

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company financial statements of Thai Solar Energy Public Company Limited and its subsidiaries and of Thai Solar Energy Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Thai Solar Energy Public Company Limited and its subsidiaries and of Thai Solar Energy Public Company Limited as at 31 December 2015, and the consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to Note 4 to the consolidated and company financial statements which describes the effects on the financial statements for the year ended 31 December 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 opinion is not qualified in respect of this matter.

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

Bangkok
29 February 2016

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

**CONSOLIDATED AND
COMPANY FINANCIAL STATEMENTS**

31 DECEMBER 2015

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 31 December 2015

	Notes	Consolidated			Company	
		31 December 2015	(Restated)		31 December 2015	31 December 2014
			31 December 2014	1 January 2014		
		Baht	Baht	Baht	Baht	Baht
Assets						
Current assets						
Cash and cash equivalents	8	337,425,538	7,210,028	22,732,097	241,190,936	4,061,247
Restricted bank deposits	9	25,091,922	54,648,942	713,879	551,565	36,557,183
Short-term investments	10	566,807,209	1,231,998,094	-	566,807,209	1,231,998,094
Trade and other receivables	11	47,559,313	63,496,489	99,437,323	77,940,169	119,669,738
Short-term loans to subsidiaries	27 c)	-	-	-	240,399,141	68,453,208
Value added tax refundable		41,490,867	31,966,619	5,706,168	1,806,954	-
Other current assets	12	5,227,588	20,513,197	5,862,446	3,188,051	2,007,924
Total current assets		<u>1,023,602,437</u>	<u>1,409,833,369</u>	<u>134,451,913</u>	<u>1,131,884,025</u>	<u>1,462,747,394</u>
Non-current assets						
Long-term restricted bank deposits	9	159,131,000	4,365,000	777,000	159,131,000	4,365,000
Investments in subsidiaries	13	-	-	-	596,013,731	176,194,963
Investments in joint ventures	13	1,476,668,878	1,296,940,181	354,176,184	350,000,130	350,000,130
Investment properties	14	88,399,605	88,399,605	88,399,605	88,399,605	88,399,605
Property, plant and equipment	15	1,977,474,403	1,197,519,951	1,234,568,196	602,246,468	609,746,587
Deferred tax assets	16	105,985,368	109,635,743	110,505,485	105,273,108	109,067,611
Intangible assets		3,621,380	2,604,454	480,314	3,604,897	2,581,980
Other non-current assets		9,511,637	7,114,531	730,600	3,328,099	4,278,826
Total non-current assets		<u>3,820,792,271</u>	<u>2,706,579,465</u>	<u>1,789,637,384</u>	<u>1,907,997,038</u>	<u>1,344,634,702</u>
Total assets		<u>4,844,394,708</u>	<u>4,116,412,834</u>	<u>1,924,089,297</u>	<u>3,039,881,063</u>	<u>2,807,382,096</u>

Director _____ Director _____

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2015

	Notes	Consolidated			Company	
		(Restated)			31 December 2015	31 December 2014
		31 December 2015	31 December 2014	1 January 2014		
		Baht	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term borrowings from financial institutions		152,949,889	-	70,294,349	-	-
Construction and other payables	17	34,506,196	150,977,563	325,312,576	4,056,427	14,378,815
Current portion of finance lease liabilities	18.1	4,491,620	4,294,225	4,105,174	4,491,620	4,294,225
Current portion of long-term borrowings	18.2	88,749,767	102,122,416	528,315,010	39,662,264	39,663,187
Income tax payable		67,921	-	11,930,081	-	-
Value added tax payable		-	38,340,415	-	-	38,340,415
Other current liabilities		3,662,941	4,474,540	21,589,846	2,441,805	4,056,285
Total current liabilities		284,428,334	300,209,159	961,547,036	50,652,116	100,732,927
Non-current liabilities						
Finance lease liabilities	18.1	3,828,455	8,320,075	12,614,300	3,828,454	8,320,075
Long-term borrowings	18.2	511,679,685	315,846,352	-	113,326,373	152,988,637
Employee benefit obligation	19	4,056,985	2,714,184	1,692,465	4,056,985	2,714,184
Deferred tax liability	16	-	-	13,664,863	-	-
Other non-current liabilities		72,000	72,000	-	72,000	72,000
Total non-current liabilities		519,637,125	326,952,611	27,971,628	121,283,812	164,094,896
Total liabilities		804,065,459	627,161,770	989,518,664	171,935,928	264,827,823
Shareholders' equity						
Share capital						
Authorised share capital						
Ordinary shares 1,815,000,000 shares of par Baht 1 each	20	1,815,000,000	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	1,021,219,408	1,815,000,000	1,815,000,000
Premium on ordinary shares	20	727,554,273	1,266,097,322	-	727,554,273	1,266,097,322
Share subscriptions received in advance		-	-	92,465,750	-	-
Subscriptions receivable		-	-	(5,708,417)	-	-
Retained earnings (deficits)		1,473,294,160	408,153,742	(173,406,108)	325,390,862	(538,543,049)
Other components of equity		24,478,025	-	-	-	-
Equity attributable to owners of the parent		4,040,326,458	3,489,251,064	934,570,633	2,867,945,135	2,542,554,273
Non-controlling interests		2,791	-	-	-	-
Total shareholders' equity		4,040,329,249	3,489,251,064	934,570,633	2,867,945,135	2,542,554,273
Total liabilities and shareholders' equity		4,844,394,708	4,116,412,834	1,924,089,297	3,039,881,063	2,807,382,096

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	Consolidated (Restated)		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue from sales		87,650,343	11,538,358	2,820,808	4,458,818
Subsidy for adders		4,403,520	7,288,320	4,403,520	7,288,320
Management service income		36,808,625	35,055,833	42,276,388	38,666,172
Cost of sales and services		(119,549,722)	(88,237,060)	(86,917,359)	(88,466,707)
Gross profit (loss)		9,312,766	(34,354,549)	(37,416,643)	(38,053,397)
Other income	21	40,177,324	458,090,965	453,729,869	54,182,341
Administrative expenses		(87,957,880)	(85,944,130)	(77,423,236)	(84,238,148)
Loss on impairment of property, plant and equipment	15	-	(250,000,000)	-	(250,000,000)
Finance costs	23	(27,847,171)	(29,279,220)	(9,704,625)	(32,740,976)
Share of profit from investments in joint ventures	13.1	596,578,734	510,013,931	-	-
Profit (loss) before income tax		530,263,773	568,526,997	329,185,365	(350,850,180)
Tax income (expense)	24	(3,666,404)	12,795,121	(3,794,503)	12,233,753
Profit (loss) for the year		526,597,369	581,322,118	325,390,862	(338,616,427)
Other comprehensive income for the year:					
Items that will be reclassified subsequently to profit or loss					
Currency translation differences		24,478,025	-	-	-
Actuarial gains		-	237,732	-	237,732
Total comprehensive income (expense) for the year		<u>551,075,394</u>	<u>581,559,850</u>	<u>325,390,862</u>	<u>(338,378,695)</u>
Profit (loss) attributable to:					
Owners of the parent		526,594,578	581,322,118	325,390,862	(338,616,427)
Non-controlling interests		2,791	-	-	-
		<u>526,597,369</u>	<u>581,322,118</u>	<u>325,390,862</u>	<u>(338,616,427)</u>
Comprehensive income (expense) attributable to:					
Owners of the parent		551,075,394	581,559,850	325,390,862	(338,378,695)
Non-controlling interests		-	-	-	-
		<u>551,075,394</u>	<u>581,559,850</u>	<u>325,390,862</u>	<u>(338,378,695)</u>
Earnings (loss) per share	26				
Basic earnings (loss) per share		<u>0.30</u>	<u>0.41</u>	<u>0.18</u>	<u>(0.24)</u>

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

Consolidated									
Attributable to shareholders of parent									
Notes	Called-up share capital Baht	Premium on ordinary capital Baht	Share subscriptions received in advance Baht	Subscriptions receivable Baht	Retained earnings (deficits) Baht	Other components of equity	Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
						Translation of financial statements 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	-	-	-	1,844,144	-	1,844,144	-	1,844,144
Opening balance after adjustment	1,021,219,408	-	92,465,750	(5,708,417)	(173,406,108)	-	934,570,633	-	934,570,633
Change in equity for the year									
Issued ordinary shares	793,780,592	1,266,097,322	(92,465,750)	5,708,417	-	-	1,973,120,581	-	1,973,120,581
Total comprehensive income for the year	-	-	-	-	581,559,850	-	581,559,850	-	581,559,850
Closing balance at 31 December 2014	<u>1,815,000,000</u>	<u>1,266,097,322</u>	<u>-</u>	<u>-</u>	<u>408,153,742</u>	<u>-</u>	<u>3,489,251,064</u>	<u>-</u>	<u>3,489,251,064</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 year									
Compensation of the accumulated loss with share premium	20	(538,543,049)	-	-	538,543,049	-	-	-	-
Total comprehensive income for the year	-	-	-	-	526,597,369	24,478,025	551,075,394	2,791	551,078,185
Closing balance at 31 December 2015	<u>1,815,000,000</u>	<u>727,554,273</u>	<u>-</u>	<u>-</u>	<u>1,473,294,160</u>	<u>24,478,025</u>	<u>4,040,326,458</u>	<u>2,791</u>	<u>4,040,329,249</u>

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Changes in Shareholders' Equity (Cont'd)
For the year ended 31 December 2015

	Company					
	Issued and called-up share capital	Premium on Share ordinary capital	Subscriptions received in advance	Subscriptions receivable	Retained earnings (deficits)	Total
	Baht	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 year						
Issued ordinary shares	793,780,592	1,266,097,322	(92,465,750)	5,708,417	-	1,973,120,581
Total comprehensive income for the year	-	-	-	-	(338,378,695)	(338,378,695)
Closing balance at 31 December 2014	<u>1,815,000,000</u>	<u>1,266,097,322</u>	<u>-</u>	<u>-</u>	<u>(538,543,049)</u>	<u>2,542,554,273</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 year						
Compensation of the accumulated loss with share premium	20	-	(538,543,049)	-	538,543,049	-
Total comprehensive income for the year	-	-	-	-	325,390,862	325,390,862
Closing balance at 31 December 2015	<u>1,815,000,000</u>	<u>727,554,273</u>	<u>-</u>	<u>-</u>	<u>325,390,862</u>	<u>2,867,945,135</u>

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2015

		Consolidated		Company	
		(Restated)			
	Notes	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		530,263,773	568,526,997	329,185,365	(350,850,180)
Adjustments for:					
Depreciation	15	41,898,950	34,027,453	20,770,011	32,213,674
Share of profit from investments in joint ventures	13.1	(596,578,734)	(510,013,931)	-	-
Gain on disposal of equipment		-	(560,746)	-	(560,746)
Provision for employee benefits obligations	19	1,342,801	1,259,451	1,342,801	1,259,451
Loss from impairment of assets		-	250,000,000	-	250,000,000
Unrealised gain on exchange		(20,314)	(1,260,903)	(5,904,816)	(20,370)
Fair value gain on trading securities	10	(399,969)	-	(399,969)	(198,094)
Loss from writing-off of equipment		2,491	-	2,491	-
Dividends received	21	(47)	-	(416,850,084)	(47,250,004)
Interest income	21	(22,038,405)	(5,869,652)	(21,770,406)	(5,824,147)
Finance cost	23	27,847,172	29,279,220	9,704,625	32,740,976
		(17,682,282)	365,387,889	(83,919,982)	(88,489,440)
Changes in operating assets and liabilities					
Trade and other receivables		(33,869,808)	88,268,924	(8,086,603)	(45,924,974)
Value added tax refundable		-	-	(1,806,954)	-
Other current assets		7,711,558	(40,661,632)	620,044	1,005,676
Other non-current assets		(3,414,032)	(8,508,070)	(72,191)	(5,678,358)
Other payables		793,001	15,255,555	(10,453,353)	4,310,122
Other current liabilities		(39,152,016)	41,225,110	(39,954,895)	40,980,694
Other non-current liabilities		-	(165,732)	-	72,000
Cash flows (used in) generated from operating activities		(85,613,579)	460,802,044	(143,673,934)	(93,724,280)
<u>Less</u> Income tax paid		(1,898,302)	(11,941,919)	(1,800,171)	(12,996,585)
Net cash (used in) generated from operating activities		(87,511,881)	448,860,125	(145,474,105)	(106,720,865)

The accompanying notes are an integral of these consolidates and company financial statements.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2015

		Consolidated		Company	
		(Restated)			
	Notes	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from investing activities					
Decrease (increase) in restricted bank deposits		29,557,020	(53,935,063)	36,005,617	(35,843,303)
Decrease (increase) in long-term restricted deposits		(154,766,000)	(3,588,000)	(154,766,000)	(3,588,000)
Purchase of short-term investments	10	(1,396,904,836)	(1,231,998,094)	(1,396,904,836)	(1,231,800,000)
Proceeds from disposals of short-term investments	10	2,062,495,690	-	2,062,495,690	-
Short-term loans made to subsidiaries	27 c)	-	-	(298,414,637)	(124,136,541)
Short-term loan repayments received from subsidiaries	27 c)	-	-	132,353,208	55,683,333
Acquisition of subsidiary	13.2	-	(480,000,070)	(419,818,768)	(153,115,040)
Proceeds from disposals of investment property		-	-	-	89,000,000
Proceeds from disposals of property, plant and equipment		-	560,747	-	-
Acquisition of property, plant and equipment		(936,042,165)	(434,834,218)	(13,108,036)	(2,366,578)
Interest received		24,595,387	791,565	24,336,573	773,004
Dividends received		464,100,087	-	464,100,087	-
Net cash from (used in) investing activities		93,035,183	(2,203,003,133)	436,278,898	(1,405,393,125)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		152,949,889	(70,294,349)	-	(70,294,349)
Increase in short-term loan from related party		-	(20,000,000)	-	(20,000,000)
Repayment to finance lease liabilities		(4,775,304)	(4,105,174)	(4,775,304)	(4,775,304)
Cash proceeds from long-term borrowings	18.2	290,620,010	231,784,969	-	-
Repayment to long-term borrowings	18.2	(107,935,535)	(338,767,500)	(40,000,000)	(336,000,000)
Cash proceeds from issuance of shares		-	2,059,877,913	-	2,059,877,913
Non-controlling interests		2,791	-	-	-
Share subscriptions received in advance		-	(92,465,750)	-	(92,465,750)
Received from subscriptions receivable		-	5,708,417	-	5,708,418
Interest expenses and financial service fee		(30,647,668)	(33,117,587)	(8,899,800)	(32,208,689)
Net cash from (used in) financing activities		300,214,183	1,738,620,939	(53,675,104)	1,509,842,239
Net increase (decrease) in cash and cash equivalents		305,737,485	(15,522,069)	237,129,689	(2,271,751)
Cash and cash equivalents at beginning of the year		7,210,028	22,732,097	4,061,247	6,332,998
Effect of exchange rate changes on translation of financial statements		24,478,025	-	-	-
Cash and cash equivalents at end of the year		337,425,538	7,210,028	241,190,936	4,061,247

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

The accompanying notes are an integral of these consolidates and company financial statements.

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. Its parent company is P.M. Energy Company Limited (incorporated in Thailand) (“Parent Company”). The address of the Company’s registered office is as follows:

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

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

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

These consolidated and company financial statements have been approved for issue by the Board of Directors on 29 February 2016.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except trading investments as disclosed in accounting policy.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

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.

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.

a) Financial reporting standards, which have a significant 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.

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

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 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
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 financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group and are not early adopted

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

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

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

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

2 Accounting policies (Cont'd)

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

New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group and are not early adopted (Cont'd)

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

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

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

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

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell.

The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

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's operations.

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.

2 Accounting policies (Cont'd)

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

New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group and are not early adopted (Cont'd)

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

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

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

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

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs

2 Accounting policies (Cont'd)

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

New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group and are not early adopted
(Cont'd)

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

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

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures (Cont'd)

(1) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures (Cont'd)

(4) Joint arrangements

The group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group. The change in accounting policy has been applied as from 1 January 2015.

The effects of the change in accounting policies on the financial position, comprehensive income and the cash flows of the group at 1 January 2014 and 31 December 2014 are shown in note 4). The change in accounting policy has had no impact on earnings per share.

List of joint ventures are disclosed in note 13.1).

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Restricted bank deposits

Restricted bank deposits means all types of bank deposits that are under condition of withdrawal process for specific purpose according to financial Agreement and loan facilities agreement with financial institution which provide credit to the Group.

2.7 Investments

Investments other than investments in subsidiaries, and joint ventures are classified into the following three categories: (1) trading investments; (2) held-to-maturity investments; and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments in non-marketable equity securities are classified as general investments.

2 Accounting policies (Cont'd)

2.7 Investments

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and administrative costs.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2 Accounting policies (Cont'd)

2.9 Construction contracts (Cont'd)

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.10 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2 Accounting policies (Cont'd)

2.11 Property, plant and equipment

Property, plant and equipment is measured initially at its cost, including related transaction costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	25 years
Power plants	5, 25 years
Office buildings	25 years
Tools and equipment	5 years
Fixture and office equipment	3, 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.12).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.13 Leases - where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale or suspended if the development of the asset is suspended.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Accounting policies (Cont'd)

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee Benefits

(a) Provident fund

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee - administered fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which the contributions relate.

2 Accounting policies (Cont'd)

2.17 Employee Benefits (Cont'd)

(b) Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions, which provisions for employee benefits is not included, are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Government Grants

Grants from the government are recognised according to price subsidy policy where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the sales of electricity generated from solar power is recognized as profit or loss systematically throughout the period. Moreover, the Group recognised expenses related to cost which is compensated.

2.20 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transact costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2 Accounting policies (Cont'd)

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders and the interim dividend are approved by the Board of Directors.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of director that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

As the Group generates and distributes electricity from solar power, the Group has entered into Power Plant construction agreement with supplier in foreign countries. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Japanese Yen, in terms of foreign exchange risk arises from future commercial transactions, recognition of assets and liabilities and net investments in foreign operations. However, the Group does not hedge foreign exchange risk as exposure is insignificant.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk, primarily in Japanese Yen. The exposure has not been hedged because investment and borrowings were made in the same currency with future cash inflow.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Interest rate risk

Interest rate risk of company occurs from credit facilities of commercial bank which is floating rate. Credit terms and interest rates depend on each borrower's creditability that cause the company exposing to cash flow risk from interest rate.

3.1.3 Major customer reliance risk

The Group relies on Provincial Electricity Authority (PEA) and Metropolitan Electricity Authority (MEA) who purchase of all electricity generated in specific quantities at specific price based on each specific period according to Power Purchase Agreement, in accordance with Ministry of Energy's policy to encourage production and usage of renewable energy. As a result, agreement termination may significantly impact the Group's operations.

3.1.4 Risk from generated electricity lower than estimation

The electricity volume generated from solar power plants might be affected by climate change and natural disaster, forming as a risk of production volume is lower than estimation. In consequence, it may impact to revenue and operating results of the Group as well as other electricity generators in this industry.

3.1.5 Debt settlement ability risk

According to credit facilities conditions with commercial bank, the Group has to comply with financial covenants stated in the agreement such as to maintain Debt-to-Equity ratio and maintain Debt service coverage ratio. If the Group cannot maintain those financial covenant, the Group might be called up for immediate debt settlement.

3.2 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 and liabilities that are measured at fair value at 31 December 2015.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Financial assets at fair value through profit or loss				
Trading securities	67,647,401	-	-	67,647,401
Total assets	67,647,401	-	-	67,647,401

See disclosure of fair value of investment property and long-term borrowings in notes 14 and 18, respectively.

4 Change in accounting policies

Investment in 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 joint ventures 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 to recognise an investment in joint ventures by making retrospective adjustments to the consolidated financial statements for the year ended 31 December 2014 presented for comparative purposes. The effects on the consolidated financial statements for the year ended 31 December 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	(18,698,353)	99,437,323
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	(6,840,984)	227,550
Long-term restricted bank deposits	879,181	(102,181)	777,000
Investments in joint ventures	-	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

4 Change in accounting policies (Cont'd)

Investments in joint ventures (Cont'd)

	Consolidated		
	As previously reported Baht	Increase (decrease) Baht	As restated Baht
Statement of financial positions as at 1 January 2014 (Cont'd)			
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	(9,345,995)	1,589,846
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	(3,382,571,331)	989,518,664
Shareholders' equity			
Deficits	(175,250,252)	1,844,144	(173,406,108)
Statement of comprehensive income for the year ended 31 December 2014			
Revenue from sales	293,608,622	(282,070,264)	11,538,358
Subsidy for adders	517,614,014	(510,325,694)	7,288,320
Management service income	14,022,333	21,033,500	35,055,833
Cost of sales and services	(239,300,654)	151,063,594	(88,237,060)
Other income	523,446,323	(65,355,358)	458,090,965
Administrative expenses	(122,725,881)	36,781,751	(85,944,130)
Loss from impairment property, plant and equipment	(250,000,000)	-	(250,000,000)
Finance costs	(158,364,416)	129,085,196	(29,279,220)
Share of profit from jointly onttrolled entities	-	510,013,931	510,013,931
Tax income	2,958,826	9,836,295	12,795,121
Currency translation differences	237,732	-	237,732
Net profit and comprehensive income	581,496,899	62,951	581,559,850
Basic earnings per share (Baht per share)	0.41	-	0.41

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4 Change in accounting policies (Cont'd)

Investments in joint ventures (Cont'd)

	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
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 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Property plant and equipment

Management has estimated useful lives and residual value of property plant and equipment. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period and their carrying values are written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount or it will write off technically obsolete or assets that have been abandoned or sold.

(b) Estimated impairment of asset

The Group tests whether asset has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 16). If the estimated cost of capital used in determining the pre-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates (for example, 11.5% instead of 10.5%), the Group would have recognised a further impairment against assets by Baht 34 million

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Deferred taxes

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimise these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

(e) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. In addition, under loan agreement, the Company has to maintain of certain covenants (Note 18).

7 Operating segments

The Group is principally engaged in the production and distribution of electricity generated from solar energy. The operations are carried out in Thailand and commence operations in Japan during 2015. However, the operations in Japan in 2015 are insignificant. Hence, 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.

8 Cash and cash equivalents

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Cash on hand	75,052	40,000	50,000	40,000
Cash at bank	337,350,486	7,170,028	241,140,936	4,021,247
	<u>337,425,538</u>	<u>7,210,028</u>	<u>241,190,936</u>	<u>4,061,247</u>

The effective interest rate on short-term bank deposits was 0.4% (2014: 0.4%).

9 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. In addition, the Company and its subsidiaries have pledged and assigned rights in bank deposits to secure the credit facilities.

10 Short-term investments

The movements of short-term investments are as follows:

	Consolidated and Company		
	Trading Baht	Held-to- maturity due within 1 year Baht	Total Baht
At 1 January 2014	-	-	-
Additions	135,000,000	1,096,800,000	1,231,800,000
Re-measuring of investments	198,094	-	198,094
At 31 December 2014	135,198,094	1,096,800,000	1,231,998,094
Additions	849,005,000	547,899,836	1,396,904,836
Disposals	(916,955,662)	(1,145,540,028)	(2,062,495,690)
Re-measuring of investments	399,969	-	399,969
At 31 December 2015	67,647,401	499,159,808	566,807,209

At 31 December 2015, the summary of fair value of short-term investment is as follows:

	Consolidated and Company		
	Trading Baht	Held-to- maturity due within 1 year Baht	Total Baht
Equity securities	67,247,432	499,159,808	566,407,240
Changes in value of investments	399,969	-	399,969
	67,647,401	499,159,808	566,807,209

The fair value of investments are based on bid price in market liquidity using as at financial statement date. The fair values are within level 1 of the fair value hierarchy.

11 Trade and other receivables

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

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable	14,219,119	4,472,351	5,900	427,226
<u>Less</u> provision for impairment of trade receivables	-	-	-	-
Total trade accounts receivable, net	14,219,119	4,472,351	5,900	427,226
Amounts due from and advances to related parties (Note 27 b)	5,001,004	3,176,228	55,363,499	64,323,961
Prepaid Expenses	8,620,200	2,420,587	3,502,046	1,686,532
Dividends receivable (Note 27 b)	-	47,250,004	-	47,250,004
Other receivables	3,214,927	5,286,844	2,791,192	5,245,968
Advance payment	16,504,063	990,475	16,277,532	836,047
Total other receivable	33,340,194	59,124,138	77,934,269	119,342,512
<u>Less</u> provision for impairment of other receivables	-	(100,000)	-	(100,000)
Total other receivables, net	33,340,194	59,024,138	77,934,269	119,242,512
Total trade and other receivable	47,559,313	63,496,489	77,940,169	119,669,738

All outstanding trade accounts receivable are not due.

12 Other current assets

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Withholding tax deducted at sources	3,273,217	1,323,127	2,866,675	1,066,504
Input VAT undue	1,136,301	2,272,523	135,738	732,620
Others	818,070	16,917,547	185,638	208,800
	<u>5,227,588</u>	<u>20,513,197</u>	<u>3,188,051</u>	<u>2,007,924</u>

13 Investments in subsidiaries and interests in joint ventures

13.1 Investment in joint ventures

Movement in net investments in joint ventures

	Consolidated Baht	Company Baht
For the year ended 31 December 2015		
Opening net book value	1,296,940,181	350,000,130
Share of profit	596,578,734	-
Dividends received	(416,850,037)	-
Closing net book value	<u>1,476,688,878</u>	<u>350,000,130</u>

Details of joint ventures are as follows:

	Business	Country of incorporation	% Ownership interest 2015	Nature of the relationship	Measurement method
Jointly controlled entity directly held by the Company					
Thai Solar Renewable Co., Ltd	Investment holdings	Thailand	60	Note 1	Equity
Jointly controlled entity held by Thai Solar Renewable Co., Ltd.					
Siam Solar Energy 1 Co., Ltd.*	Generation and distribution of electricity	Thailand	60	Note 1	Equity

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

Thai Solar Renewable Co., Ltd is investment holding company and Siam Solar Energy 1 Co., Ltd engages in the generation and distribution of electricity from solar energy. These companies are private companies and their shares are not traded. These companies were joint controlled entities held by the Company and a subsidiary of PTT Public Company Limited.

13 Investments in subsidiaries and interests in joint ventures (Cont'd)

13.1 Investment in joint ventures (Cont'd)

Summarised financial information for joint ventures

Financial statements of Siam Solar Energy 1 Co., Ltd, subsidiary of Thai Solar Renewable Co., Ltd, was included in the consolidated financial statements of Thai Solar Renewable Co., Ltd.

Set out below are the summarised consolidated financial statements for Thai Solar Renewable Co., Ltd. and Siam Solar Energy 1 Co., Ltd.

Summarised statement of financial positions

	Consolidated	
	Thai Solar Renewable Co., Ltd.	
	As at 31 December	
	2015	2014
	Baht	Baht
Current		
Cash and cash equivalents	1,674,932	540,924
Other current assets(excluding cash)	435,559,302	499,253,038
Total current assets	437,234,234	499,793,962
Financial liabilities (excluding trade payables)	(537,750,000)	(537,750,000)
Other current liabilities(including trade payables)	(76,129,043)	(145,090,623)
Total current liabilities	(613,879,043)	(682,840,623)
Non-current		
Non-current Assets	5,974,146,685	6,218,851,852
Financial liabilities	(3,472,540,575)	(4,010,290,574)
Net assets	2,324,961,301	2,025,514,617

Summarised statement of comprehensive income

	Consolidated	
	Thai Solar Renewable Co., Ltd.	
	For the period ended 31 December	
	2015	2014
	Baht	Baht
Revenue from sales	539,317,679	470,117,106
Subsidy for adders	1,030,383,802	850,542,823
Cost of sales and services	(329,084,638)	(285,004,106)
Gross profit	1,240,616,843	1,035,655,823
Other income	13,628,005	108,925,598
Administrative expenses	(44,066,466)	(63,022,385)
Finance costs	(213,295,183)	(215,141,993)
Profit before income tax expense	996,883,199	866,417,043
Tax income	(2,585,310)	(16,393,825)
Profit from continuing operations after income tax expense	994,297,889	850,023,218

13 Investments in subsidiaries and interests in joint ventures (Cont'd)

13.1 Investment in joint ventures (Cont'd)

The information above reflects the amounts presented in the financial statements of the Jointly Controlled Entity adjusted for differences in accounting policies between the group and the joint ventures (and not the group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures

	Thai Solar Renewable Co., Ltd.	
	For the period ended 31 December	
	2015	2014
	Baht	Baht
Summarised financial information		
Opening net assets 1 January	2,025,514,617	453,969,076
Profit for the year	994,297,889	850,023,218
Dividends received	(694,865,205)	(78,750,009)
Issued ordinary shares	-	800,000,070
Non-controlling interests	14,000	272,262
Closing net assets	2,324,961,301	2,025,514,617
Reconciliation:		
The difference from restructuring business under common control	136,167,496	136,324,612
Non-controlling interests	(14,000)	(272,262)
Closing net assets after reconciliation	2,461,114,797	2,161,566,967
Interest in joint venture (60%)	1,476,668,878	1,296,940,181
Carrying value	1,476,668,878	1,296,940,181

Thai Solar Renewable Company Limited has pledged share certificates of Siam Solar Energy 1 Company Limited, amounting to Baht 1,080 million (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 5,673 million (2014: Baht 5,904 million) and pledged bank deposits amounting to Baht 336 million (2014: Baht 357 million) as collateral for credit facilities granted by a commercial bank.

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13 Investments in subsidiaries and interests in joint ventures (Cont'd)

13.2 Principal subsidiaries

Details of investments as at 31 December 2015 are as follows:

	Business	Country of incorporation	Proportion of ordinary shares directly held by parent(%)	Proportion of shares held by non-controlling interests (%)
Subsidiaries directly held by the Company				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	-
Solar Visible Co., Ltd. ("Formerly TSE Operations Co., Ltd.")	Provision of maintenance service for power plants	Thailand	100	-
TSE Group International. Pte Ltd.	Investment	Singapore	100	-
Solar Assets Pte. Ltd.	Investment	Singapore	100	-
The Solar Earth Co., Ltd. ("Formerly Central Rooftop Co., Ltd.")	Production and distribution of electricity	Thailand	100	-
Clean Renewable Co., Ltd. ("Formerly Clean Solar Co., Ltd.")	Production and distribution of electricity	Thailand	100	-
Subsidiaries held by TSE Rooftop Co., Ltd.				
Green Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	-
North Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Lucky Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Champ Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Roof Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Subsidiaries held by Solar Visible Co., Ltd				
Thai Community Energy Co., Ltd. ("Formerly Win Win Investment Co., Ltd.")	Production and distribution of electricity	Thailand	100	-
World Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Sun Future Co., Ltd. ("Formerly Home Rooftop Co., Ltd.")	Production and distribution of electricity	Thailand	100	-
Solar Community Co., Ltd.	Production and distribution of electricity	Thailand	100	-
Subsidiaries held by TSE Group International. Pte Ltd.				
Eco Solar Aizu GK	Production and distribution of electricity	Japan	97	3
Subsidiaries held by Solar Assets Pte. Ltd.				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	-

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held. The subsidiaries do not have preference shares in issue.

The non-controlling interest in respect of Eco Solar Aizu GK is not material.

13 Investments in subsidiaries and interests in joint ventures (Cont'd)

13.2 Principal subsidiaries (Cont'd)

Movements of investments in subsidiaries during the year are as follow:

	Company Baht
Opening net book amount	176,194,963
Acquisitions during the year	419,818,768
Closing net book amount	596,013,731

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 362 million represents 100 percent of ordinary shares of such company.

TSE Rooftop Co., Ltd.

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

Solar Visible Co., Ltd.

The Company made additional payment for the remaining called-up capital of Solar Visible Co., Ltd. amounting to Baht 51 million in 2015.

The Solar Earth Co., Ltd.

On 17 November 2015, the Company invested in The Solar Earth Co., Ltd. which previously owned by Solar Visible Co., Ltd. totaling Baht 0.25 million represents 100 percent of ordinary shares of such Company.

Clean Renewable Co., Ltd.

On 24 December 2015, the Company invested in Clean Renewable Co., Ltd. which previously owned by Solar Visible Co., Ltd. totaling Baht 0.25 million represents 100 percent of ordinary shares of such Company.

Solar Assets Pte. Ltd.

On 24 December 2015, the Company has established Solar Assets Pte. Ltd. which was incorporated in Singapore for the purposes to invest in renewable energy businesses in other countries. The totaling investment of SGD 1 represents 100 percent of ordinary shares of such company.

Champ Energy Co., Ltd.

On 29 June 2015, the Group made additional payment for the remaining called-up capital of Champ Energy Co., Ltd. amounting to Baht 10 million.

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 25 million represents 100 percent of ordinary shares of such company.

13 Investments in subsidiaries and interests in joint ventures (Cont'd)

13.2 Principal subsidiaries (Cont'd)

Thai Community Energy Co., Ltd.

On 14 October 2015, the Group made additional payment for the remaining called-up capital of Thai Community Energy Co., Ltd. amounting to Baht 25 million.

Sun Future Co., Ltd.

On 28 April 2015, the Group invested Sun Future Co., Ltd. which previously owned by TSE Rooftop Co., Ltd. totaling Baht 0.25 million represents 100 percent of ordinary shares of such company.

Ibaraki Ushiku 1 GK

In the second quarter of 2015, the Group invested in 100 percent of shares of Ibaraki Ushiku 1GK for the purpose of land leasing for generation of solar power. The investment totaling Baht 30 million represents 100 percent of ordinary shares of such company.

Eco Solar Aizu GK

On 29 December 2015, the Group invested in 100 percent of shares of Eco Solar Aizu GK for the purpose of operating the electricity generation from solar power and electricity distribution in Japan. The investment totaling Baht 271 million represents 97 percent of ordinary shares of such company.

14 Investment Property

	Consolidated and Company	
	2015	2014
	Baht	Baht
As at 1 January		
Cost	88,399,605	88,399,605
<u>Less</u> Accumulated depreciation	-	-
Net book amount	<u>88,399,605</u>	<u>88,399,605</u>
For the year ended 31 December		
Opening net book amount	88,399,605	88,399,605
Transferred in (out)	20,215,318	-
Adjustment of provision for impairment	(20,215,318)	-
Closing net book amount	<u>88,399,605</u>	<u>88,399,605</u>
As at 31 December		
Cost	108,614,923	88,399,605
<u>Less</u> Accumulated depreciation	-	-
Provision for impairment	(20,215,318)	-
Net book amount	<u>88,399,605</u>	<u>88,399,605</u>
Fair value	<u>112,493,525</u>	<u>112,493,525</u>

14 Investment Property (Cont'd)

The fair value of investment properties are based on property valuation using market comparison approach. The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated and Company	
	2015	2014
	Baht	Baht
Rental income	291,230	-
Direct operating expense arise from investment property that generated rental income	6,612	-
Direct operating expense arise from investment property that did not generate rental income	8,419	-

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15 Property, plant and equipment

	Consolidated								
	Land Baht	Land improvement Baht	Power plant Baht	Office building Baht	Tools and equipment Baht	office equipment Baht	Vehicles and equipment Baht	Asset under construction Baht	Total Baht
At 1 January 2014									
Cost	37,552,064	3,141,059	871,695,532	11,113,916	1,493,635	3,825,375	22,285,363	937,313,991	1,888,420,935
<u>Less</u> Accumulated depreciation	-	(202,799)	(56,414,159)	(711,578)	(620,981)	(2,205,279)	(1,797,707)	-	(61,952,503)
<u>Less</u> Provision for impairment	-	-	-	-	-	-	-	(591,900,236)	(591,900,236)
Year ended 31 December 2014	<u>37,552,064</u>	<u>2,938,260</u>	<u>815,281,373</u>	<u>10,402,338</u>	<u>872,654</u>	<u>1,620,096</u>	<u>20,487,656</u>	<u>345,413,755</u>	<u>1,234,568,196</u>
Opening net book amount	37,552,064	2,938,260	815,281,373	10,402,338	872,654	1,620,096	20,487,656	345,413,755	1,234,568,196
Additions	-	-	996,420	93,000	624,450	1,877,252	210,000	231,475,504	235,276,626
Disposals	-	-	-	-	-	-	-	(571,684,918)	(571,684,918)
Transferred-in(out)	-	20,215,318	238,696,594	-	-	-	-	(258,911,912)	-
Capitalised borrowing costs	-	-	-	-	-	-	-	11,702,583	11,702,583
Depreciation charge	-	(100,437)	(30,085,126)	(357,512)	(331,922)	(759,892)	(2,392,565)	-	(34,027,454)
Allowance for impairment	-	-	(250,000,000)	-	-	-	-	-	(250,000,000)
Allowance for impairment written off	-	-	-	-	-	-	-	571,684,918	571,684,918
Allowance for impairment-Transfer -In(Out)	-	(20,215,318)	-	-	-	-	-	20,215,318	-
Closing net book amount	<u>37,552,064</u>	<u>2,837,823</u>	<u>774,889,261</u>	<u>10,137,826</u>	<u>1,165,182</u>	<u>2,737,456</u>	<u>18,305,091</u>	<u>349,895,248</u>	<u>1,197,519,951</u>

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15 Property, plant and equipment (Cont'd)

	Consolidated								
	Land Baht	Land improvement Baht	Power plant Baht	Office building Baht	Tools and equipment Baht	office equipment Baht	Vehicles and equipment Baht	Asset under construction Baht	Total Baht
At 31 December 2014									
Cost	37,552,064	23,356,377	1,111,388,546	11,206,916	2,118,085	5,702,627	21,236,363	349,895,248	1,562,456,226
<u>Less</u> Accumulated depreciation	-	(303,236)	(86,499,285)	(1,069,090)	(952,903)	(2,965,171)	(2,931,272)	-	(94,720,958)
<u>Less</u> Provision for impairment	-	(20,215,318)	(250,000,000)	-	-	-	-	-	(270,215,318)
Net book amount	37,552,064	2,837,823	774,889,261	10,137,826	1,165,182	2,737,456	18,305,091	349,895,248	1,197,519,950
Year ended 31 December 2015									
Opening net book amount	37,552,064	2,837,823	774,889,261	10,137,826	1,165,182	2,737,456	18,305,091	349,895,248	1,197,519,950
Additions	114,652,627	-	932,107	-	743,431	2,032,200	-	701,527,566	819,887,931
Disposals	-	-	(1,075,780)	-	(1,866)	(626)	-	-	(1,078,272)
Transfer-in(Out)	-	(20,215,318)	512,357,354	-	-	-	-	(512,357,354)	(20,215,318)
Capitalised borrowing costs	-	-	355,528	-	-	-	-	2,688,215	3,043,743
Depreciation charge	-	(60,345)	(38,017,089)	(224,691)	(365,523)	(944,552)	(2,286,750)	-	(41,898,950)
Allowance for impairment-Transfer -In(Out)	-	19,333,304	4,681,047	(3,159,461)	(294,212)	(140,356)	(205,004)	-	20,215,318
Closing net book amount	152,204,691	1,895,464	1,254,122,428	6,753,674	1,247,012	3,684,122	15,813,337	541,753,675	1,977,474,403
At 31 December 2015									
Cost or valuation	152,204,691	3,141,059	1,623,957,755	11,206,916	2,849,566	7,601,037	21,236,363	541,753,675	2,363,951,062
<u>Less</u> Accumulated depreciation	-	(363,581)	(124,516,374)	(1,293,781)	(1,308,342)	(3,776,559)	(5,218,022)	-	(136,476,659)
<u>Less</u> Provision for impairment	-	(882,014)	(245,318,953)	(3,159,461)	(294,212)	(140,356)	(205,004)	-	(250,000,000)
Net book amount	152,204,691	1,895,464	1,254,122,428	6,753,674	1,247,012	3,684,122	15,813,337	541,753,675	1,977,474,403

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15 Property, plant and equipment (Cont'd)

	Company								
	Land Baht	Land improvement Baht	Power plant Baht	Office building Baht	Tools and equipment Baht	office equipment Baht	Vehicles and equipment Baht	Asset under construction Baht	Total Baht
At 1 January 2014									
Cost	37,552,064	3,141,060	871,695,532	11,113,916	1,493,635	3,825,375	22,285,363	591,900,235	1,543,007,180
Less Accumulated depreciation	-	(202,800)	(56,414,159)	(711,578)	(620,981)	(2,205,279)	(1,797,707)	-	(61,952,504)
Less Provision for impairment	-	-	-	-	-	-	-	(591,900,235)	(591,900,235)
Year ended 31 December 2014	37,552,064	2,938,260	815,281,373	10,402,338	872,654	1,620,096	20,487,656	-	889,154,441
Opening net book amount	37,552,064	2,938,260	815,281,373	10,402,338	872,654	1,620,096	20,487,656	-	889,154,441
Additions	-	-	242,420	93,000	571,950	1,688,451	210,000	-	2,805,821
Disposals	-	-	-	-	-	-	(1)	(571,684,918)	(571,684,919)
Transferred-in(out)	-	20,215,318	-	-	-	-	-	(20,215,318)	-
Depreciation charge	-	(100,437)	(28,281,681)	(357,512)	(329,017)	(752,462)	(2,392,565)	-	(32,213,674)
Allowance for impairment	-	-	(250,000,000)	-	-	-	-	-	(250,000,000)
Allowance for impairment written-off	-	-	-	-	-	-	-	571,684,918	571,684,918
Allowance for impairment-Transfer-in(out)	-	(20,215,318)	-	-	-	-	-	20,215,318	-
Closing net book amount	37,552,064	2,837,823	537,242,112	10,137,826	1,115,587	2,556,085	18,305,090	-	609,746,587
At 31 December 2014									
Cost	37,552,064	23,356,378	871,937,952	11,206,915	2,065,585	5,513,826	21,236,363	-	972,869,083
Less Accumulated depreciation	-	(303,237)	(84,695,840)	(1,069,089)	(949,998)	(2,957,741)	(2,931,273)	-	(92,907,178)
Less Provision for impairment	-	(20,215,318)	(250,000,000)	-	-	-	-	-	(270,215,318)
Net book amount	37,552,064	2,837,823	537,242,112	10,137,826	1,115,587	2,556,085	18,305,090	-	609,746,587

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15 Property, plant and equipment (Cont'd)

	Company								
	Land Baht	Land improvement Baht	Power plant Baht	Office building Baht	Tools and equipment Baht	office equipment Baht	Vehicles and equipment Baht	Asset under construction Baht	Total Baht
Year ended 31 December 2015									
Opening net book amount	37,552,064	2,837,823	537,242,112	10,137,826	1,115,587	2,556,085	18,305,090	-	609,746,587
Additions	-	-	70,000	-	616,279	1,687,482	-	10,898,623	13,272,384
Disposals	-	-	-	-	(1,866)	(626)	-	-	(2,492)
Transfer-in (Out)	-	(20,215,318)	-	-	-	-	-	-	(20,215,318)
Depreciation charge	-	(60,345)	(17,005,092)	(224,691)	(340,342)	(852,792)	(2,286,749)	-	(20,770,011)
Allowance for impairment-Transfer in(Out)	-	19,333,303	4,681,047	(3,159,461)	(294,211)	(140,356)	(205,004)	-	20,215,318
Closing net book amount	37,552,064	1,895,463	524,988,067	6,753,674	1,095,447	3,249,793	15,813,337	10,898,623	602,246,468
At 31 December 2015									
Cost or valuation	37,552,064	3,141,059	872,007,952	11,206,916	2,669,914	7,067,518	21,236,363	10,898,623	965,780,409
Less Accumulated depreciation	-	(363,582)	(101,700,932)	(1,293,781)	(1,280,255)	(3,677,369)	(5,218,022)	-	(113,533,941)
<u>Less</u> Provision for impairment	-	(882,014)	(245,318,953)	(3,159,461)	(294,212)	(140,356)	(205,004)	-	(250,000,000)
Net book amount	37,552,064	1,895,463	524,988,067	6,753,674	1,095,447	3,249,793	15,813,337	10,898,623	602,246,468

15 Property, plant and equipment (Cont'd)

Borrowing costs of Baht 3.0 million (2014: Baht 1.2 million) were capitalised during the year and are included in 'Additions'. Borrowing costs arising from financing specifically entered into for the construction of a new power plant, were capitalised during the year. A capitalisation rates of 4.525% to 4.75% (2014: 5.00 %) were used, representing the actual borrowing cost of the borrowing used to finance the project.

Depreciation expense has been charged in the statements of comprehensive income as follows;

	Consolidated		Company	
	2015	Restated 2014	2015	2014
	Baht million	Baht million	Baht million	Baht million
Cost of sales and services	37.90	31.03	41.40	28.70
Administrative expense	4.00	3.00	3.37	3.51
	<u>41.90</u>	<u>34.03</u>	<u>44.77</u>	<u>32.21</u>

During 2014, the management has considered setting provision for impairment of a thermal power plant amounting Baht 250 million since recoverable value is lower than carrying value. The recoverable value is calculated from value in use of assets by discounting at 6%.

Leased assets included above, where the Group is a lessee under finance leases, comprise vehicles:

	Consolidated		Company	
	2015	Restated 2014	2015	2014
	Baht	Baht	Baht	Baht
Cost - capitalised finance leases	20,526,000	20,526,000	20,526,000	20,526,000
<u>Less Accumulated depreciation</u>	<u>(4,935,877)</u>	<u>(2,734,483)</u>	<u>(4,935,877)</u>	<u>(2,734,483)</u>
Net book amount	<u>15,590,123</u>	<u>17,791,517</u>	<u>15,590,123</u>	<u>17,791,517</u>

Bank borrowings are secured on subsidiaries' properties to the value of Baht 1,077 million (2014: Baht 1,042 million) Company: Baht 571 million (2014: Baht 588 million)

16 Deferred income taxes

The analysis of deferred tax assets is as follows:

	Consolidated		Company	
	2015	Restated 2014	2015	2014
	Baht	Baht	Baht	Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	15,245,683	-	15,245,683	-
Deferred tax asset to be recovered after more than 12 months	<u>90,739,685</u>	<u>109,635,743</u>	<u>90,027,424</u>	<u>109,067,611</u>
Deferred tax asset (net)	<u>105,985,368</u>	<u>109,635,743</u>	<u>105,273,107</u>	<u>109,067,611</u>

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16 Deferred income taxes (Cont'd)

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
At 1 January	109,635,743	96,840,622	109,067,611	96,833,858
Charged/(credited) to profit or loss	(3,650,375)	12,795,121	(3,794,503)	12,233,753
At 31 December	<u>105,985,368</u>	<u>109,635,743</u>	<u>105,273,108</u>	<u>109,067,611</u>

The movement in deferred tax assets and liabilities during the year are as follows:

	Consolidated				
	Tax losses Baht	Provision for impairment of property, plant and equipment Baht	Retirement benefits Baht	Differences on business reorganisation under common control Baht	Others Baht
Deferred tax assets					
At 1 January 2015	104,461,710	4,043,064	542,836	-	588,133
Charged/(credited) to profit or loss	-	(4,043,064)	268,561	-	124,128
At 31 December 2015	<u>104,461,710</u>	<u>-</u>	<u>811,397</u>	<u>-</u>	<u>712,261</u>
At 1 January 2014	-	108,504,774	-	338,493	1,662,218
Charged/(credited) to the income statement	104,461,710	(104,461,710)	542,836	(338,493)	(1,074,085)
At 31 December 2014	<u>104,461,710</u>	<u>4,043,064</u>	<u>542,836</u>	<u>-</u>	<u>588,133</u>

	Consolidated	
	Differences on business reorganisation under common control Baht	Total Baht
Deferred tax liabilities		
At 1 January 2014	(13,664,863)	(13,664,863)
Charged/(credited) to profit or loss	13,664,863	13,664,863
At 31 December 2014	<u>-</u>	<u>-</u>

16 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year are as follows:

	Company				
	Tax losses Baht	Provision for impairment of property, plant and equipment Baht	Retirement benefits Baht	Others Baht	Total Baht
Deferred tax assets					
At 1 January 2015	104,461,711	4,043,063	542,837	20,000	109,067,611
Charged/(credited) to profit or loss	-	(4,043,063)	268,560	(20,000)	(3,794,503)
At 31 December 2015	<u>104,461,711</u>	<u>-</u>	<u>811,397</u>	<u>-</u>	<u>105,273,108</u>
At 1 January 2014	-	108,504,774	338,493	1,655,454	110,498,721
Charged/(credited) to the income statement	104,461,711	(104,461,711)	204,344	(1,635,454)	(1,431,110)
At 31 December 2014	<u>104,461,711</u>	<u>4,043,063</u>	<u>542,837</u>	<u>20,000</u>	<u>109,067,611</u>

	Company	
	Differences on business reorganisation under common control Baht	Total Baht
Deferred tax liabilities		
At 1 January 2014	(13,664,863)	(13,664,863)
Charged/(credited) to profit or loss	13,664,863	13,664,863
At 31 December 2014	<u>-</u>	<u>-</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial position are presented at net amount of assets and liabilities incurred in each entity.

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 26.05 million (2014: Baht 65.4 million) in respect of losses carry forward amounting to Baht 130 million (2014: Baht 327 million).

A summary of the tax losses carried forward and the expiry dates are set out below:

Expiry year	Consolidated Baht	Company Baht
2017	4,473,417	-
2018	125,763,567	115,911,340
	<u>130,236,984</u>	<u>115,911,340</u>

17 Construction and other payables

	Consolidated		Company	
	2015	Restated	2015	2014
	Baht	2014	Baht	Baht
		Baht		
Amounts due to related parties (Note 27 b)	-	-	408,737	110,687
Construction payables and retention guarantee	8,964,757	124,973,063	39,300	116,645
Other payables	2,325,267	5,747,310	547,470	3,811,088
Accrued expenses	23,216,172	20,257,190	3,060,920	10,340,395
	<u>34,506,196</u>	<u>150,977,563</u>	<u>4,056,427</u>	<u>14,378,815</u>

18 Borrowings

18.1 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2015	Restated	2015	2014
	Baht	2014	Baht	Baht
		Baht		
Not later than 1 year	4,491,620	4,294,225	4,491,620	4,294,225
Later than 1 year but not later than 5 years	3,828,455	8,320,075	3,828,454	8,320,075
Total	<u>8,320,075</u>	<u>12,614,300</u>	<u>8,320,074</u>	<u>12,614,300</u>

18.2 Long-term borrowing

	Consolidated		Company	
	2015	Restated	2015	2014
	Baht	2014	Baht	Baht
		Baht		
Current portion of long-term borrowing	88,749,767	102,122,416	39,662,264	39,663,187
Long-term borrowing payable between 1 to 5 years	377,374,224	297,306,878	113,326,373	152,988,637
Long-term borrowing payable more than 5 years	134,305,461	18,539,474	-	-
Total	<u>600,429,452</u>	<u>417,968,768</u>	<u>152,988,637</u>	<u>192,651,824</u>

18 Borrowings (Cont'd)

18.2 Long-term borrowing (Cont'd)

Movements in long-term borrowings from financial institutions for the year ended 31 December 2015 and 2014 are analysed as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Opening amount as at 1 January	417,968,768	528,315,010	192,651,824	528,315,010
Additional borrowings	290,620,010	231,784,969	-	-
Repayment of borrowings	(107,935,535)	(338,767,500)	(40,000,000)	(336,000,000)
Financial service fee	(1,146,200)	(3,988,799)	-	-
Amortisation for financial service fee	922,409	625,088	336,813	336,814
Closing amount as at 31 December	<u>600,429,452</u>	<u>417,968,768</u>	<u>152,988,637</u>	<u>192,651,824</u>

Subsidiaries entered into long-term loan agreements with a local commercial bank with credit facility of Baht 527 million for solar rooftop panel installation projects. These long-term loans carried interest at MLR minus a stipulated margin per annum. The long-term loans of Baht 487 million are repayable in quarterly installments from December 2014 to March 2027, at the percentage specified in the loan agreements. The loan of Baht 32 million is repayable within October 2015 and the loan of Baht 8 million is repayable within September 2016.

The loans are secured by the pledge and the assignment of rights over the Group's bank deposits, the mortgage of the Group's land with construction thereon and the Group's machinery, the assignment of rights under all project agreements of the Group, 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 Group as specified in the agreements, related to such matters as dividend payment, reduction of share capital, merger or consolidation with other entities and maintenance of certain debt to equity and debt service coverage ratios.

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
Bank borrowings	2.17% - 6.75%	4.75% - 6.75%	4.75% - 5.00%	5.00% - 6.75%
Financial lease liabilities	2.35% - 2.45%	2.35% - 2.45%	2.35% - 2.45%	2.35% - 2.45%

18 Borrowings (Cont'd)

18.2 Long-term borrowing (Cont'd)

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated			
	Carrying amounts		Fair values	
	Restated		Restated	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Long-term bank borrowings	511,679,685	315,846,352	487,111,177	301,517,993

	Company			
	Carrying amounts		Fair values	
	Restated		Restated	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Long-term bank borrowings	113,326,373	152,988,637	107,553,353	144,855,967

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values of non-current borrowings are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.75% - 4.97% (2014: 5.00% - 5.04%) and are within level 2 of the fair value hierarchy.

Borrowing facilities

The Group and the Company have the undrawn committed borrowing facilities of Baht 3.71 million (2014: Baht 165.59 million).

19 Employee Benefit Obligations

	Consolidated and Company	
	2015	Restated
	Baht	2014
		Baht
Statement of financial position		
Retirement benefits	4,056,985	2,714,184
Profit or loss charge included in operating profit for:		
Retirement benefits	1,342,801	1,259,451

The movement in the defined benefit obligation over the year is as follows:

	Consolidated and Company	
	2015	Restated
	Baht	2014
		Baht
At 1 January	2,714,184	1,692,465
Current service cost	1,254,869	1,195,661
Past service cost	-	206,840
Interest expense	87,932	87,420
	4,056,985	3,182,386
Remeasurements:		
Gain from change in demographic assumptions	-	(674,804)
Loss from change in financial assumptions	-	493,414
Experience gain	-	(56,342)
	-	(237,732)
Benefit payment	-	(230,470)
At 31 December	4,056,985	2,714,184

19 Employee Benefit Obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2015	2014
	%	%
Discount rate	3.24	3.24
Salary growth rate	3.00 - 4.00	3.00 - 4.00

The sensitivity analyses of significant actuarial assumptions in pension liability calculations.

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 5.85%	Increase by 6.30%
Salary growth rate	0.50%	Increase by 6.23%	Decrease by 5.84%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Through its defined benefit retirement plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in Government bond yields will increase plan liabilities.
Inflation risk	Some of the group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

The weighted average duration of the defined benefit obligation is 26.06 years.

Expected maturity analysis of undiscounted retirement:

	Consolidated and Company				
	Less than a year Baht	Between 1- 2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015					
Retirement benefits	-	-	351,157	97,793,420	98,144,577

20 Share capital

	Consolidated and Company				
	Number of shares Shares	Issued and paid Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
At 1 January 2015	1,365,000,000	1,021,219,408	1,021,219,408	-	1,021,219,408
Issue of shares	450,000,000	793,780,592	793,780,592	1,266,097,322	2,059,877,914
At 31 December 2014	1,815,000,000	1,815,000,000	1,815,000,000	1,266,097,322	3,081,097,322
<u>Less</u> Compensate of deficits	-	-	-	(538,543,049)	(538,543,049)
At 31 December 2015	<u>1,815,000,000</u>	<u>1,815,000,000</u>	<u>1,815,000,000</u>	<u>727,554,273</u>	<u>2,542,554,273</u>

At 31 December 2015, the total authorised number of ordinary shares is 1,815,000,000 shares (2014: 1,815,000,000 shares) with a par value of Baht 1 per share (2014: Baht 1 per share). All issued shares are fully paid.

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. Upon the compensation, the Company will have no accumulated loss with the remaining share premium of Baht 727.55 million.

21 Other income

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Dividends income	47	-	416,850,083	47,250,004
Gain on changes in status of investments	-	450,000,000	-	-
Rental income	1,641,331	180,000	1,359,308	180,000
Service income	424,051	-	424,052	-
Interest income	22,038,405	5,869,652	21,770,406	5,824,147
Gain on disposal of equipment	3,203	560,748	-	560,747
Realised gain on foreign exchange	8,055,842	1,141,019	6,565,990	27,900
Realised gain on disposal of trading securities	2,449,307	198,094	2,449,307	198,094
Other income	5,565,138	141,452	4,310,723	141,449
	<u>40,177,324</u>	<u>458,090,965</u>	<u>453,729,869</u>	<u>54,182,341</u>

22 Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Salary ,wages and employees benefits	79,449,019	68,003,289	79,449,019	68,003,289
Depreciation expenses	41,898,950	34,027,453	20,770,011	32,213,674
Loss from impairment of property, plant and equipment	-	250,000,000	-	250,000,000
Loss on disposal of equipment	2,491	-	2,491	-
Loss from exchange rate	-	73,766	-	-
Operation and maintenance of power plants	1,467,522	904,761	1,213,694	903,933
Professional fees	24,292,613	5,183,949	21,282,098	3,664,755

23 Finance costs

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Interest paid				
Related parties	-	363,698	-	363,698
Bank borrowings	26,110,793	27,253,570	9,367,812	31,250,465
Financial service fee	1,594,062	1,649,166	336,813	1,126,813
Others	142,316	12,786	-	-
Total	27,847,171	29,279,220	9,704,625	32,740,976

24 Income tax

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Tax expense revenue				
Current tax on profits for the year	16,029	-	-	-
Deferred tax (note 16)	3,650,375	(12,795,121)	3,794,503	(12,233,753)
Total income tax expense (revenue)	3,666,404	(12,795,121)	3,794,503	(12,233,753)

24 Income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Profit (loss) before tax	530,263,773	568,526,997	329,185,365	(350,850,180)
Tax calculated at a tax rate of 15%, 17% and 20% (2014: 20%)	106,052,754	113,705,399	65,837,073	(70,170,036)
Tax effect of:				
Tax rate difference	(16,521)	-	-	-
Joint ventures' results reported net of tax	(119,315,747)	(102,002,786)	-	-
Tax exemption for income under BOI	(4,968,918)	(290,451)	-	-
Income subject to tax	2,577,964	165,275	2,515,387	1,589,733
Income not subject to tax	-	-	(83,370,017)	(9,450,000)
Expenses not deductible for tax purpose	3,155,740	58,775,126	2,133,005	58,856,401
Expense deducted at greater amount	(4,354,577)	(124,261,111)	(3,120,584)	(122,386,829)
Tax losses for which no deferred income tax asset was recognised	16,492,646	1,786,448	15,756,576	-
Deferred tax expense relating to the origination and reversal of temporary differences	4,043,063	129,326,979	4,043,063	129,326,979
Gain on change in status of investments	-	(90,000,000)	-	-
Tax charge	<u>3,666,404</u>	<u>(12,795,121)</u>	<u>3,794,503</u>	<u>(12,333,753)</u>

The weighted average applicable tax rate was 0.70% (2014: (2.20%)). The increase is caused by gain on change in status of investment which included in the restated consolidated financial statement in 2014.

25 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 generation 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 years ended 31 December 2015 and 2014 wholly derive from promoted operations.

26 Earnings (loss) per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year (Note 20)

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Net profit attributable to ordinary shareholders of the company	551,075,394	581,559,850	325,390,862	(338,378,695)
Weighted average number of ordinary shares outstanding (Shares)	1,815,000,000	1,404,636,807	1,815,000,000	1,404,636,807
Basic earnings per share (Baht per share)	0.30	0.41	0.18	(0.24)

There are no potential dilutive ordinary shares issuing during 2015 and 2014.

27 Related party transactions

The Company is controlled by P.M. Energy Company Limited (incorporated in Thailand) which owns 43% of the Company's shares. The remaining 57% of the shares are held by Wave Entertainment (Public) Company Limited and individual shareholders. The significant investments in subsidiaries, and joint ventures are set out in note 13.

The following material transactions were carried out with related parties:

a) Sales of goods and services

For the year ended 31 December	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Subsidiaries				
Management service income	-	-	4,252,704	3,496,930
Operation and maintenance income	-	-	1,215,058	113,409
	-	-	5,467,762	3,610,339
Jointly Controlled Entity				
Management service income	36,808,625	35,055,833	36,808,625	35,055,833
Rental income	432,000	180,000	432,000	180,000
Other income	712,403	-	712,403	-
Dividends income	47	-	416,850,083	47,250,004
	37,953,075	35,235,833	454,803,111	82,485,837
Related parties				
Rental income	208,417	-	208,417	-
Service income	138,944	-	138,944	-
Other income	30,765	45,329	30,765	45,329
	378,126	45,329	378,126	45,329

27 Related party transactions (Cont'd)

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

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Amounts due from and advances to related parties (Note 11)				
Subsidiaries	1,626,729	-	51,989,224	61,147,733
Joint ventures	3,374,275	3,176,228	3,374,275	3,176,228
	<u>5,001,004</u>	<u>3,176,228</u>	<u>55,363,499</u>	<u>64,323,961</u>
Dividends receivable (Note 11)				
Jointly Controlled Entity	-	47,250,004	-	47,250,004
	<u>-</u>	<u>47,250,004</u>	<u>-</u>	<u>47,250,004</u>
Amounts due to related parties (Note 17)				
Subsidiaries	-	-	408,737	110,687
	<u>-</u>	<u>-</u>	<u>408,737</u>	<u>110,687</u>

c) Short-term loans to subsidiaries

	Company	
	2015 Baht	2014 Baht
Short-term loans to subsidiaries	240,399,141	68,453,208

Movements in loans to subsidiaries are analysed as follows:

	Company	
	2015 Baht	2014 Baht
For the year ended 31 December		
Opening net book amount	68,453,208	-
Addition	298,414,637	124,136,541
Repayment of borrowings	(132,353,208)	(55,683,333)
Foreign currency translation differences	5,884,504	-
Closing net book amount	<u>240,399,141</u>	<u>68,453,208</u>

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

d) Key management compensation

For the year ended 31 December	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Short-term employee benefits	24,168,000	27,992,050	24,168,000	27,992,050
Post-employment benefits	1,111,639	967,617	1,111,639	967,617
	<u>25,279,639</u>	<u>28,959,667</u>	<u>25,279,639</u>	<u>28,959,667</u>

28 Commitments and contingencies

28.1 Power purchase agreements

As at 30 December 2015, the Company, its subsidiaries and its joint ventures have 25 power purchase agreements with the Provincial Electricity Authority (“PEA”) and the Metropolitan Electricity Authority (“MEA”) (2014: 25 agreements). Currently, the Company, its subsidiaries and its jointly controlled entity have commenced their production and distribution of electricity for the PEA under 25 power purchase agreements.

The power purchase agreements require the Company and its joint ventures 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 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.

28.2 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 31 December 2015 and 2014, future minimum lease payments required under these operating lease contracts were as follows

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Not later than 1 year	15,346,783	11,387,574	4,869,200	1,949,320
Later than 1 year but not later than 5 years	50,525,145	37,507,388	7,460,300	1,779,100
Later than 5 years	198,841,131	169,380,523	-	-
	264,713,059	218,275,485	12,329,500	3,728,420

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.

28 Commitments and contingencies

28.2 Operating lease commitments - where the Group is the lessee

- c) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 5 million per annum (in proportionate of the Company's interest in joint ventures) 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 year ended 31 December 2015 amounting to approximately Baht 3 million (2014: Baht 3 million) 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 90 million (2014: Baht 138 million) which a joint venture have committed to pay for the excess output if actual electricity output is greater than secured output guarantee throughout the period of 10 years from the commercial operation dates.
- 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 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 (2014: Baht 1 million per annum) for the period of 7 years from the commercial operation dates.

28.3 Guarantees

- a) The Company has provided guarantees for bank credit facilities of its subsidiaries amounting to Baht 690 million (2014: Baht 397 million).
- b) As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 9 million (2014: Baht 11 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.

28.4 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.

29 Events after the reporting period

On 29 February 2016, the Board of Directors meeting passed a resolution to approve new investment in Japan amounting to JPY 1,960 million for construction of 17.50 MW capacity power plant and enter into a long-term loan agreement to maintain Debt to Equity ratio at least 3:1 times.