

Thai Solar Energy Public Company Limited,  
its subsidiaries and its jointly controlled entities  
Report and consolidated interim financial statements  
For the three-month and six-month periods ended  
30 June 2014

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Thai Solar Energy Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities as at 30 June 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thai Solar Energy Public Company Limited for the same periods. 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 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 financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, *Interim Financial Reporting*.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 13 August 2014

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**

**Statement of financial position**

**As at 30 June 2014**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>As at 30 June 2014 (Unaudited but reviewed)</b>	<b>As at 31 December 2013 (Audited)</b>	<b>As at 30 June 2014 (Unaudited but reviewed)</b>	<b>As at 31 December 2013 (Audited)</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		23,679	22,901	21,288	6,333
Restricted bank deposits	3	160,759	14,986	154	714
Trade and other receivables	4	173,597	118,136	46,001	108,021
Short-term loans to subsidiaries	2	-	-	96,587	-
Prepaid income tax		10,346	10,346	-	-
Value added tax refundable		43,039	17,066	-	1,002
Import duty refundable		42,814	55,520	-	-
Undue input tax		6,161	17,563	296	718
Other current assets		11,665	7,068	1,259	2,650
<b>Total current assets</b>		<b>472,060</b>	<b>263,586</b>	<b>165,585</b>	<b>119,438</b>
<b>Non-current assets</b>					
Pledged bank deposits	5	24,507	879	24,405	777
Investments in subsidiaries	6	-	-	172,945	53,080
Investments in jointly controlled entities	7	-	-	350,000	320,000
Advance payments under operating and maintenance contracts		73,020	76,923	-	-
Investment properties	8	88,400	88,400	88,400	88,400
Property, plant and equipment	9	4,944,741	4,682,614	874,361	889,154
Deferred tax assets		190,633	190,839	110,589	110,499
Other non-current assets		1,468	1,576	1,105	1,182
<b>Total non-current assets</b>		<b>5,322,769</b>	<b>5,041,231</b>	<b>1,621,805</b>	<b>1,463,092</b>
<b>Total assets</b>		<b>5,794,829</b>	<b>5,304,817</b>	<b>1,787,390</b>	<b>1,582,530</b>

The accompanying notes are an integral part of the financial statements.

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**

**Statement of financial position (continued)**

**As at 30 June 2014**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>As at 30 June 2014 (Unaudited but reviewed)</b>	<b>As at 31 December 2013 (Audited)</b>	<b>As at 30 June 2014 (Unaudited but reviewed)</b>	<b>As at 31 December 2013 (Audited)</b>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from banks	10	172,258	70,294	172,258	70,294
Construction and other payables	11	248,728	793,062	6,775	10,685
Current portion of long-term loans	12	356,839	1,019,565	11,663	528,315
Current portion of hire purchase payables		4,198	4,105	4,198	4,105
Short-term loans from related party	2	20,000	20,000	20,000	20,000
Income tax payable		15,247	11,930	5,951	11,930
Undue output tax		11,779	5,637	621	531
Other current liabilities		3,610	5,299	622	885
<b>Total current liabilities</b>		<b>832,659</b>	<b>1,929,892</b>	<b>222,088</b>	<b>646,745</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	12	3,111,654	2,410,650	421,819	-
Hire purchase payables, net of current portion		10,490	12,614	10,490	12,614
Deferred tax liabilities		-	13,665	-	13,665
Other non-current liabilities		2,219	5,269	2,219	1,693
<b>Total non-current liabilities</b>		<b>3,124,363</b>	<b>2,442,198</b>	<b>434,528</b>	<b>27,972</b>
<b>Total liabilities</b>		<b>3,957,022</b>	<b>4,372,090</b>	<b>656,616</b>	<b>674,717</b>

The accompanying notes are an integral part of the financial statements.

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**

**Statement of financial position (continued)**

**As at 30 June 2014**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2014</u>	<u>31 December 2013</u>	<u>30 June 2014</u>	<u>31 December 2013</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	13				
Registered		<u>1,815,000</u>	<u>1,365,000</u>	<u>1,815,000</u>	<u>1,365,000</u>
Issued and paid up		1,365,000	1,021,219	1,365,000	1,021,219
Share subscription received in advance		-	92,466	-	92,466
Subscription receivables		-	(5,708)	-	(5,708)
Retained earnings (Deficit)		<u>472,807</u>	<u>(175,250)</u>	<u>(234,226)</u>	<u>(200,164)</u>
<b>Total shareholders' equity</b>		<u>1,837,807</u>	<u>932,727</u>	<u>1,130,774</u>	<u>907,813</u>
<b>Total liabilities and shareholders' equity</b>		<u>5,794,829</u>	<u>5,304,817</u>	<u>1,787,390</u>	<u>1,582,530</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**
**Statement of comprehensive income**
**For the three-month period ended 30 June 2014**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Continuing operations</b>					
<b>Revenues</b>					
Sales		69,238	2,989	2,205	2,989
Subsidy for adders		128,486	5,878	3,923	5,878
Management service income		3,506	2,231	10,664	8,365
Other income					
Gains on changes in statuses of investments	7	450,000	293,427	-	-
Income from liquidated damages for delay in construction		64,585	4,907	-	-
Others		479	360	271	-
<b>Total revenues</b>		<b>716,294</b>	<b>309,792</b>	<b>17,063</b>	<b>17,232</b>
<b>Expenses</b>					
Cost of sales and services		53,530	11,004	18,970	11,004
Administrative expenses		25,833	26,273	10,642	20,817
Loss on disposals/write-off of property, plant and equipment		-	7,155	-	7,155
<b>Total expenses</b>		<b>79,363</b>	<b>44,432</b>	<b>29,612</b>	<b>38,976</b>
<b>Profit (loss) before finance cost and tax</b>		<b>636,931</b>	<b>265,360</b>	<b>(12,549)</b>	<b>(21,744)</b>
Finance cost		(40,064)	(9,282)	(9,637)	(8,155)
<b>Profit (loss) before tax from continuing operations</b>		<b>596,867</b>	<b>256,078</b>	<b>(22,186)</b>	<b>(29,899)</b>
Tax income (expenses)	14	(4,525)	6,874	7,236	6,009
<b>Profit (loss) from continuing operations</b>		<b>592,342</b>	<b>262,952</b>	<b>(14,950)</b>	<b>(23,890)</b>
<b>Discontinued operations</b>					
Profit of the subsidiaries before changes in their statuses to jointly controlled entities	7	-	18,567	-	-
<b>Profit (loss) for the period</b>		<b>592,342</b>	<b>281,519</b>	<b>(14,950)</b>	<b>(23,890)</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>592,342</b>	<b>281,519</b>	<b>(14,950)</b>	<b>(23,890)</b>
<b>Basic earnings per share</b>					
Profit (loss) from continuing operations	16	0.43	0.27	(0.01)	(0.02)
Profit (loss) for the period		0.43	0.29	(0.01)	(0.02)
Weighted average number of ordinary shares (thousand shares)		1,365,000	972,050	1,365,000	972,050

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities****Statement of comprehensive income****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Continuing operations</b>					
<b>Revenues</b>					
Sales		116,206	6,076	4,179	6,076
Subsidy for adders		212,086	11,700	7,131	11,700
Management service income		6,898	2,231	21,245	9,832
Other income					
Gains on changes in statuses of investments	7	450,000	293,427	-	-
Income from liquidated damages for delay in construction		64,585	4,907	-	-
Others		6,106	3,137	448	2,777
<b>Total revenues</b>		<b>855,881</b>	<b>321,478</b>	<b>33,003</b>	<b>30,385</b>
<b>Expenses</b>					
Cost of sales and services		85,884	21,227	36,662	21,227
Administrative expenses		45,121	40,932	18,639	35,476
Loss on disposals/write-off of property, plant and equipment		-	7,347	-	7,347
<b>Total expenses</b>		<b>131,005</b>	<b>69,506</b>	<b>55,301</b>	<b>64,050</b>
<b>Profit (loss) before finance cost and tax</b>		<b>724,876</b>	<b>251,972</b>	<b>(22,298)</b>	<b>(33,665)</b>
Finance cost		(74,426)	(16,975)	(19,045)	(15,848)
<b>Profit (loss) before tax from continuing operations</b>		<b>650,450</b>	<b>234,997</b>	<b>(41,343)</b>	<b>(49,513)</b>
Tax income (expenses)	14	(2,393)	10,931	7,281	10,066
<b>Profit (loss) from continuing operations</b>		<b>648,057</b>	<b>245,928</b>	<b>(34,062)</b>	<b>(39,447)</b>
<b>Discontinued operations</b>					
Profit of the subsidiaries before changes in their statuses to jointly controlled entities	7	-	105,430	-	-
<b>Profit (loss) for the period</b>		<b>648,057</b>	<b>351,358</b>	<b>(34,062)</b>	<b>(39,447)</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>648,057</b>	<b>351,358</b>	<b>(34,062)</b>	<b>(39,447)</b>
<b>Basic earnings per share</b>					
	16				
Profit (loss) from continuing operations		0.50	0.30	(0.03)	(0.05)
Profit (loss) for the period		0.50	0.43	(0.03)	(0.05)
Weighted average number of ordinary shares (thousand shares)		1,283,328	811,615	1,283,328	811,615

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities****Statement of cash flows****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Cash flows from operating activities</b>					
Profit (loss) before tax from continuing operations		650,450	234,997	(41,343)	(49,513)
Profit before tax of the subsidiaries before changes in their statuses to jointly controlled entities	7	-	131,091	-	-
Profit (loss) before tax		650,450	366,088	(41,343)	(49,513)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		60,839	14,788	16,060	14,758
Reversal of allowance for doubtful accounts		-	(107)	-	(107)
Loss on disposals/write-off of property, plant and equipment		-	7,347	-	7,347
Gain on changes in statuses of investments		(450,000)	(293,427)	-	-
Provision for long-term employee benefits		454	569	454	569
Unrealised loss (gain) on exchange		(1,008)	909	-	(2)
Interest income		(512)	(532)	(201)	(172)
Finance cost		74,426	21,578	19,045	15,848
Profit (loss) from operating activities before changes in operating assets and liabilities		334,649	117,213	(5,985)	(11,272)
Operating assets (increase) decrease					
Trade and other receivables		(32,570)	(18,036)	62,025	(12,086)
Other current assets		1,815	(235,407)	2,814	4,143
Other assets		(3,948)	(101)	(5)	(20)
Operating liabilities increase (decrease)					
Other payables		10,072	(37,792)	(3,578)	(570,471)
Other current liabilities		3,126	(5,684)	(173)	77
Other non-current liabilities		(3,504)	-	72	-
Cash flows from (used in) operating activities		309,640	(179,807)	55,170	(589,629)
Cash paid for corporate income tax		(12,539)	(1,309)	(12,454)	(1,029)
<b>Net cash flows from (used in) operating activities</b>		<b>297,101</b>	<b>(181,116)</b>	<b>42,716</b>	<b>(590,658)</b>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities****Statement of cash flows (continued)****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	(145,773)	1,134,449	560	762,430
Increase in pledged bank deposits	(23,628)	-	(23,628)	-
Increase in short-term loans to subsidiaries	-	-	(96,587)	-
Acquisition of investments in subsidiaries	-	-	(119,865)	-
Acquisition of investments in jointly controlled entities	-	-	(30,000)	(13,050)
Acquisition of property, plant and equipment	(869,289)	(2,932,630)	(1,295)	(67,037)
Acquisition of investment properties	-	(43,131)	-	(154,834)
Proceeds from disposals of property, plant and equipment	-	-	-	422,580
Proceeds from disposals of investment properties	-	-	-	11,000
Interest income	507	532	197	172
<b>Net cash flows from (used in) investing activities</b>	<u>(1,038,183)</u>	<u>(1,840,780)</u>	<u>(270,618)</u>	<u>961,261</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from bank	101,964	(471,364)	101,964	(471,364)
Repayment of liabilities under hire purchase agreements	(2,388)	(182)	(2,388)	-
Cash receipt from short-term loans from related party	-	15,000	-	15,000
Cash receipt from long-term loans	539,911	2,228,101	-	-
Repayment of long-term loans	(498,500)	(6,000)	(95,000)	(6,000)
Proceeds from share subscription	257,023	105,578	257,023	105,578
Proceeds from other venturer from increase in share capital of a jointly controlled entity	450,000	240,000	-	-
Interest expenses and financial service fee	(106,150)	(89,011)	(18,742)	(13,720)
<b>Net cash flows from (used in) financing activities</b>	<u>741,860</u>	<u>2,022,122</u>	<u>242,857</u>	<u>(370,506)</u>
<b>Net increase in cash and cash equivalents</b>	778	226	14,955	97
Cash and cash equivalents at beginning of period	<u>22,901</u>	<u>103</u>	<u>6,333</u>	<u>64</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>23,679</u></u>	<u><u>329</u></u>	<u><u>21,288</u></u>	<u><u>161</u></u>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements						
	Issued and paid-up	Share subscription	Subscription	Retained earnings	Other components of	
	share capital	received in advance	receivables	(Deficit)	business reorganisation	Total
Note					under common control)	
<b>Balance as at 1 January 2013</b>	649,397	278,158	(5,553)	(158,285)	(1,344)	762,373
Share subscription received in advance	-	105,265	313	-	-	105,578
Called up ordinary shares	353,752	(353,752)	-	-	-	-
Transfer the differences on business reorganisation under common control to retained earnings due to changes in statuses of subsidiaries to jointly controlled entities	-	-	-	(1,344)	1,344	-
Total comprehensive income for the period	-	-	-	351,358	-	351,358
<b>Balance as at 30 June 2013</b>	<u>1,003,149</u>	<u>29,671</u>	<u>(5,240)</u>	<u>191,729</u>	<u>-</u>	<u>1,219,309</u>
<b>Balance as at 1 January 2014</b>	1,021,219	92,466	(5,708)	(175,250)	-	932,727
Called up ordinary shares	13 343,781	(92,466)	5,708	-	-	257,023
Total comprehensive income for the period	-	-	-	648,057	-	648,057
<b>Balance as at 30 June 2014</b>	<u>1,365,000</u>	<u>-</u>	<u>-</u>	<u>472,807</u>	<u>-</u>	<u>1,837,807</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

<b>Separate financial statements</b>							
					Other components of shareholders' equity (Differences on business reorganisation under common control)	Total	
	Note	Issued and paid-up share capital	Share subscription received in advance	Subscription receivables	Retained earnings (Deficit)		
<b>Balance as at 1 January 2013</b>		649,397	278,158	(5,553)	(158,285)	462,760	1,226,477
Share subscription received in advance		-	105,265	313	-	-	105,578
Called up ordinary shares		353,752	(353,752)	-	-	-	-
Differences from sales of land to a former subsidiary, net of tax		-	-	-	-	70,637	70,637
Transfer the differences on business reorganisation under common control to retained earnings due to changes in statuses of subsidiaries to jointly controlled entities		-	-	-	533,397	(533,397)	-
Total comprehensive income for the period		-	-	-	(39,447)	-	(39,447)
<b>Balance as at 30 June 2013</b>		<u>1,003,149</u>	<u>29,671</u>	<u>(5,240)</u>	<u>335,665</u>	<u>-</u>	<u>1,363,245</u>
<b>Balance as at 1 January 2014</b>		1,021,219	92,466	(5,708)	(200,164)	-	907,813
Called up ordinary shares	13	343,781	(92,466)	5,708	-	-	257,023
Total comprehensive income for the period		-	-	-	(34,062)	-	(34,062)
<b>Balance as at 30 June 2014</b>		<u>1,365,000</u>	<u>-</u>	<u>-</u>	<u>(234,226)</u>	<u>-</u>	<u>1,130,774</u>

The accompanying notes are an integral part of the financial statements.

**Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities**  
**Notes to consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2014**

**1. General information**

**1.1 Corporate information**

Thai Solar Energy Public Company Limited (“the Company”) was a limited company incorporated on 7 July 2008 and domiciled in Thailand and registered the change in the Company’s status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 18 February 2014. Its parent company is P.M. Energy Company Limited, which was incorporated in Thailand. The Company is principally engaged in the production and distribution of electricity generated from solar energy for the state enterprises and private sectors. The registered office of the Company is at 3199, Maleenont Tower, 16th floor, Rama IV Road, Klongtan, Klongtoey, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2012), *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### **1.3 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Thai Solar Energy Public Company Limited, its subsidiaries and its jointly controlled entities and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. However, there were changes in the shareholding structure during the period regarding establishment of a new subsidiary, TSE Operations Company Limited, as mentioned in Note 6 to the consolidated interim financial statements. The subsidiary domiciled in Thailand and is principally engaged in provision of maintenance service for power plants. The Company's interest in the equity of the subsidiary is 100 percent.

### **1.4 New accounting standards**

#### **a) Accounting standards that became effective in the current accounting period**

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The management of the Company, its subsidiaries and its jointly controlled entities has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company, its subsidiaries and its jointly controlled entities or do not have a significant impact.

#### **b) Accounting standards that will become effective in the future**

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The management of the Company, its subsidiaries and its jointly controlled entities has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company, its subsidiaries and its jointly controlled entities.

### **1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

## 2. Related party transactions

During the three-month and six-month periods ended 30 June 2014 and 2013, the Company, its subsidiaries and its jointly controlled entities had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries, its jointly controlled entities and those related parties.

(Unit: Million Baht)

	For the three-month period ended 30 June				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
<u>Transactions with subsidiaries*</u>					
(eliminated from the consolidated financial statements)					
Management service income	-	-	2	3	Contract price
<u>Transactions with jointly controlled entity</u>					
(proportionately eliminated from the consolidated financial statements)					
Management service income	4	2	9	6	Contract price
<u>Transactions with related companies</u>					
Management service expenses	-	1	-	1	Contract price

(Unit: Million Baht)

	For the six-month period ended 30 June				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
<u>Transactions with subsidiaries*</u>					
(eliminated from the consolidated financial statements)					
Management service income	-	-	4	4	Contract price
Transfer power plants under construction	-	-	-	430	Cost price
<u>Transactions with jointly controlled entity</u>					
(proportionately eliminated from the consolidated financial statements)					
Management service income	7	2	17	6	Contract price
<u>Transactions with related companies</u>					
Management service expenses	1	2	-	2	Contract price
Advertising expenses	-	1	-	1	Market price

\* On 3 May 2013, the statuses of Thai Solar Renewable Company Limited and Siam Solar Energy 1 Company Limited have changed from subsidiaries to jointly controlled entities as mentioned in Note 7.1 to the consolidated interim financial statements.

(Unaudited but reviewed)

As at 30 June 2014 and 31 December 2013, the balances of the accounts between the Company, its subsidiaries, its jointly controlled entities and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Amounts due from and advances to related parties (Note 4)</u>				
Subsidiaries	-	-	38,529	12,823
Jointly controlled entity	1,274	36,810	3,185	92,025
Related companies (related by common shareholders and directors)	-	2	-	2
Total amounts due from and advances to related parties	<u>1,274</u>	<u>36,812</u>	<u>41,714</u>	<u>104,850</u>
<u>Amounts due to related parties (Note 11)</u>				
Venturer in jointly controlled entities	261	249	-	-
Director	218	-	218	-
Total amounts due to related parties	<u>479</u>	<u>249</u>	<u>218</u>	<u>-</u>

Short-term loans to subsidiaries

As at 30 June 2014 and 31 December 2013, the balance of loans between the Company and its subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			Balance as at 30 June 2014
	Balance as at 31 December 2013	During the period		
		Increase	Decrease	
	(Audited)			
Green Rooftop Co., Ltd.	-	15,500	-	15,500
Lucky Solar Co., Ltd.	-	35,200	(20,100)	15,100
Champ Energy Co., Ltd.	-	12,700	-	12,700
North Rooftop Co., Ltd.	-	19,700	-	19,700
Roof Energy Co., Ltd.	-	33,587	-	33,587
Total	<u>-</u>	<u>116,687</u>	<u>(20,100)</u>	<u>96,587</u>

The above loans to subsidiaries are the promissory notes with maturity within September 2014 and no interest is charged.

Short-term loans from related party

As at 30 June 2014 and 31 December 2013, the balance of loans between the Company and the related party and the movement are as follows:

(Unit: Thousand Baht)

Loans from	Consolidated and separate financial statements			
	Balance as at	During the period		Balance as at
	31 December 2013	Increase	Decrease	30 June 2014
	(Audited)			
Director	20,000	-	-	20,000
Total	20,000	-	-	20,000

The above loans from related party result from issuing the promissory notes with maturity in September 2014 and carry interest at MLR-3 percent per annum.

Directors' and management's benefits

During the three-month and six-month periods ended 30 June 2014 and 2013, the Company, its subsidiaries and its jointly controlled entities had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	5	4	5	4
Post-employment benefits	1	1	1	1
Total	6	5	6	5

(Unit: Million Baht)

	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	10	8	10	8
Post-employment benefits	1	1	1	1
Total	11	9	11	9



Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.4 to the consolidated interim financial statements.

**3. Restricted bank deposits**

These represent saving deposits pledged and assigned rights of claim to secure the credit facilities of the Company, its subsidiaries and its jointly controlled entity with their lenders, which there are term of expense and stages of withdrawal for specially purpose according to the long-term loan agreements.

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade receivable - unrelated party</u>				
Trade receivable not yet due	145,759	77,351	4,240	3,023
Total trade receivable - unrelated party	145,759	77,351	4,240	3,023
<u>Other receivables</u>				
Amounts due from and advances to related parties (Note 2)	1,274	36,812	41,714	104,850
Other receivables	34,841	12,250	8,324	8,425
Total	36,115	49,062	50,038	113,275
Less: Allowance for doubtful debts	(8,277)	(8,277)	(8,277)	(8,277)
Total other receivables, net	27,838	40,785	41,761	104,998
Total trade and other receivables	173,597	118,136	46,001	108,021

**5. Pledged bank deposits**

These balances represent the Company's saving deposits pledged with the banks to guarantee its electricity use and its subsidiaries' bank credit facilities and a jointly controlled entity's saving deposits pledged with the banks to guarantee its credit cards for filling up fuel.

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
			(Percent)	(Percent)		(Audited)
TSE Rooftop Co., Ltd.	169,000	43,000	100	100	172,445	53,080
TSE Operations Co., Ltd.	250	-	100	-	500	-
Total					172,945	53,080

No dividend was received from the above subsidiary companies for the three-month and six-month periods ended 30 June 2014 and 2013.

Movements of the investments in subsidiaries during the six-month period ended 30 June 2014 are summarised below.

### Investments in TSE Rooftop Company Limited

In April 2014, TSE Rooftop Company Limited called up the remaining 75 percent of the value of its 16.8 million ordinary shares at the par value of Baht 10 each, or a total of Baht 126 million and the balance of share subscription received in advance was Baht 3 million. This was registered with the Ministry of Commerce on 29 April 2014.

### Investments in TSE Operations Company Limited

TSE Operations Company Limited has been established in order to run business relating to provision of maintenance service for power plants. The Company invested in 100 percent of 0.1 million ordinary shares of such company at the par value of Baht 10 each, of which such company called up 25 percent or Baht 0.25 million and the Company also made an advance payment for investments amounting to Baht 0.25 million, totaling Baht 0.5 million. Such company registered its incorporation with the Ministry of Commerce on 24 February 2014.

## 7. Investments in jointly controlled entities

### 7.1 Details of investments in jointly controlled entities

Details of investments in jointly controlled entities as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Jointly controlled entities	Nature of business	Shareholding percentage		Cost	
		30 June 2014 (Percent)	31 December 2013 (Percent)	30 June 2014	31 December 2013 (Audited)
Thai Solar Renewable Co., Ltd.	Investment	60	60	350,000	320,000
Siam Solar Energy 1 Co., Ltd.*	Production and distribution of electricity generated from solar energy	-	-	-	-
Total				<u>350,000</u>	<u>320,000</u>

\* The Company directly holds one share and the remaining shareholding portions are mainly held by Thai Solar Renewable Company Limited.

In February 2013, the Company entered into the shareholders agreement and share subscription agreement with PTT Public Company Limited (“PTT”) for the purpose of joint investment in Thai Solar Renewable Company Limited, for onward investment in Siam Solar Energy 1 Company Limited, to produce and distribute electricity generated from solar energy for the state enterprises and private sectors. The Company and PTT hold 60 percent and 40 percent shareholdings, respectively, with the investment amounting to Baht 350 million and Baht 1,450 million, respectively. The statuses of Thai Solar Renewable Company Limited and Siam Solar Energy 1 Company Limited have therefore changed from subsidiaries to jointly controlled entities since 3 May 2013.

In December 2013, PTT transferred all of its shares in Thai Solar Renewable Company Limited to Global Power Synergy Company Limited. At the present, the Company and Global Power Synergy Company Limited invested in ordinary shares of Thai Solar Renewable Company Limited totaling to Baht 350 million and Baht 1,450 million, respectively. In April and June 2014, Thai Solar Renewable Company Limited increased its registered share capital from Baht 533 million to Baht 583 million, by issuing approximately 5 million new ordinary shares with a par value of Baht 10 to the Company and Global Power Synergy Company Limited (the existing shareholders) in proportion to their shareholding, at prices of Baht 10 per share and Baht 385 per share, respectively, as specified in the share subscription agreement. The Company has already made payment for the shares in proportion to its shareholding, amounting to Baht 30 million. As a result, the Company recognised the remaining gains on changes in statuses of investments amounting to Baht 450 million in the consolidated statement of comprehensive income for the six-month period ended 30 June 2014.

(Unaudited but reviewed)

The loss of control in the subsidiaries was treated as a deemed disposal that meets the definition of a discontinued operation in accordance with Thai Financial Reporting Standard 5, *Non-current Assets Held for Sale and Discontinued Operations*.

The operating results of the former subsidiaries before 3 May 2013 included in the consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 are presented below.

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	For the three-month period	For the six-month period
Revenue	50,194	168,695
Expenses	(26,307)	(33,001)
Profit before finance cost and tax	23,887	135,694
Finance cost	(1,405)	(4,603)
Profit before tax	22,482	131,091
Tax expenses - Current tax	(3,915)	(25,661)
Profit for the period from discontinued operations	18,567	105,430
Basic earnings per share	0.02	0.13

The net cash flows incurred by the former subsidiaries before 3 May 2013 included in the consolidated statement of cash flows for the six-month period ended 30 June 2013 are as follows:

	(Unit: Thousand Baht)
Operating	335,502
Investing	(2,508,798)
Financing	2,173,257
Net cash outflow	(39)

## 7.2 Dividend received

No dividend was received from the above jointly controlled entities for the three-month and six-month periods ended 30 June 2014 and 2013.

### 7.3 Summarised financial information of jointly controlled entities

The Company's proportionate shares of the assets and liabilities in Thai Solar Renewable Company Limited and Siam Solar Energy 1 Company Limited as at 30 June 2014 and 31 December 2013, according to proportion under the shareholders agreement, are as follows:

	(Unit: Million Baht)	
	30 June 2014	31 December 2013
		(Audited)
Current assets	333	184
Non-current assets	3,690	3,526
	<u>4,023</u>	<u>3,710</u>
Current liabilities	(474)	(1,024)
Non-current liabilities	(2,568)	(2,414)
	<u>(3,042)</u>	<u>(3,438)</u>
Net assets	<u>981</u>	<u>272</u>

The Company's proportionate shares of the revenue and expenses in Thai Solar Renewable Company Limited and Siam Solar Energy 1 Company Limited for the three-month and six-month periods ended 30 June 2014, according to proportion under the shareholders agreement, are as follows:

	(Unit: Million Baht)	
	For the three-month period ended 30 June	
	<u>2014</u>	<u>2013</u>
Revenues	256	5
Costs of sales	(47)	-
Administrative expenses	(10)	(9)
Profit (loss) before finance cost and tax	<u>199</u>	<u>(4)</u>
Finance cost	(32)	(1)
Profit (loss) before tax	<u>167</u>	<u>(5)</u>
Tax income (expenses)	(12)	1
Profit (loss) for the period	<u><u>155</u></u>	<u><u>(4)</u></u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month period ended 30 June	
	<u>2014</u>	<u>2013</u>
Revenues	384	5
Costs of sales	(62)	-
Administrative expenses	(27)	(9)
Profit (loss) before finance cost and tax	295	(4)
Finance cost	(57)	(1)
Profit (loss) before tax	238	(5)
Tax income (expenses)	(10)	1
Profit (loss) for the period	<u>228</u>	<u>(4)</u>

As at 30 June 2014, Thai Solar Renewable Company Limited has pledged all share certificates of investments in Siam Solar Energy 1 Company Limited, its subsidiary, amounting to approximately Baht 1,080 million (31 December 2013: Baht 664 million) (the Company's proportion: Baht 1,080 million, 31 December 2013: Baht 664 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 approximately Baht 6,025 million (31 December 2013: Baht 5,744 million) (the Company's proportion: Baht 3,615 million, 31 December 2013: Baht 3,446 million) and pledged bank deposits amounting to approximately Baht 167 million (31 December 2013: Baht 24 million) (the Company's proportion: Baht 100 million, 31 December 2013: Baht 14 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 against a jointly controlled entity's credit facilities received from the commercial bank.

## **8. Investment properties**

The Company has pledged all investment properties which are land held for a currently undetermined future use as collateral against credit facilities received from the commercial bank.

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2014 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	4,682,614	889,154
Acquisitions during the period, at cost	295,456	1,184
Capitalised borrowing costs	27,423	-
Depreciation for the period	(60,752)	(15,977)
Net book value as at 30 June 2014	<u>4,944,741</u>	<u>874,361</u>

As at 30 June 2014, the Company had vehicles under hire purchase agreements with net book values amounting to Baht 19 million (31 December 2013: Baht 20 million).

The Company, its subsidiaries and its jointly controlled entity have pledged assets amounting to approximately Baht 4,803 million (31 December 2013: Baht 4,312 million) (The Company only: Baht 852 million, 31 December 2013: Baht 866 million) as collateral against credit facilities received from the commercial bank.

In January and February 2014, the subsidiaries' solar rooftop panel installation projects were temporarily suspended in certain areas, in order to wait for the relevant government agencies to reach an agreement regarding construction in accordance with the regulatory policy. The construction of some projects resumed since March 2014.

## 10. Bank overdrafts and short-term loans from bank

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
			(Audited)		(Audited)
Bank overdrafts	MOR	12,148	16,564	12,148	16,564
Short-term loans from bank	MLR	160,110	53,730	160,110	53,730
Total		<u>172,258</u>	<u>70,294</u>	<u>172,258</u>	<u>70,294</u>

As at 30 June 2014, 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, the pledge and the mortgage of the Company's machinery, the assignment of rights under all project agreements, the pledge of the Company's shares held by the parent company and guarantees issued by a shareholder of the parent company. Short-term loans from bank resulting from issuing the promissory notes with maturity in August 2014 are secured by the Company's director.

(Unaudited but reviewed)

**11. Construction and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Amounts due to related parties (Note 2)	479	249	218	-
Construction payables	212,436	765,283	-	172
Retention guarantee	415	3,934	115	115
Other payables	16,269	3,331	558	648
Accrued expense	19,129	20,265	5,884	9,750
<b>Total construction and other payables</b>	<b>248,728</b>	<b>793,062</b>	<b>6,775</b>	<b>10,685</b>

**12. Long-term loans**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Long-term loans	3,488,146	3,446,735	435,000	530,000
Less: Deferred financial service fee	(19,653)	(16,520)	(1,518)	(1,685)
Long-term loans, net	3,468,493	3,430,215	433,482	528,315
Less: Current portion	(356,839)	(1,019,565)	(11,663)	(528,315)
<b>Long-term loans, net of current portion</b>	<b>3,111,654</b>	<b>2,410,650</b>	<b>421,819</b>	<b>-</b>

Movements of the long-term loan account during the six-month period ended 30 June 2014 were summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2014		3,430,215		528,315
Additional borrowings		539,911		-
Repayments		(498,500)		(95,000)
Financial service fee		(3,989)		-
Amortisation of financial service fee		856		167
<b>Balance as at 30 June 2014</b>		<b>3,468,493</b>		<b>433,482</b>



In June 2014, subsidiaries entered into long-term loan agreements with a local commercial bank to obtain a loan facility of Baht 397 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 365 million are repayable in quarterly installments as from December 2014 to March 2027, at the percentage specified in the loan agreements and the long-term loans of Baht 32 million are repayable within October 2015.

The loans are secured by the pledge and the assignment of rights over the Company's, its subsidiaries' and its jointly controlled entity's bank deposits, the mortgage of the Company's, its subsidiaries' and its jointly controlled entity's land with construction thereon, the pledge and the mortgage of the Company's, its subsidiaries' and its jointly controlled entity's machinery, the assignment of rights under all project agreements of the Company, its subsidiaries and its jointly controlled entity, the 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 issued by the Company, the subsidiaries' director and a shareholder of the parent company.

The loan agreements contain covenants imposed on the Company, its subsidiaries and its jointly controlled entities 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.

The Company has to maintain the required debt service coverage ratio of no more than 1.10 as stipulated in the loan agreement. However, as at 31 December 2013, the ratio was (1). Due to this, the lender may exercise certain rights stipulated in the loan agreement, including the right to call the loan immediately. The Company requested a waiver in respect of compliance with covenant from the bank and received a waiver letter in February 2014. To comply with the Thai Financial Reporting Standards, the Company classified the whole balance of such loan as at 31 December 2013 as current liabilities in the statement of financial position.

As at 30 June 2014, the long-term credit facilities of its subsidiaries and its jointly controlled entity which have not yet been drawn down amounted to Baht 249 million (31 December 2013: Baht 403 million) (The Company only: Nil).

**13. Share capital**

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 June 2014	31 December 2013
		(Audited)
<u>Registered</u>		
1,815,000,000 ordinary shares of Baht 1 each (31 December 2013: 136,500,000 ordinary shares of Baht 10 each)	1,815,000	1,365,000
Total	<u>1,815,000</u>	<u>1,365,000</u>
<u>Issued and paid up</u>		
320,000,000 ordinary shares of Baht 1 each, fully paid up (31 December 2013: 32,000,000 ordinary shares of Baht 10 each, fully paid up)	320,000	320,000
1,045,000,000 ordinary shares of Baht 1 each, fully paid up (31 December 2013: 104,500,000 ordinary shares of Baht 10 each, 67 percent paid up)	1,045,000	701,219
Total	<u>1,365,000</u>	<u>1,021,219</u>

In February 2014, the Company called up an additional share capital of Baht 344 million which received full payments from shareholders and as a result issued and paid-up share capital totals Baht 1,365 million. This was registered with the Ministry of Commerce on 13 February 2014.

On 3 December 2013, an extraordinary general meeting of the shareholders of the Company passed the following resolutions.

- a) Approved a change in the Company's status from a company limited to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535.
- b) Approved the change of the value of its ordinary shares from 136.5 million shares at Baht 10 each to 1,365 million shares at Baht 1 each.
- c) Approved the increase of its registered capital from Baht 1,365 million to Baht 1,815 million through the issuance of 450 million shares at a par value of Baht 1 each to reserve for the initial public offering.

The Company registered the significant matters described above with the Ministry of Commerce on 18 February 2014.

On 30 April 2014, the annual general meeting of the Company's shareholders approved the allocation of 450 million unissued registered ordinary shares at a par value of Baht 1 each for the initial public offering not over 428 million shares and to a specific investor under a private placement scheme not over 22 million shares.

**14. Income tax**

Tax expenses (income) for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Current income tax:</u>				
Interim corporate income tax charge	15,852	63,906	6,475	64,771
<u>Deferred tax:</u>				
Relating to origination and reversal of temporary differences	<u>(11,327)</u>	<u>(70,780)</u>	<u>(13,711)</u>	<u>(70,780)</u>
Tax expenses (income) reported in the statement of comprehensive income	<u>4,525</u>	<u>(6,874)</u>	<u>(7,236)</u>	<u>(6,009)</u>

	(Unit: Thousand Baht)			
	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Current income tax:</u>				
Interim corporate income tax charge	15,852	63,906	6,475	64,771
<u>Deferred tax:</u>				
Relating to origination and reversal of temporary differences	<u>(13,459)</u>	<u>(74,837)</u>	<u>(13,756)</u>	<u>(74,837)</u>
Tax expenses (income) reported in the statement of comprehensive income	<u>2,393</u>	<u>(10,931)</u>	<u>(7,281)</u>	<u>(10,066)</u>

The amounts of income tax recorded directly to other components of shareholders' equity for the six-month periods ended 30 June 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to differences on business reorganisation under common control	-	-	-	(17,660)
	-	-	-	(17,660)

**15. Promotional privileges**

The Company, its subsidiaries and its jointly controlled entity have received 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, pursuant to the following promotion certificates:

Certificate Number	Dated	Date of first income derived
<i>The Company</i>		
1454(1)/2553	21 April 2010	26 December 2011
1616(1)/2555	18 May 2012	Not yet generated revenue
<i>Subsidiaries</i>		
1178(1)/2557	13 February 2014	Not yet generated revenue
1179(1)/2557	13 February 2014	Not yet generated revenue
1180(1)/2557	13 February 2014	Not yet generated revenue
1181(1)/2557	13 February 2014	Not yet generated revenue
1182(1)/2557	13 February 2014	Not yet generated revenue
1183(1)/2557	13 February 2014	Not yet generated revenue
1184(1)/2557	13 February 2014	Not yet generated revenue
1185(1)/2557	13 February 2014	Not yet generated revenue
1186(1)/2557	13 February 2014	Not yet generated revenue
1187(1)/2557	13 February 2014	Not yet generated revenue
1188(1)/2557	13 February 2014	Not yet generated revenue
1189(1)/2557	13 February 2014	Not yet generated revenue
1190(1)/2557	13 February 2014	Not yet generated revenue
<i>Jointly controlled entity</i>		
1691(1)/2556	23 May 2013	4 September 2013
1692(1)/2556	23 May 2013	17 July 2013
1693(1)/2556	23 May 2013	28 October 2013
1694(1)/2556	23 May 2013	21 November 2013
1695(1)/2556	23 May 2013	21 November 2013
1696(1)/2556	23 May 2013	6 June 2014
1697(1)/2556	23 May 2013	20 March 2014
1698(1)/2556	23 May 2013	4 April 2014
1699(1)/2556	23 May 2013	30 May 2014
1758(1)/2556	4 June 2013	6 June 2014

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 jointly controlled entity's operating revenue from sales and subsidy for adders as presented in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 totally resulted from promoted operations.

**16. Basic earnings per share**

Basic earnings per share is calculated by dividing profit (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period after reflecting the effect of stock split as mentioned in Note 13 to the consolidated interim financial statements.

For comparative purposes, the prior basic earnings per share has been re-calculated to reflect the effect of the stock split.

**17. Segment information**

The Company, its subsidiaries and its jointly controlled entities are principally engaged in the production and distribution of electricity generated from solar energy. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

**18. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Provident Fund of Siam Commercial Master Fund registered, will be paid to employees upon termination in accordance with the fund rules. During the three-month and six-month periods ended 30 June 2014, the Company contributed Baht 0.3 million and Baht 0.5 million, respectively (2013: Nil) to the fund.

## **19. Commitments and contingent liabilities**

### **19.1 Power purchase agreements**

As at 30 June 2014, the Company, its subsidiaries and its jointly controlled entity have 25 power purchase agreements with the Provincial Electricity Authority (“PEA”) and the Metropolitan Electricity Authority (“MEA”) (31 December 2013: 24 agreements) (The Company only: 1 agreement, 31 December 2013: 1 agreement). Currently, the Company and its jointly controlled entity have commenced their production and distribution of electricity for the PEA under 11 power purchase agreements (The Company only: 1 agreement).

The power purchase agreements require the Company and its jointly controlled entity to sell electricity in Kanchanaburi and Suphanburi provinces 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 (The Company only: Baht 8 per kilowatt-hour) for the period of 10 years commencing from the commercial operation date.

The power purchase agreements require its 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.

### **19.2 Capital commitments**

As at 30 June 2014, its subsidiaries and its jointly control entity (in proportionate of the Company’s interest in the jointly controlled entity) had capital commitments of approximately Baht 149 million and US Dollars 2 million (31 December 2013: Baht 378 million and US Dollars 2 million) (The Company only: Nil) relating to the construction of power plants.

### 19.3 Operating lease and other commitments

As at 30 June 2014, the Company, its subsidiaries and its jointly controlled entities have commitments in respect of the following operating lease and service agreements as well as other commitments:

- a) 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 25 years.

As at 30 June 2014 and 31 December 2013, future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Payable:				
In up to 1 year	12	12	3	3
In over 1 and up to 5 years	36	36	2	2
In over 5 years	163	167	-	-

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

- b) The Company has entered into a financial advisory service agreement for providing advices to the Company in listing its securities in the Stock Exchange of Thailand and public offering process which the future payment was in accordance with the agreement.
- c) 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.
- d) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 4 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 six-month period ended 30 June 2014 amounting to approximately Baht 1 million (2013: Nil) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.

- e) 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 (31 December 2013: 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 dates.
- f) 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 2013: 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.

#### **19.4 Guarantees**

- a) The Company has guaranteed bank credit facilities of its subsidiaries and its related company amounting to Baht 397 million and Baht 510 million (31 December 2013: Nil and Baht 510 million), respectively.
- b) As at 30 June 2014, there were outstanding bank guarantees of approximately Baht 14 million (31 December 2013: Baht 16 million) (The Company only: Baht 6 million, 31 December 2013: Baht 7 million) issued by banks on behalf of the Company, its subsidiaries and its jointly control entity (in proportionate of the Company's interest in the jointly controlled entity) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 9 million (31 December 2013: Baht 15 million) (The Company only: Baht 5 million, 31 December 2013: Baht 6 million) to guarantee contractual performance which are guaranteed by the Company's bank deposit and Baht 5 million (31 December 2013: Baht 1 million) (The Company only: Baht 1 million, 31 December 2013: Baht 1 million) to guarantee electricity use which are guaranteed by the Company's bank deposit.

#### **19.5 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 by auction. On 7 October 2013, the Bangkok South Civil Court dismissed the case. At present, the case is being considered by the Court of Appeals. However, the management believes that Company will win the case and not suffer any losses.

#### **20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 13 August 2014.