and the MEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from December 2013.

The power purchase agreement of another subsidiary requires the subsidiary to sell electricity generated from the solar farms to the PEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from commercial operation dates (COD).

The 2 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 15 years 4 months commencing from the commercial operation date. The biomass power plants under the contract during the construction.

The power purchase agreement of another subsidiary requires the subsidiary to sell electricity generated from biomass to the PEA under the Feed-in Tariff system (FiT) until the termination of the contract. The biomass power plant under the contract is during construction.

Overseas

As at 31 March 2017, subsidiaries operating in Japan have 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 another 3 power purchase agreements for the projects which have not yet commenced generating and distributing the electricity.

The 7 power purchase agreements of the subsidiaries are conditioned to sell the electricity generated from solar energy under the Feed-in Tariff (FiT) for the periods of 20 years starting from August 2015.

18 Commitments and contingencies (Cont'd)

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 31 March 2017 and 31 December 2016, future minimum lease payments required under these operating lease contracts were as follows:

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht Thousand	31 December 2016 Baht Thousand	30 March 2017 Baht Thousand	31 December 2016 Baht Thousand
Not later than 1 year	21,928	22,317	7,500	7,653
Later than 1 year but not later than 5 years	54,822	56,801	2,991	4,771
Later than 5 years	217,660	220,909	-	-
	<u>294,410</u>	<u>300,027</u>	<u>10,491</u>	<u>12,424</u>

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

18.3 Contracts and other commitments

- a) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 6 million per annum for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the three-month period ended 31 March 2017 amounting to approximately Baht 0.81 million (31 March 2016: Baht 0.77 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- b) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of three power plants with a company, amounting to approximately Baht 81 million (31 December 2016: Baht 81 million) which the joint controlled entity has committed to pay for the excess output if actual electricity output is greater than secured output guarantee throughout the period of 10 years from the commercial operation dates.
- c) 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 9 million per annum for the period of 10 years from the commercial operation date. The fees for the three-month period ended 31 March 2017 amounting to approximately Baht 1 million (31 March 2016: Baht 1 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- d) A jointly controlled entity has commitments in respect of the operation monitoring and maintenance agreements of ten power plants with a company since January 2013, amounting to approximately Baht 2 million per annum for the period of 7 years from the commercial operation dates.
- e) According to the management agreement, one of the subsidiaries has an obligation to its capital investor totalling Baht 8 million per annum since September 2016. The management fee will be increased annually according to the percentage specified in the contract. For the period of three-month ended 31 March 2017, the subsidiary has recognised the total management expenses based on the specified contract as construction in progress during the period for the amount of Baht 2 million (31 March 2016: nil).
- f) One of the subsidiaries has the commitment according to the operation and maintenance agreement of power plants with a company with the balance of USD 88,400 (31 December 2016: USD 98,800). The agreement has the period of 2 years from the commercial operation dates.
- g) One of the subsidiaries has the commitment according to the operation and maintenance agreement of power plants with a company with the balance of USD 118,750 (31 December 2016: nil). The agreement has the period of 2 years from the commercial operation dates.

18 Commitments and contingencies (Cont'd)

18.4 Guarantees

- a) The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 561 million (31 December 2016: Baht 561 million).
- b) As at 31 March 2017, there were outstanding bank guarantees of Baht 9 million (31 December 2016: 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 Events after the reporting period

19.1 Issuance of debenture

On 5 April 2017, the Company issued name-registered certificate of unsubordinated and unsecured bonds totalling 950,000 units with the fixed interest of 4.50% per annum payable every 6 months. The issued bonds have the face value of Baht 1,000. The bond will be redeemed within three years after the issuance date at the amount Baht 950 million. The Company received cash from issuance of bonds on the same day.

19.2 Dividends

On 19 April 2017, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results of 2016 to the shareholders at Baht 0.11 per share, totaling Baht 200 million. The dividends are payable on 17 May 2017.

19.3 Approval for the increase of capital

On 11 May 2017, the Board of Directors' meeting has resolved to approve the increase of capital under the General Mandate scheme in the amount of not exceeding Baht 544,500,000 from the existing registered capital of Baht 1,815,000,000 to the new registered capital of Baht 2,359,000,000 by issuing 544,500,000 newly issued ordinary shares with the par value at Baht 1 each for the consideration and approval of the shareholders' meeting in June 2017. The allocation of newly issued shares will be determined by the Board of Director within one year from the date of approval by the shareholders' meeting.