

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statement of financial position as at 30 September 2015, the related consolidated and company statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and condensed notes to interim financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and of Thai Solar Energy Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 4 to the interim financial information which describes the effects on the financial statements for the year ended 31 December 2014 and the financial information for the three-month and nine-month periods ended 30 September 2014 due to the change in accounting policy regarding investment in associates and joint ventures, which requires the Company to apply the equity method to recognise an investment in jointly controlled entities. My conclusion is not qualified in respect of this matter.

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

Bangkok
9 November 2015

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2015

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 30 September 2015

| | <u>Notes</u> | <u>Consolidated</u> | | <u>Company</u> | |
|--|--------------|----------------------|----------------------|----------------------|----------------------|
| | | <u>(Restated)</u> | | <u>(Unaudited)</u> | <u>(Audited)</u> |
| | | <u>(Unaudited)</u> | <u>(Audited)</u> | | |
| | | <u>30 September</u> | <u>31 December</u> | <u>30 September</u> | <u>31 December</u> |
| | | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| | | <u>Baht</u> | <u>Baht</u> | <u>Baht</u> | <u>Baht</u> |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 78,740,580 | 7,210,028 | 49,863,110 | 4,061,247 |
| Restricted bank deposits | 7 | 25,063,422 | 54,648,942 | 3,919,597 | 36,557,183 |
| Short-term investments | 8 | 730,026,363 | 1,231,998,094 | 730,026,363 | 1,231,998,094 |
| Trade and other receivables | 9 | 278,623,605 | 60,085,427 | 311,970,383 | 117,147,159 |
| Short-term loans to subsidiaries | 17 c) | - | - | 243,020,006 | 68,453,208 |
| Short-term loans to related parties | 17 c) | 188,736,779 | - | - | - |
| Value added tax refundable | | 37,483,981 | 31,966,619 | 2,026,010 | - |
| Other current assets | | 28,462,590 | 23,924,259 | 24,499,456 | 4,530,503 |
| Total current assets | | <u>1,367,137,320</u> | <u>1,409,833,369</u> | <u>1,365,324,925</u> | <u>1,462,747,394</u> |
| Non-current assets | | | | | |
| Long-term restricted bank deposits | 7 | 52,316,600 | 4,365,000 | 52,316,600 | 4,365,000 |
| Investments in subsidiaries | 10 | - | - | 528,535,950 | 176,194,963 |
| Investments in jointly controlled entities | 11 | 1,327,540,357 | 1,296,940,181 | 350,000,130 | 350,000,130 |
| Other long-term investments | | 243,878,909 | - | - | - |
| Investment properties | | 88,399,605 | 88,399,605 | 88,399,605 | 88,399,605 |
| Property, plant and equipment | 12 | 1,400,363,004 | 1,197,519,951 | 606,810,962 | 609,746,587 |
| Deferred tax assets | | 109,982,502 | 109,635,743 | 109,269,034 | 109,067,611 |
| Other non-current assets | | 11,085,755 | 9,718,985 | 5,434,788 | 6,860,806 |
| Total non-current assets | | <u>3,233,566,732</u> | <u>2,706,579,465</u> | <u>1,740,767,069</u> | <u>1,344,634,702</u> |
| Total assets | | <u>4,600,704,052</u> | <u>4,116,412,834</u> | <u>3,106,091,994</u> | <u>2,807,382,096</u> |

Director _____ Director _____

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2015

| | Notes | Consolidated | | Company | |
|--|-------|---|--|---|--|
| | | (Unaudited) 30 September 2015 Baht | (Restated) (Audited) 31 December 2014 Baht | (Unaudited) 30 September 2015 Baht | (Audited) 31 December 2014 Baht |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Construction and other payables | 13 | 47,583,523 | 150,977,563 | 17,935,180 | 14,378,815 |
| Current portion of finance lease liabilities | 14.1 | 4,441,367 | 4,294,225 | 4,441,367 | 4,294,225 |
| Current portion of long-term borrowings | 14.2 | 87,769,166 | 102,122,416 | 39,662,264 | 39,663,187 |
| Income tax payable | | 16,167 | - | - | - |
| Value added tax payable | | 884,313 | 38,340,415 | 361,733 | 38,340,415 |
| Other current liabilities | | 1,739,593 | 4,474,540 | 912,714 | 4,056,285 |
| Total current liabilities | | 142,434,129 | 300,209,159 | 63,313,258 | 100,732,927 |
| Non-current liabilities | | | | | |
| Finance lease liabilities | 14.1 | 4,970,435 | 8,320,075 | 4,970,435 | 8,320,075 |
| Long-term borrowings | 14.2 | 525,523,340 | 315,846,352 | 133,241,478 | 152,988,637 |
| Other non-current liabilities | | 3,793,299 | 2,786,184 | 3,793,299 | 2,786,184 |
| Total non-current liabilities | | 534,287,074 | 326,952,611 | 142,005,212 | 164,094,896 |
| Total liabilities | | 676,721,203 | 627,161,770 | 205,318,470 | 264,827,823 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | | | | | |
| Ordinary shares 1,815,000,000 shares of par Baht 1 each | | 1,815,000,000 | 1,815,000,000 | 1,815,000,000 | 1,815,000,000 |
| Issued and paid-up share capital | | | | | |
| Ordinary shares, 1,815,000,000 shares of called-up Baht 1 each | | 1,815,000,000 | 1,815,000,000 | 1,815,000,000 | 1,815,000,000 |
| Premium on ordinary shares | 19 | 727,554,273 | 1,266,097,322 | 727,554,273 | 1,266,097,322 |
| Retained earnings (deficits) | 19 | 1,352,877,580 | 408,153,742 | 358,219,251 | (538,543,049) |
| Other components of equity | | 28,550,996 | - | - | - |
| Equity attributable to owners of the parent | | 3,923,982,849 | 3,489,251,064 | 2,900,773,524 | 2,542,554,273 |
| Non-controlling interests | | - | - | - | - |
| Total shareholders' equity | | 3,923,982,849 | 3,489,251,064 | 2,900,773,524 | 2,542,554,273 |
| Total liabilities and shareholders' equity | | 4,600,704,052 | 4,116,412,834 | 3,106,091,994 | 2,807,382,096 |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2015

| | Consolidated | | Company | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--------------|
| | (Restated) | | | | |
| | 30 September 2015 Baht | 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht | |
| | Note | | | | |
| Revenue from sales | | 25,301,826 | 28,193 | 135,417 | 28,193 |
| Subsidy for adders | | 28,800 | 1,273,198 | 28,800 | - |
| Management service income | | 9,707,675 | 8,887,313 | 10,957,514 | 7,477,313 |
| Cost of sales and services | | (32,394,233) | (21,924,141) | (22,743,992) | (20,082,421) |
| Gross profit (loss) | | 2,644,068 | (11,735,437) | (11,622,261) | (12,576,915) |
| Other income | 15 | 14,348,709 | 220,602 | 267,974,476 | 80,861 |
| Administrative expenses | | (19,318,362) | (11,177,328) | (16,878,488) | (10,141,748) |
| Finance costs | | (6,898,073) | (6,608,799) | (2,283,644) | (8,755,904) |
| Share of profit from investments in jointly controlled entities | | 133,915,598 | 134,557,139 | - | - |
| Profit (loss) before income tax expense | | 124,691,940 | 105,256,177 | 237,190,083 | (31,393,706) |
| Tax income | | 201,146 | 6,239,127 | 67,138 | 5,873,403 |
| Profit (loss) for the period | | 124,893,086 | 111,495,304 | 237,257,221 | (25,520,303) |
| Other comprehensive income: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Currency translation differences | | 26,501,014 | - | - | - |
| Total comprehensive income (expense) for the period | | 151,394,100 | 111,495,304 | 237,257,221 | (25,520,303) |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | 124,893,086 | 111,495,304 | 237,257,221 | (25,520,303) |
| Non-controlling interests | | - | - | - | - |
| | | 124,893,086 | 111,495,304 | 237,257,221 | (25,520,303) |
| Comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | 151,394,100 | 111,495,304 | 237,257,221 | (25,520,303) |
| Non-controlling interests | | - | - | - | - |
| | | 151,394,100 | 111,495,304 | 237,257,221 | (25,520,303) |
| Earnings (loss) per share | | | | | |
| Basic earnings (loss) per share | | 0.07 | 0.06 | 0.13 | (0.01) |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2015

| | Notes | Consolidated | | Company | |
|---|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| | | (Restated) | | | |
| | | 30 September 2015 Baht | 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht |
| Revenue from sales | | 60,526,831 | 4,207,611 | 2,815,294 | 4,207,611 |
| Subsidy for adders | | 4,403,520 | 8,404,078 | 4,403,520 | 7,130,880 |
| Management service income | | 28,275,686 | 26,132,521 | 31,067,423 | 28,722,521 |
| Cost of sales and services | | (87,681,932) | (55,097,393) | (66,224,832) | (56,744,073) |
| Gross profit (loss) | | 5,524,105 | (16,353,183) | (27,938,595) | (16,683,061) |
| Other income | 15 | 36,746,416 | 453,527,683 | 451,689,271 | 528,701 |
| Administrative expenses | | (64,884,588) | (30,265,234) | (58,297,600) | (28,780,905) |
| Finance costs | | (18,985,948) | (23,724,701) | (7,435,248) | (27,800,960) |
| Share of profit from investments in jointly controlled entities | 11 | 447,450,212 | 362,979,035 | - | - |
| Profit (loss) before income tax expense | | 405,850,197 | 746,163,600 | 358,017,828 | (72,736,225) |
| Tax income | 16 | 330,592 | 13,560,644 | 201,423 | 13,154,334 |
| Profit (loss) for the period | | 406,180,789 | 759,724,244 | 358,219,251 | (59,581,891) |
| Other comprehensive income: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Currency translation differences | | 28,550,996 | - | - | - |
| Total comprehensive income (expense) for the period | | 434,731,785 | 759,724,244 | 358,219,251 | (59,581,891) |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | 406,180,789 | 759,724,244 | 358,219,251 | (59,581,891) |
| Non-controlling interests | | - | - | - | - |
| | | 406,180,789 | 759,724,244 | 358,219,251 | (59,581,891) |
| Comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | 434,731,785 | 759,724,244 | 358,219,251 | (59,581,891) |
| Non-controlling interests | | - | - | - | - |
| | | 434,731,785 | 759,724,244 | 358,219,251 | (59,581,891) |
| Earnings (loss) per share | | | | | |
| Basic earnings (loss) per share | | 0.22 | 0.42 | 0.20 | (0.03) |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited)
For the nine-month period ended 30 September 2015

| | | Consolidated | | | | | | | | |
|-------|--|------------------------------------|--|---|-------------------------------------|---|---------------------------------|--------------------------------------|---------------|----------------------|
| | | called-up share capital Baht | Premium on ordinary capital Baht | Share subscription received in advance Baht | Subscription receivables Baht | Retained earnings (deficits) Baht | Other components of equity | | Total Baht | |
| Notes | Translation of financial statements Baht | | | | | | shareholders' equity Baht | Non-controlling interests Baht | | |
| | Opening balance at 1 January 2014 | 1,021,219,408 | - | 92,465,750 | (5,708,417) | (175,250,252) | - | 932,726,489 | - | 932,726,489 |
| | Retrospective adjustments due to changes in accounting policy | 4 | - | - | - | 1,844,145 | - | 1,844,145 | - | 1,844,145 |
| | Opening balance after adjustment | 1,021,219,408 | - | 92,465,750 | (5,708,417) | (173,406,107) | - | 934,570,634 | - | 934,570,634 |
| | Change in equity for the period | | | | | | | | | |
| | Called up ordinary shares | 343,780,592 | - | (92,465,750) | 5,708,417 | - | - | 257,023,259 | - | 257,023,259 |
| | Total comprehensive income for the period | - | - | - | - | 759,724,244 | - | 759,724,244 | - | 759,724,244 |
| | Closing balance at 30 September 2014 | <u>1,365,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>586,318,137</u> | <u>-</u> | <u>1,951,318,137</u> | <u>-</u> | <u>1,951,318,137</u> |
| | Opening balance at 1 January 2015 | 1,815,000,000 | 1,266,097,322 | - | - | 406,246,647 | - | 3,487,343,969 | 163,356 | 3,487,507,325 |
| | Retrospective adjustments due to changes in accounting policy | 4 | - | - | - | 1,907,095 | - | 1,907,095 | (163,356) | 1,743,739 |
| | Opening balance after adjustment | 1,815,000,000 | 1,266,097,322 | - | - | 408,153,742 | - | 3,489,251,064 | - | 3,489,251,064 |
| | Change in equity for the period | | | | | | | | | |
| | Compensation of the accumulated loss from the share premium | 19 | - | (538,543,049) | - | - | 538,543,049 | - | - | - |
| | Total comprehensive income for the period | - | - | - | - | 406,180,789 | 28,550,996 | 434,731,785 | - | 434,731,785 |
| | Closing balance at 30 September 2015 | <u>1,815,000,000</u> | <u>727,554,273</u> | <u>-</u> | <u>-</u> | <u>1,352,877,580</u> | <u>28,550,996</u> | <u>3,923,982,849</u> | <u>-</u> | <u>3,923,982,849</u> |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2015

| | Company | | | | | | |
|--|---|--|---|-------------------------------------|---|----------------------|----------------------|
| | Issued and called-up share capital | Premium on ordinary capital | Share subscription received in advance | Subscription receivables | Retained earnings (deficits) | Total | |
| | Note | Baht | Baht | Baht | Baht | Baht | |
| Opening balance at 1 January 2014 | | 1,021,219,408 | - | 92,465,750 | (5,708,417) | (200,164,354) | 907,812,387 |
| Change in equity for the period | | | | | | | |
| Called up ordinary shares | | 343,780,592 | - | (92,465,750) | 5,708,417 | - | 257,023,259 |
| Total comprehensive income for the period | | - | - | - | - | (59,581,891) | (59,581,891) |
| Closing balance at 30 September 2014 | | <u>1,365,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(259,746,245)</u> | <u>1,105,253,755</u> |
| Opening balance at 1 January 2015 | | 1,815,000,000 | 1,266,097,322 | - | - | (538,543,049) | 2,542,554,273 |
| Change in equity for the period | | | | | | | |
| Compensation of the accumulated loss from the share premium | 19 | - | (538,543,049) | - | - | 538,543,049 | - |
| Total comprehensive income for the period | | - | - | - | - | 358,219,251 | 358,219,251 |
| Closing balance at 30 September 2015 | | <u>1,815,000,000</u> | <u>727,554,273</u> | <u>-</u> | <u>-</u> | <u>358,219,251</u> | <u>2,900,773,524</u> |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2015

| | Notes | Consolidated | | Company | |
|--|-------|------------------------------|------------------------------|---------------|--------------|
| | | (Restated) | | 30 September | 30 September |
| | | 30 September 2015 Baht | 30 September 2014 Baht | 2015 Baht | 2014 Baht |
| Cash flows from operating activities | | | | | |
| Profit (loss) before income tax expense | | 405,850,197 | 746,163,600 | 358,017,828 | (72,736,225) |
| Adjustments for: | | | | | |
| Depreciation | 12 | 28,347,307 | 24,081,662 | 15,453,990 | 24,201,237 |
| Share of profit from investments in jointly controlled entities | 11 | (447,450,212) | (362,979,035) | - | - |
| Provision for employee benefits obligations | | 1,007,115 | 681,546 | 1,007,115 | 681,546 |
| Unrealised loss (gain) on exchange | | (134,032) | (1,193,502) | (8,639,401) | - |
| Fair value gain on trading securities | 8 | (493,603) | - | (493,603) | - |
| Dividends received | | (47) | - | (416,850,083) | - |
| Interest income | | (18,147,935) | (316,595) | (17,961,632) | (233,737) |
| Finance cost | | 18,985,948 | 23,724,701 | 7,435,248 | 27,800,960 |
| | | (12,035,262) | 430,162,377 | (62,030,538) | (20,286,219) |
| Changes in operating assets and liabilities | | | | | |
| Trade and other receivables | | (14,843,228) | 90,275,652 | 8,829,014 | (36,898,553) |
| Value added tax refundable | | - | - | (2,026,010) | - |
| Other current assets | | (8,602,124) | (39,204,896) | (18,646,664) | 1,233,128 |
| Other non-current assets | | (1,366,771) | (2,472,710) | 1,426,018 | (1,873,266) |
| Other payables | | 10,965,328 | 2,966,768 | 3,733,647 | (1,409,835) |
| Other current liabilities | | (40,191,049) | 457,802 | (41,122,253) | (546,213) |
| Other non-current liabilities | | - | 72,000 | - | 72,000 |
| Cash flows (used in) generated from operating activities | | (66,073,106) | 482,256,993 | (109,836,786) | (59,708,958) |
| <u>Less</u> Income tax paid | | (1,453,570) | (12,789,747) | (1,322,290) | (12,576,919) |
| Net cash (used in) generated from operating activities | | (67,526,676) | 469,467,246 | (111,159,076) | (72,285,877) |

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2015

| | Notes | Consolidated | | Company | |
|---|-------|------------------------------|--|------------------------------|------------------------------|
| | | 30 September 2015 Baht | (Restated) 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht |
| Cash flows from investing activities | | | | | |
| Increase in restricted bank deposits | | 29,585,520 | (30,950,888) | 32,637,587 | (16,633,329) |
| Pledged bank deposits | | (47,951,600) | 252,000 | (47,951,600) | 252,000 |
| Purchase of short-term investments | | (1,274,202,543) | - | (1,274,202,543) | - |
| Proceeds from disposals of short-term investments | | 1,776,667,877 | - | 1,776,667,876 | - |
| Loans made to related parties | 17 c) | (188,736,779) | - | (298,414,637) | (63,003,208) |
| Loan repayments received from related parties | 17 c) | - | - | 132,353,208 | - |
| Acquisition of subsidiary | 10 | - | (480,000,070) | (352,340,987) | (153,115,040) |
| Acquisition of other long-term investments | | (243,878,909) | - | - | - |
| Proceeds from disposals of investment property | | - | - | - | 89,000,000 |
| Acquisition of property, plant and equipment | | (342,017,561) | (374,615,492) | (12,531,107) | (2,902,908) |
| Interest received | | 20,953,027 | 238,992 | 20,809,435 | 196,708 |
| Dividends received | | 210,350,042 | - | 210,350,042 | - |
| Net cash from (used in) investing activities | | (59,230,926) | (885,075,458) | 187,377,274 | (146,205,777) |
| Cash flows from financing activities | | | | | |
| Proceed from bank overdrafts | | - | 107,343,509 | - | 107,343,509 |
| Increase in short-term loan to related party | | - | (20,000,000) | - | (20,000,000) |
| Repayment to finance lease liabilities | | (3,581,477) | (3,061,487) | (3,581,478) | (3,581,478) |
| Cash proceeds from long-term borrowings | 14.2 | 272,899,916 | 178,774,277 | - | (95,000,000) |
| Repayment to long-term borrowings | 14.2 | (77,159,079) | (95,000,000) | (20,000,000) | - |
| Cash proceeds from called-up capital | | - | 251,314,842 | - | 251,314,842 |
| Repayment to subscription receivables | | - | 5,708,417 | - | 5,708,417 |
| Interest expenses and financial service fee | | (22,422,202) | (23,472,783) | (6,834,857) | (27,467,231) |
| Net cash from (used in) financing activities | | 169,737,158 | 401,606,775 | (30,416,335) | 218,318,059 |
| Net increase (decrease) in cash and cash equivalents | | | | | |
| Cash and cash equivalents at beginning of the period | | 42,979,556 | (14,001,437) | 45,801,863 | (173,595) |
| Effect of exchange rate changes on translation of financial statements | | 7,210,028 | 22,732,097 | 4,061,247 | 6,332,998 |
| | | 28,550,996 | - | - | - |
| Cash and cash equivalents at end of the period | | 78,740,580 | 8,730,660 | 49,863,110 | 6,159,403 |

There is no significant non-cash transactions during the period.

The accompanying notes form part of this interim financial information.

1 General information

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

3199 Maleenont Tower, 16th Floor, Rama IV Rd., Klongtan, Klongtoey, Bangkok.

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

The interim consolidated and company financial information was authorised for issue by the Board of Directors on 9 November 2015.

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

2 Accounting policies

2.1 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2014 except as described in note 4.

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

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

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group.

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

| | |
|-----------------------|--|
| TAS 1 (revised 2014) | Presentation of financial statements |
| TAS 19 (revised 2014) | Employee benefits |
| TAS 27 (revised 2014) | Separate financial statements |
| TAS 28 (revised 2014) | Investments in associates and joint ventures |
| TAS 34 (revised 2014) | Interim financial reporting |
| TFRS 10 | Consolidated financial statements |
| TFRS 12 | Disclosure of interests in other entities |
| TFRS 13 | Fair value measurement |

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the group.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method. The significant impact to the group is described in Note 4.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group, except for disclosures.

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group. (Cont'd):

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

| | |
|-------------------------|--|
| TAS 2 (revised 2014) | Inventories |
| TAS 7 (revised 2014) | Statement of cash flows |
| TAS 8 (revised 2014) | Accounting policies, changes in accounting estimates and errors |
| TAS 10 (revised 2014) | Events after the reporting period |
| TAS 11 (revised 2014) | Construction contracts |
| TAS 12 (revised 2014) | Income taxes |
| TAS 17 (revised 2014) | Leases |
| TAS 18 (revised 2014) | Revenue |
| TAS 20 (revised 2014) | Accounting for government grants & disclosure of government assistance |
| TAS 21 (revised 2014) | The effects of changes in foreign exchange rates |
| TAS 23 (revised 2014) | Borrowing costs |
| TAS 24 (revised 2014) | Related party disclosures |
| TAS 26 (revised 2014) | Accounting and reporting by retirement benefit plans |
| TAS 29 (revised 2014) | Financial reporting in hyperinflationary economies |
| TAS 33 (revised 2014) | Earnings per share |
| TAS 36 (revised 2014) | Impairment of assets |
| TAS 37 (revised 2014) | Provisions, contingent liabilities and contingent assets |
| TAS 38 (revised 2014) | Intangible assets |
| TAS 40 (revised 2014) | Investment property |
| TFRS 2 (revised 2014) | Share-based payment |
| TFRS 3 (revised 2014) | Business combinations |
| TFRS 5 (revised 2014) | Non-current asset held for sale and discontinued operations |
| TFRS 6 (revised 2014) | Exploration for and evaluation of mineral resources |
| TFRS 8 (revised 2014) | Operating segments |
| TSIC 10 (revised 2014) | Government assistance - No specific relation to operating activities |
| TSIC 15 (revised 2014) | Operating leases - Incentives |
| TSIC 25 (revised 2014) | Income taxes - changes in the tax status of an entity or its shareholders |
| TSIC 27 (revised 2014) | Evaluating the substance of transactions involving the legal form of a lease |
| TSIC 29 (revised 2014) | Service concession arrangements: Disclosures |
| TSIC 31 (revised 2014) | Revenue - barter transactions involving advertising services |
| TSIC 32 (revised 2014) | Intangible assets - Web site costs |
| TFRIC 1 (revised 2014) | Changes in existing decommissioning, restoration and similar liabilities |
| TFRIC 4 (revised 2014) | Determining whether an arrangement contains a lease |
| TFRIC 5 (revised 2014) | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2014) | Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies |
| TFRIC 10 (revised 2014) | Interim financial reporting and impairment |
| TFRIC 12 (revised 2014) | Service concession arrangements |
| TFRIC 13 (revised 2014) | Customer loyalty programmes |

2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group. (Cont'd):

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

| | |
|-------------------------|--|
| TFRIC 15 (revised 2014) | Agreements for the construction of real estate |
| TFRIC 17 (revised 2014) | Distributions of non-cash assets to owners |
| TFRIC 18 (revised 2014) | Transfers of assets from customers |

New and revised accounting standards have been published by the Federation of Accounting Professions that are mandatory for annual periods beginning on or after 1 January 2016. The group has not yet early adopted these revised standards.

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

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the group.

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

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

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

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

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

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

The management has assessed and considered that the above revised standards will not have a material impact on the group.

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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 2014.

4 Change in accounting policies

Investments in associates and joint ventures

TAS 28 (revised 2014) requires for investment in associates and joint ventures to be accounted for using equity method.

The Company used the proportionate consolidated method to account for jointly controlled entities when preparing the consolidated financial statements for the year ended 31 December 2014. The Company adopted the revised TAS 28 on 1 January 2015 and applied the equity method for recognising an investment in jointly controlled entities by making retrospective adjustments to the financial statements for the year ended 31 December 2014 presented for comparative purposes. The effects on the financial statements for the year ended 31 December 2014 and financial information for the three-month and nine-month period ended 30 September 2014 are as follows:

| | Consolidated | | |
|--|--|---|-----------------------------|
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of financial positions as at 1 January 2014 | | | |
| Assets | | | |
| Cash and cash equivalents | 22,900,649 | (168,552) | 22,732,097 |
| Short-term restricted bank deposits | 14,985,719 | (14,271,840) | 713,879 |
| Trade and other receivables | 118,135,676 | (22,332,851) | 95,802,825 |
| Prepaid income tax | 10,346,068 | (10,345,613) | 455 |
| Value added tax refundable | 17,066,273 | (11,360,105) | 5,706,168 |
| Import duty refundable | 55,519,947 | (53,458,055) | 2,061,892 |
| Undue input tax | 17,562,921 | (13,990,372) | 3,572,549 |
| Other current assets | 7,068,534 | (3,206,486) | 3,862,048 |
| Long-term restricted bank deposits | 879,181 | (102,181) | 777,000 |
| Investments in jointly controlled entities | - | 354,176,184 | 354,176,184 |
| Advance payments under operating and maintenance contracts | 76,923,325 | (76,923,325) | - |
| Investment properties | 88,399,605 | - | 88,399,605 |
| Property, plant and equipment | 4,682,613,736 | (3,448,045,540) | 1,234,568,196 |
| Deferred tax assets | 190,839,323 | (80,333,838) | 110,505,485 |
| Other non-current assets | 1,575,527 | (364,613) | 1,210,914 |
| Total assets | 5,304,816,484 | (3,380,727,187) | 1,924,089,297 |

Thai Solar Energy Public Company Limited
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4 Change in accounting policies (Cont'd)

Investments in associates and joint ventures (Cont'd)

| | Consolidated | | |
|---|--|---|-----------------------------|
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of financial positions as at 1 January 2014 | | | |
| Liabilities | | | |
| Bank overdrafts and short-term borrowings from banks | 70,294,349 | - | 70,294,349 |
| Construction and other payables | 793,061,624 | (467,749,048) | 325,312,576 |
| Short-term borrowing from related parties | 20,000,000 | - | 20,000,000 |
| Current portion of finance lease liabilities | 4,105,174 | - | 4,105,174 |
| Current portion of long-term borrowings | 1,019,565,010 | (491,250,000) | 528,315,010 |
| Income tax payable | 11,930,081 | - | 11,930,081 |
| Other current liabilities | 10,935,841 | (9,345,996) | 1,589,845 |
| Finance lease liabilities | 12,614,300 | - | 12,614,300 |
| Long-term borrowings | 2,410,650,030 | (2,410,650,030) | - |
| Deferred tax liabilities | 13,664,863 | - | 13,664,863 |
| Other non-current liabilities | 5,268,723 | (3,576,258) | 1,692,465 |
| Total liabilities | 4,372,089,995 | (3,382,571,332) | 989,518,663 |
| Shareholders' equity | | | |
| Retained earnings (deficit) | (175,250,252) | 1,844,145 | (173,406,107) |
| | | | |
| | Consolidated | | |
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of comprehensive income for the three-month period ended 30 September 2014 | | | |
| Revenue from sales | 85,191,338 | (85,163,145) | 28,193 |
| Subsidy for adders | 152,024,711 | (150,751,513) | 1,273,198 |
| Management service income | 3,544,125 | 5,343,188 | 8,887,313 |
| Cost of sales and services | (76,556,504) | 54,632,363 | (21,924,141) |
| Other income | 336,766 | (116,164) | 220,602 |
| Administrative expenses | (16,741,128) | 5,563,800 | (11,177,328) |
| Finance costs | (42,483,510) | 35,874,711 | (6,608,799) |
| Share of profit from investments in jointly controlled entities | - | 134,557,139 | 134,557,139 |
| Tax income | 6,179,506 | 59,621 | 6,239,127 |
| Net profit and comprehensive income | 111,495,304 | - | 111,495,304 |
| Basic earnings per share (Baht per share) | 0.08 | - | 0.08 |

Thai Solar Energy Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
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4 Change in accounting policies (Cont'd)

Investments in associates and joint ventures (Cont'd)

| | Consolidated | | |
|--|--|---|-----------------------------|
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of comprehensive income for the nine-month period ended 30 September 2014 | | | |
| Revenue from sales | 201,397,127 | (197,189,516) | 4,207,611 |
| Subsidy for adders | 364,110,930 | (355,706,852) | 8,404,078 |
| Management service income | 10,442,208 | 15,690,313 | 26,132,521 |
| Cost of sales and services | (162,440,541) | 107,343,148 | (55,097,393) |
| Other income | 518,506,466 | (64,978,783) | 453,527,683 |
| Administrative expenses | (59,341,264) | 29,076,030 | (30,265,234) |
| Finance costs | (116,909,273) | 93,184,572 | (23,724,701) |
| Share of profit from investments in jointly controlled entities | - | 362,979,035 | 362,979,035 |
| Tax income | 3,786,298 | 9,774,346 | 13,560,644 |
| Net profit and comprehensive income | 759,551,951 | 172,293 | 759,724,244 |
| Basic earnings per share (Baht per share) | 0.58 | - | 0.58 |

| | Consolidated | | |
|--|--|---|-----------------------------|
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of financial positions as at 31 December 2014 | | | |
| Assets | | | |
| Cash and cash equivalents | 7,534,582 | (324,554) | 7,210,028 |
| Short-term restricted bank deposits | 151,764,712 | (97,115,770) | 54,648,942 |
| Short-term investments | 1,231,998,094 | - | 1,231,998,094 |
| Trade and other receivables | 197,166,765 | (137,081,338) | 60,085,427 |
| Value added tax refundable | 32,060,958 | (94,339) | 31,966,619 |
| Other current assets | 40,028,895 | (16,104,636) | 23,924,259 |
| Long-term restricted bank deposits | 121,467,440 | (117,102,440) | 4,365,000 |
| Investments in jointly controlled entities | - | 1,296,940,181 | 1,296,940,181 |
| Advance payments under operating and maintenance contracts | 69,051,265 | (69,051,265) | - |
| Investment properties | 88,399,605 | - | 88,399,605 |
| Property, plant and equipment | 4,742,184,305 | (3,544,664,354) | 1,197,519,951 |
| Deferred tax assets | 189,631,965 | (79,996,222) | 109,635,743 |
| Other non-current assets | 10,103,398 | (384,413) | 9,718,985 |
| Total assets | 6,881,391,984 | (2,764,979,150) | 4,116,412,834 |

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4 Change in accounting policies (Cont'd)

Investments in associates and joint ventures (Cont'd)

| | Consolidated | | |
|--|--|---|-----------------------------|
| | As previously reported Baht | Increase (decrease) Baht | As restated Baht |
| Statement of financial positions as at 31 December 2014 | | | |
| Liabilities | | | |
| Construction and other payables | 169,206,340 | (18,228,777) | 150,977,563 |
| Current portion of finance lease liabilities | 4,294,225 | - | 4,294,225 |
| Current portion of long-term borrowings | 424,772,416 | (322,650,000) | 102,122,416 |
| Income tax payable | 4,943,617 | (4,943,617) | - |
| Value added tax payable | 39,498,293 | (1,157,878) | 38,340,415 |
| Other current liabilities | 18,042,813 | (13,568,273) | 4,474,540 |
| Finance lease liabilities | 8,320,075 | - | 8,320,075 |
| Long-term borrowings | 2,722,020,696 | (2,406,174,344) | 315,846,352 |
| Other non-current liabilities | 2,786,184 | - | 2,786,184 |
| Total liabilities | 3,393,884,659 | (2,766,722,889) | 627,161,770 |
| Shareholders' equity | | | |
| Retained earnings | 406,246,647 | 1,907,095 | 408,153,742 |
| Non-controlling interests | 163,356 | (163,356) | - |

5 Operating segments

The Company, its subsidiaries and jointly controlled entities are principally engaged in the production and distribution of electricity generated from solar energy. The operations are carried out in Thailand (operations in Japan are not commenced yet). 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.

6 Fair value

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the group's financial assets that are measured at fair value at 30 September 2015.

| Asset | Consolidated and Company | |
|--------------------|---------------------------------|--|
| | Level 1 | |
| | Baht | |
| Trading securities | 247,279,448 | |

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Condensed Notes to Interim Financial Information (Unaudited)
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7 Restricted bank deposits

The Company has pledged bank deposits with the banks to guarantee its electricity consumption and short-term credit facilities of its subsidiaries and a company in foreign country. In addition, the Company and its subsidiaries have pledged and assigned rights in bank deposits to secure the credit facilities.

8 Short-term investments

| | Consolidated and Company | | | |
|-------------------------------------|---------------------------------|----------------------------|-------------------------|----------------------------|
| | 30 September 2015 | | 31 December 2014 | |
| | Cost Baht | Fair value Baht | Cost Baht | Fair value Baht |
| Short-term investments comprise: | | | | |
| 1. Trading securities | 246,785,845 | 247,279,448 | 135,005,000 | 135,198,094 |
| 2. Held-to-maturity investments | 482,746,915 | 482,746,915 | 1,096,800,000 | 1,096,800,000 |
| Total | 729,532,760 | 730,026,363 | 1,231,805,000 | 1,231,998,094 |
| <u>Less</u> Revaluation adjustments | - | - | - | - |
| Total short-term investments | <u>729,532,760</u> | <u>730,026,363</u> | <u>1,231,805,000</u> | <u>1,231,998,094</u> |

As at 30 September 2015, bank deposits in fixed accounts carry interests at 2.80% to 3.00% per annum (31 December 2014: 2.80% to 3.00% per annum).

During the nine-month period ended 30 September 2015, movements of trading securities are as follows:

| | Consolidated and Company |
|--|------------------------------------|
| | Trading securities Baht |
| Book value - beginning balance | 135,198,094 |
| Additions | 849,005,000 |
| Disposal | (737,417,249) |
| Change in fair value of trading securities | 493,603 |
| Book value - ending balance | <u>247,279,448</u> |

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9 Trade and other receivables

Trade and other receivables as at 30 September 2015 and 31 December 2014 comprise the following:

| | Consolidated | | Company | |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Trade accounts receivable | 18,591,006 | 4,472,351 | 175,712 | 427,226 |
| <u>Less</u> provision for impairment of trade receivables | - | - | - | - |
| Total trade accounts receivable, net | 18,591,006 | 4,472,351 | 175,712 | 427,226 |
| Amounts due from and advances to related parties (Note 17 b) | 3,335,040 | 3,176,228 | 55,293,540 | 64,323,961 |
| Dividends receivable (Note 17 b) | 253,750,045 | 47,250,004 | 253,750,045 | 47,250,004 |
| Other receivables | 3,047,514 | 5,286,844 | 2,851,086 | 5,245,968 |
| Total other receivable | 260,132,599 | 55,713,076 | 311,894,671 | 116,819,933 |
| <u>Less</u> provision for impairment of other receivables | (100,000) | (100,000) | (100,000) | (100,000) |
| Total other receivables, net | 260,032,599 | 55,613,076 | 311,794,671 | 116,719,933 |
| Total trade and other receivable | 278,623,605 | 60,085,427 | 311,970,383 | 117,147,159 |

Outstanding trade accounts receivable can be analysed as follows:

| | Consolidated | | Company | |
|---------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Current | 18,591,006 | 4,472,351 | 175,712 | 427,226 |

10 Investments in subsidiaries

10.1 Movements of investments in subsidiaries

| | Company Baht |
|--|-------------------------|
| For the nine-month period ended 30 September 2015 | |
| Opening net book amount | 176,194,963 |
| Acquisitions during the period | 352,340,987 |
| | <hr/> |
| Closing net book amount | 528,535,950 |
| | <hr/> <hr/> |

Investments in TSE Group International Pte. Ltd.

On 11 February 2015, the Company has established TSE Group International Pte. Ltd., which was incorporated in Singapore for the purposes to invest in renewable energy businesses in other countries. The investment totaling Baht 320 million represents 100 percent of ordinary shares of such company.

Investments in TSE Rooftop Co., Ltd.

On 18 June 2015, the Company made additional payment for the remaining called-up capital of TSE Rooftop Co., Ltd. amounting to Baht 6 million.

Investment in Solar Visible Co., Ltd.

The Company made additional payment for the remaining called-up capital of Solar Visible Co., Ltd. amounting to Baht 1 million during the second quarter of 2015 and Baht 25 million during the third quarter of 2015.

Investments in Solar Community Co., Ltd.

On 8 April 2015, the Group has established Solar Community Company Limited for the purpose of operating the electricity generation from solar power and electricity distribution. The investment totaling Baht 0.25 million represents 100 percent of ordinary shares of such Company.

Investments in Ibaraki Ushiku 1 GK

In the second quarter of 2015, the Group invested in 100 percent of ordinary shares of Ibaraki Ushiku 1GK for the purpose of land leasing. The investment totaling Baht 0.003 million represents 100 percent of ordinary shares of such Company.

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Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2015

10 Investments in subsidiaries (Cont'd)

10.2 Details of investment in subsidiaries

Details of investments are as follows:

| | Business | Country of incorporation | % Ownership interest | |
|--|---|--------------------------|----------------------|------------------|
| | | | 30 September 2015 | 31 December 2014 |
| Subsidiaries directly held by the Company | | | | |
| TSE Rooftop Co., Ltd. | Investment | Thailand | 100 | 100 |
| Solar Visible Co., Ltd. ("Formerly TSE Operations Co., Ltd.") | Provision of maintenance service for power plants | Thailand | 100 | 100 |
| TSE Group International. Pte Ltd. | Investment | Singapore | 100 | - |
| Subsidiaries held by TSE Rooftop Co., Ltd. | | | | |
| Green Rooftop Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| North Rooftop Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Lucky Solar Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Champ Energy Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Roof Energy Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Subsidiaries held by Solar Visible Co., Ltd | | | | |
| Thai Community Energy Co., Ltd. ("Formerly Win Win Investment Co., Ltd.") | Production and distribution of electricity | Thailand | 100 | 100 |
| World Solar Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Sun Future Co., Ltd. ("Formerly Home Rooftop Co., Ltd.") | Production and distribution of electricity | Thailand | 100 | 100 |
| The Solar Earth Co., Ltd. ("Formerly Central Rooftop Co., Ltd.") | Production and distribution of electricity | Thailand | 100 | 100 |
| Clean Solar Co., Ltd. | Production and distribution of electricity | Thailand | 100 | 100 |
| Solar Community Co., Ltd. | Production and distribution of electricity | Thailand | 100 | - |
| Subsidiaries held by TSE Group International. Pte Ltd. | | | | |
| Ibaraki Ushiku 1 GK | Land lease | Japan | 100 | - |

11 Investments in jointly controlled entities

11.1 Movements of investments in jointly controlled entities

| | Consolidated Baht | Company Baht |
|--|------------------------------|-------------------------|
| For the nine-month period ended 30 September 2015 | | |
| Opening net book amount | 1,296,940,181 | 350,000,130 |
| Share of profit | 447,450,212 | - |
| Dividends received | (416,850,036) | - |
| Closing net book amount | <u>1,327,540,357</u> | <u>350,000,130</u> |

As at 30 September 2015, Thai Solar Renewable Company Limited has pledged share certificates of investments in Siam Solar Energy 1 Company Limited, its subsidiary, amounting to Baht 1,080 million (31 December 2014: Baht 1,080 million) as collateral for its subsidiary's credit facilities granted by a commercial bank. In addition, Siam Solar Energy 1 Company Limited has mortgaged land with construction thereon and machinery with a total net book value of Baht 5,731 million (31 December 2014: Baht 5,904 million) (the Company's proportion: Baht 3,439 million, 31 December 2014: Baht 3,542 million) and pledged bank deposits amounting to Baht 581 million (31 December 2014: Baht 357 million) (the Company's proportion: Baht 349 million, 31 December 2014: Baht 214 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.

Assets, liabilities, revenue and expenses of jointly controlled entities as at 30 September 2015 and for the nine-month period then ended are as follows:-

| | 30 September 2015 Baht |
|-------------------------|---------------------------------------|
| Non-current assets | 3,621,670,372 |
| Current assets | 414,998,881 |
| Total assets | <u>4,036,669,253</u> |
| Non-current liabilities | 2,164,184,071 |
| Current liabilities | 626,636,923 |
| Total liabilities | <u>2,790,820,994</u> |
| Net assets | <u>1,245,848,259</u> |
| Revenue | 714,991,683 |
| Expenses | 266,342,257 |

11 Investments in jointly controlled entities (Cont'd)

11.2 Details of investment in jointly controlled entities

Details of investments are as follows:

| | Business | Country of incorporation | % Ownership interest | |
|---|--|--------------------------|----------------------|------------------|
| | | | 30 September 2015 | 31 December 2014 |
| 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.* | Production and distribution of electricity | Thailand | 60 | 60 |

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

12 Property, plant and equipment

Property, plant and equipment for the nine-month period ended 30 September 2015 have the following movement:

| | Consolidated Baht | Company Baht |
|--|----------------------|--------------------|
| For the nine-month period ended 30 September 2015 | | |
| Opening net book amount | 1,197,519,951 | 609,746,587 |
| Additions | 227,822,731 | 12,518,365 |
| Capitalised borrowing costs | 3,367,629 | - |
| Depreciation | (28,347,307) | (15,453,990) |
| Closing net book amount | <u>1,400,363,004</u> | <u>606,810,962</u> |

Capital commitments

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

| | Currency | Consolidated | | Company | |
|-------------|----------|-------------------|------------------|-------------------|------------------|
| | | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 |
| Power plant | Baht | - | 69,448,758 | - | - |
| Machinery | Euro | 51,503 | - | 51,503 | - |

As at 30 September 2015, the Company had vehicles under hire purchase agreements with net book value amounting to Baht 16 million (31 December 2014: Baht 18 million).

The Company and its subsidiaries have pledged assets with the net book value amounting to Baht 1,085 million (31 December 2014: Baht 1,042 million) (Company: Baht 575 million, 31 December 2014: Baht 588 million) as collateral against credit facilities received from the commercial bank.

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12 Property, plant and equipment (Cont'd)

Capital commitments (Cont'd)

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.

13 Construction and other payables

| | Consolidated | | Company | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Amounts due to related parties (Note 17 b) | - | - | - | 110,687 |
| Construction payables and retention guarantee | 12,175,628 | 124,973,063 | 39,300 | 116,645 |
| Other payables | 2,488,627 | 5,747,310 | 1,759,348 | 3,811,088 |
| Accrued expenses | 32,919,268 | 20,257,190 | 16,136,532 | 10,340,395 |
| | <u>47,583,523</u> | <u>150,977,563</u> | <u>17,935,180</u> | <u>14,378,815</u> |

14 Borrowings

14.1 Finance lease liabilities

The present value of finance lease liabilities is as follows:

| | Consolidated | | Company | |
|--|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Not later than 1 year | 4,441,367 | 4,294,225 | 4,441,367 | 4,294,225 |
| Later than 1 year but not later than 5 years | 4,970,435 | 8,320,075 | 4,970,435 | 8,320,075 |
| Total | <u>9,411,802</u> | <u>12,614,300</u> | <u>9,411,802</u> | <u>12,614,300</u> |

14.2 Long-term borrowing

| | Consolidated | | Company | |
|--|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Current portion of long-term borrowing | 87,769,166 | 102,122,416 | 39,662,264 | 39,663,187 |
| Long-term borrowing payable between 1 to 5 years | 525,523,340 | 315,846,352 | 133,241,478 | 152,988,637 |
| Total | <u>613,292,506</u> | <u>417,968,768</u> | <u>172,903,742</u> | <u>192,651,824</u> |

14 Borrowings (Cont'd)

14.2 Long-term borrowing (Cont'd)

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

| | Consolidated Baht | Company Baht |
|---|------------------------------|-------------------------|
| For the nine-month period ended 30 September 2015 | | |
| Opening amount as at 1 January 2015 | 417,968,768 | 192,651,824 |
| Additional borrowings | 272,899,916 | - |
| Repayment of borrowings | (77,159,079) | (20,000,000) |
| Financial service fee | (1,146,200) | - |
| Amortisation for financial service fee | 729,101 | 251,918 |
| Closing amount as at 30 September 2015 | <u>613,292,506</u> | <u>172,903,742</u> |

Subsidiaries entered into long-term loan agreements with a local commercial bank to obtain a loan facility of Baht 527 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 487 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 and the long-term loans of Baht 8 Million are repayable within September 2016.

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 provided 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.

14.3 Borrowing facilities

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

| | Consolidated | | Company | |
|--------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Floating rate | | | | |
| Expiring beyond one year | 21,425,569 | 165,594,993 | - | - |

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

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15 Other income

| | Consolidated | | Company | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 30 September 2015 | 30 September 2014 | 30 September 2015 | 30 September 2014 |
| For the three-month period ended | Baht | Baht | Baht | Baht |
| Dividends income (Note 17 a) | 24 | - | 253,750,045 | - |
| Rental income | 363,342 | - | 363,342 | - |
| Service income | 99,904 | 18,000 | 99,904 | 18,000 |
| Interest income | 3,267,158 | 69,497 | 3,225,250 | 32,039 |
| Realised gain on foreign exchange | 9,114,115 | 103,581 | 9,114,115 | 1,298 |
| Fair value gain on trading securities | 580,476 | - | 580,476 | - |
| Other income | 923,690 | 29,524 | 841,344 | 29,524 |
| | <u>14,348,709</u> | <u>220,602</u> | <u>267,974,476</u> | <u>80,861</u> |

| | Consolidated | | Company | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 30 September 2015 | 30 September 2014 | 30 September 2015 | 30 September 2014 |
| For the nine-month period ended | Baht | Baht | Baht | Baht |
| Dividends income (Note 17 a) | 47 | - | 416,850,083 | - |
| Gain on changes in status of investments | - | 450,000,000 | - | - |
| Rental income | 1,055,909 | 180,000 | 1,055,909 | 180,000 |
| Service income | 364,109 | 18,000 | 364,109 | 18,000 |
| Interest income | 18,147,935 | 316,603 | 17,961,632 | 233,737 |
| Gain on disposal of assets | 3,202 | - | - | - |
| Realised gain on foreign exchange | 10,711,275 | 2,919,777 | 9,221,423 | 3,664 |
| Fair value gain on trading securities | 2,076,354 | - | 2,076,354 | - |
| Other income | 4,387,585 | 93,303 | 4,159,761 | 93,300 |
| | <u>36,746,416</u> | <u>453,527,683</u> | <u>451,689,271</u> | <u>528,701</u> |

16 Promotional privileges and income tax

Promotional privileges

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

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

The Company's and its subsidiaries' operating revenue from sales and subsidy for adders as per the statements of comprehensive income for the nine-month periods ended 30 September 2015 and 2014 wholly derive from promoted operations.

Income tax

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 0.08%.

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17 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 Company Limited and individual shareholders. The significant investments in subsidiaries, and jointly controlled entities are set out in note 10 and note 11.

The following material transactions were carried out with related parties:

a) Sales of goods and services

| For the three-month period ended | Consolidated | | Company | |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 30 September 2015 Baht | 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht |
| Subsidiaries | | | | |
| Management service income | - | - | 1,249,839 | - |
| Operation and maintenance income | - | - | 357,097 | 18,000 |
| | - | - | 1,606,936 | 18,000 |
| Jointly controlled entity | | | | |
| Management service income | 9,350,578 | 8,905,312 | 9,350,578 | 8,905,312 |
| Rental income | 108,000 | - | 108,000 | - |
| Dividends income | 24 | - | 253,750,045 | - |
| | 9,458,602 | 8,905,312 | 263,208,623 | 8,905,312 |
| Related parties | | | | |
| Rental income | 69,472 | - | 69,472 | - |
| Service income | 46,315 | - | 46,315 | - |
| Other income | 7,161 | 11,473 | 7,161 | 11,473 |
| | 122,948 | 11,473 | 122,948 | 11,473 |
| | | | | |
| For the nine-month period ended | Consolidated | | Company | |
| | 30 September 2015 Baht | 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht |
| Subsidiaries | | | | |
| Management service income | - | - | 2,791,737 | 2,572,000 |
| Operation and maintenance income | - | - | 817,639 | 18,000 |
| | - | - | 3,609,376 | 2,590,000 |
| Jointly controlled entity | | | | |
| Management service income | 27,458,047 | 26,150,521 | 27,458,047 | 26,150,521 |
| Rental income | 324,000 | 180,000 | 324,000 | 180,000 |
| Other income | 712,402 | - | 712,403 | - |
| Dividends income | 47 | - | 416,850,083 | - |
| | 28,494,496 | 26,330,521 | 445,344,533 | 26,330,521 |
| Related parties | | | | |
| Rental income | 138,944 | - | 138,944 | - |
| Service income | 92,630 | - | 92,630 | - |
| Other income | 22,882 | 35,102 | 22,882 | 35,102 |
| | 254,456 | 35,102 | 254,456 | 35,102 |

17 Related party transactions (Cont'd)

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

| | Consolidated | | Company | |
|--|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Amounts due from and advances to related parties (Note 9) | | | | |
| Subsidiaries | - | - | 51,958,500 | 61,147,733 |
| Jointly controlled entity | 3,335,040 | 3,176,228 | 3,335,040 | 3,176,228 |
| | <u>3,335,040</u> | <u>3,176,228</u> | <u>55,293,540</u> | <u>64,323,961</u> |
| Dividends receivable (Note 9) | | | | |
| Jointly controlled entity | <u>253,750,045</u> | <u>47,250,004</u> | <u>253,750,045</u> | <u>47,250,004</u> |
| Amounts due to related parties (Note 13) | | | | |
| Subsidiaries | <u>-</u> | <u>-</u> | <u>-</u> | <u>110,687</u> |

c) Short-term loans to related parties

Subsidiaries

| | Company | |
|----------------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht |
| Short-term loans to subsidiaries | <u>243,020,006</u> | <u>68,453,208</u> |
| Total | <u>243,020,006</u> | <u>68,453,208</u> |

Movements in loans to subsidiaries are analysed as follows:

| | Company Baht |
|--|--------------------|
| For the nine-month period ended 30 September 2015 | |
| Opening net book amount | 68,453,208 |
| Addition | 298,414,637 |
| Repayment of borrowings | (132,353,208) |
| Foreign currency translation differences | 8,505,369 |
| Closing net book amount | <u>243,020,006</u> |

Loans to subsidiaries are in form of promissory notes with maturity within June 2016 and there is no interest thereon.

17 Related party transactions (Cont'd)

c) Short-term loans to related parties

Related parties

| | Consolidated | |
|-------------------------------------|---------------------------------------|--------------------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht |
| Short-term loans to related parties | 188,736,779 | - |

The short-term loans to subsidiaries are provided with an interest rate of 1.5% per annum and there is no specified repayment date.

d) Key management compensation

| | Consolidated | | Company | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 30 September 2015 Baht | 30 September 2014 Baht | 30 September 2015 Baht | 30 September 2014 Baht |
| For the three-month period ended | | | | |
| Short-term employee benefits | 8,096,750 | 4,952,750 | 8,096,750 | 4,952,750 |
| Post-employment benefits | 304,255 | 237,659 | 304,255 | 237,659 |
| | <u>8,401,005</u> | <u>5,190,409</u> | <u>8,401,005</u> | <u>5,190,409</u> |
| For the nine-month period ended | | | | |
| Short-term employee benefits | 21,405,250 | 15,278,500 | 21,405,250 | 15,278,500 |
| Post-employment benefits | 829,931 | 697,261 | 829,931 | 697,261 |
| | <u>22,235,181</u> | <u>15,975,761</u> | <u>22,235,181</u> | <u>15,975,761</u> |

18 Commitments and contingencies

18.1 Power purchase agreements

As at 30 September 2015, 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 2014: 25 agreements) (Company: 1 agreement, 31 December 2014: 1 agreement). Currently, the Company, its subsidiaries and its jointly controlled entity have commenced their production and distribution of electricity for the PEA under 24 power purchase agreements (Company: 1 agreement).

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

The power purchase agreements require 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.

18.2 Operating lease commitments - where the Group is the lessee

- a) The Company, its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles, equipment and the lease of rooftop space and other building space in order to install solar cells. The terms of the agreements are generally between 3 and 26 years.

As at 30 September 2015 and 31 December 2014, future minimum lease payments required under these operating lease contracts were as follows

| | Consolidated | | Company | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | 30 September 2015 Baht | 31 December 2014 Baht | 30 September 2015 Baht | 31 December 2014 Baht |
| Not later than 1 year | 21,112,248 | 11,387,574 | 4,632,200 | 1,949,320 |
| Later than 1 year but not later than 5 years | 74,211,376 | 37,507,388 | 7,587,200 | 1,779,100 |
| Later than 5 years | 329,318,869 | 169,380,523 | - | - |
| | <u>424,642,493</u> | <u>218,275,485</u> | <u>12,219,400</u> | <u>3,728,420</u> |

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

- b) 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.

18 Commitments and contingencies (Cont'd)

18.2 Operating lease commitments - where the Group is the lessee (Cont'd)

- c) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 3 million per annum (in proportionate of the Company's interest in the jointly controlled entity) for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the nine-month period ended 30 September 2015 amounting to approximately Baht 2 million (30 September 2014: Baht 2 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 and maintenance agreements of three power plants with a company, amounting to approximately Baht 120 million per annum (31 December 2014: Baht 138 million per annum) for the period of 10 years from the commercial operation dates.
- 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 (in proportionate of the Company's interest in the jointly controlled entity) for the period of 10 years from the commercial operation date.
- 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 2014: 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.

18.3 Guarantees

- a) The Company has provided guarantees for bank credit facilities of its subsidiaries amounting to Baht 532 million (31 December 2014: Baht 397 million).
- b) The Company has provided guarantees for bank credit facilities of its related parties amounting to Baht 52 million (31 December 2014: nil).
- c) As at 30 September 2015, there were outstanding bank guarantees of approximately Baht 8 million (31 December 2014: Baht 11 million) (Company: Baht 4 million, 31 December 2014: Baht 7 million) issued by banks on behalf of the Company, its subsidiaries in respect of certain performance bonds as required in the normal course of business.

18.4 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 rejudge. 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.

19 Compensation of the accumulated loss

At the Annual General Meeting of shareholders held on 29 April 2015, resolution was passed to approve the compensation of the accumulated loss of Baht 538.54 million from the share premium of Baht 1,266.10 million. Upon the compensation, the Company will have no accumulated loss with the remaining share premium of Baht 727.55 million.

20 Issuance of debenture

At the Annual General Meeting of shareholders held on 29 April 2015, resolution was passed to approve the issuance of debenture amounting up to Baht 3,000 million for operation funding, business expansion and refinancing by authorising the Board of Directors and/or any authorised person designated by the Board of Directors to determine or revise terms and conditions in connection with the issuance and offering of debenture in all kinds/types including to have the power to act as necessary relating to such issuance and offering of debenture in order to complete the transactions and comply with applicable laws.