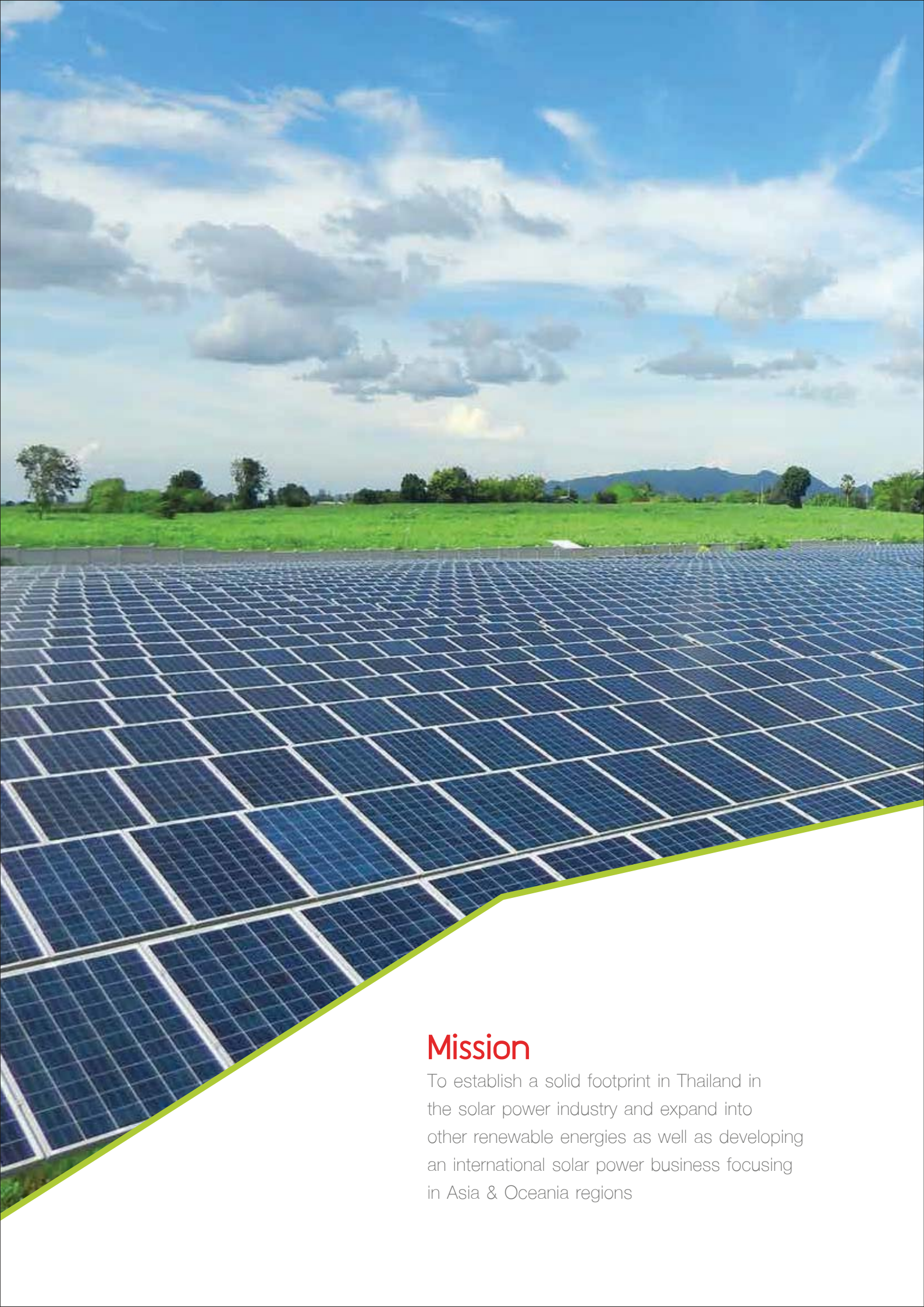


ANNUAL REPORT 2015



Thai Solar Energy Public Company Limited



Mission

To establish a solid footprint in Thailand in the solar power industry and expand into other renewable energies as well as developing an international solar power business focusing in Asia & Oceania regions

Contents

	2	Message from the Chairman
Report of the Audit Committee	3	
	4	Report of the Nomination and Remuneration Committee
Shareholding Structure	5	
	6	Summary of Significant Financial Data
Organization Chart	8	
	9	Business Operation
Management and Corporate Governance	22	
	24	Information Related to Shareholding of Directors and the Management
Management Structure	25	
	35	Corporate Governance Policy
Internal Control	45	
	48	Corporate Social Responsibility
Dividend Policy	50	
	51	Anti-Corruption Policy
The Board of Directors' Responsibility for Financial Reporting	52	
	53	Financial Information
Financial Statement	63	
	122	General Information

Vision

To become a world-class regional leader in providing renewable energy through reliable technologies to serve both commercial and social societies

Message from the Chairman



Throughout the past years, the Group has maintained policy and strong commitment to further expand the business of generating electricity from solar energy and other types of alternative energy both in Thailand and overseas. Our ultimate goal is to expand our base as the leader in the business of producing power from renewable energy in Thailand and the Asian region.

In 2015, the Group has a total of 34 solar energy power plant projects in Thailand and Japan with a combined generating capacity of 135 MW, of which 98.5 MW is produced in Thailand and 36.5 MW in overseas. The group has already commercially distributed its electricity output from 26 projects, 25 of which are in the country with total production capacity of 98.5 MW and one in foreign country with the capacity of 0.5 MW. Other project in Japan is being constructed and is expected to be able to commercially distribute its electricity output into the system in 2016 onward.

At the end of 2015, the Group's operation generated total revenue of 128.9 million Baht, an increase of 75.0 million Baht or 139.1% over that in the previous year as a result of the Group's ability to distribute electricity output of 80 MW from solar farm projects which was significantly higher than the performance warranty, including the solar PV rooftop projects with full capacity of 14 MW of which the revenue was recognized throughout the year. The Group earned a net profit of 526.6 million Baht or an increase of 38%, compared with last year, excluding special transactions.

The Group is determined to expand its business operation and to maintain a continuing and sustainable growth by adhering to operational transparency. The Group shall also maintain production capacity that generate stable revenue and shall respond properly to all shareholders and stakeholders. As a result of strong performance, the Group was rated "BBB" or Triple B Straight and the rating of the Group shall be at "Stable" rating level.

Moreover, the Group also received an honorable plaque and certificate for operating the business in compliance with environmental good governance principle from the Environmental Governance in Business Office, the Kanchanaburi Provincial Industrial Office.

On behalf of the Board of Directors, the management, employees, and affiliates, I would like to thank our shareholders, customers, suppliers, business partners, business alliances and all stakeholders for providing support and having trust in the Group's potential. The Group is committed to operate its business under the principles of good governance in order to build up strength as well as a steady and sustainable growth for the Group.

A handwritten signature in blue ink, appearing to read 'Cathleen Maleenont'.

(Dr. Cathleen Maleenont)
Chairman

Report of the Audit Committee



The Audit Committee was assigned by the Board of Directors to perform duties in compliance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as specified in the charter, prescribed by the Board of Directors.

The Audit Committee consists of qualified members who are independent directors. They are: Mrs. Siripen Sitasuwan, Mr. Prasan Chuaphanich, and Mr. Boonchoo Direksathapon. The Audit Committee reports the conducted activities to the Board of Directors regularly at least once per quarter. The Committee also joins the meeting of the management, internal auditor and the auditor in order to be informed, to provide opinions and exchange views on various issues which can be summarized as follows:

1. Reviewing quarterly financial statements and the financial statements for the year 2015 of the Group, subsidiaries and the jointly controlled operations (“The Group”) in order to ensure that the financial statement has been prepared in accordance with the financial report standard with adequate, complete and reliable disclosure of information. The Audit Committee also reviewed accounting policies and significant changes and arranged meeting with the auditor without participation of the management in order to consult and inquire about the independence in performing duties and in providing opinions as the auditor.
2. Reviewing the properness of rules and practices in conducting connected transaction and the disclosure of information to ensure that they are correct, complete and in compliance with the rules and practical guidelines of the Stock Exchange of Thailand.
3. The Audit Committee has reviewed the Company’s internal control system and the adequacy of its anti-corruption measures in order to ensure the adequacy of internal control systems. The Audit Committee did not found any significant weakness in the internal control system. Moreover, the Audit Committee also reviewed the company’s business continuity plan (BCP) to ensure that it is efficient and the company shall be able to uninterruptedly continue business operation or properly resume the operation in case of crisis.
4. Supervising the internal audit work unit by consulting with the internal auditor on the preparation and approval of auditing plan for 2015, prepared in accordance with the findings of risk assessment, performed on work units in the Group. The Committee also reviewed the adequacy and suitability of personnel and independence of internal audit work unit in performing its duties.
5. Recruiting and proposing an appointment of an auditor and the remuneration in 2015. The Committee resolved to ask the Board of Directors to propose the appointment of an auditor from the Price Waterhouse Coopers ABAS Co., Ltd., for an approval by the shareholders’ meeting for another term in 2016.

In overall, the Audit Committee views that the Company’s Board of Directors as well as the management possess required ethical quality and the determination to perform their duties in order to achieve the Company’s goals with quality and with an emphasis on the importance of operating the business under effective, transparent and reliable corporate good governance system.

On behalf of the Audit Committee

A handwritten signature in blue ink, appearing to read 'Siripen Sitasuwan'.

(Mrs. Siripen Sitasuwan)
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee



The Nomination and Remuneration Committee comprises 3 members and is chaired by Mr. Prasan Chuaphanich, an independent director. In 2015, the Nomination and Remuneration Committee convened 2 meetings and reported the Board on the results of the meetings regularly. Followings are some of the important businesses conducted by the Nomination and Remuneration Committee.

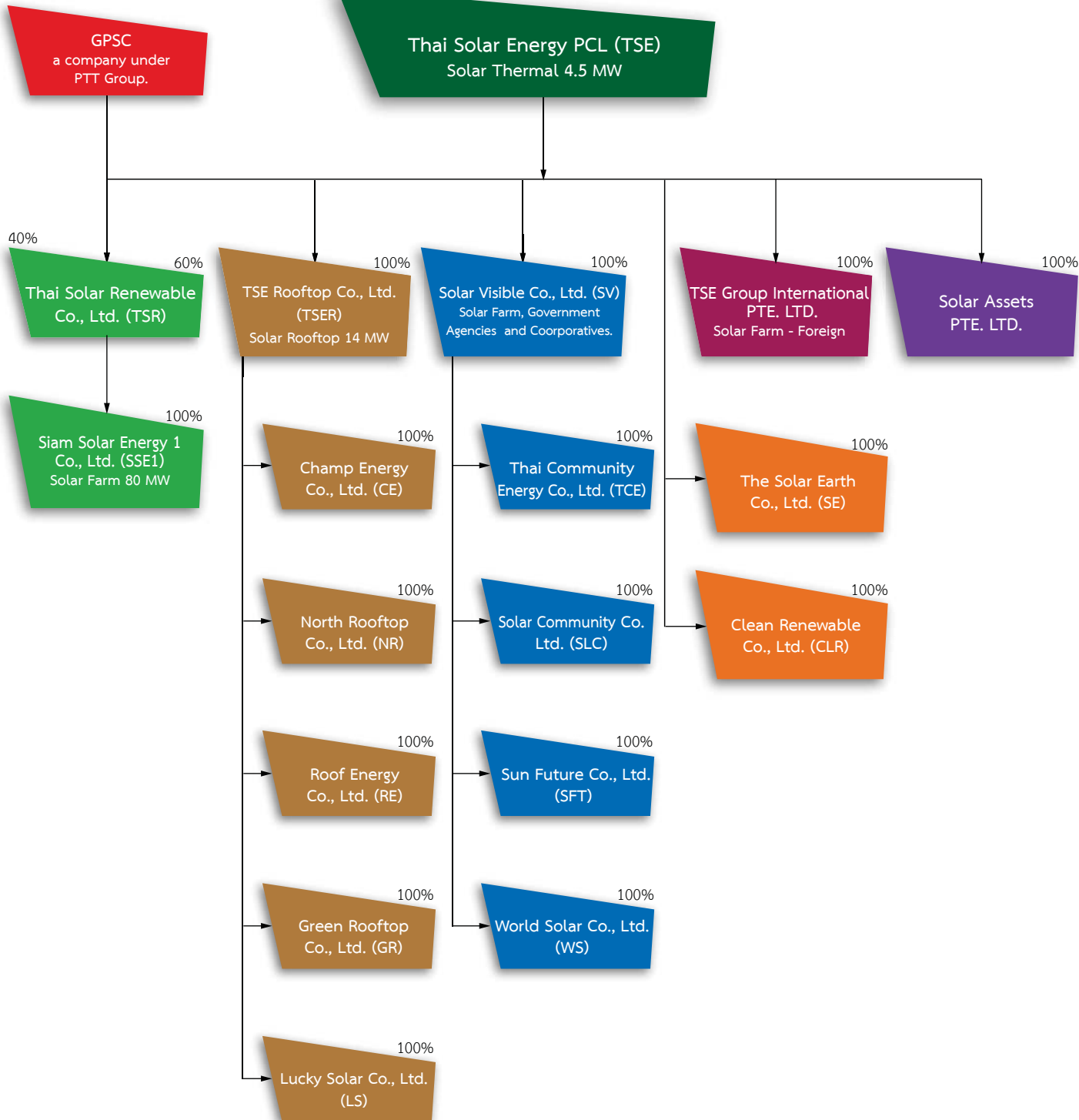
1. The nomination of qualified persons to be appointed as directors by the Board and the annual shareholders' meeting, based on diverse qualifications, knowledge, ability, skills, experience, expertise, availability of time to serve in the position, leadership, vision and positive attitude on the organization. The Nomination and Remuneration Committee submitted a proposal to the shareholders' ordinary meeting on 29 April 2015 to re-appoint the outgoing directors whose terms of office ended in 2015. The meeting resolved to re-appoint all of the directors as proposed.
2. Considered and set remuneration in 2015 for members of the Group's Board of Directors and committees, i.e., Audit Committee, Nomination and Remuneration Committee to be approved by the Board of Directors and the annual shareholders' meeting, based on suitability, duties and responsibilities and by comparing with the remuneration of other companies in the same or similar business. The shareholders' meeting approved the remuneration as proposed.
3. Considered the remuneration for senior executives in 2015, based on suitability, assigned duties and responsibilities and performance. The Committee also reviewed and approved the operational performance of the Group to be used to support the annual bonus reviewing and approving process according to the key performance indicators and annual salary adjustment level.

In realizing the importance of corporate good governance principle, the Nomination and Remuneration Committee has reviewed and monitored the operational progress of the management on regular basis and found that the team has performed the duties with full ability, carefulness, transparency and independence, based on adequate and appropriate level of corporate good governance that should provide utmost benefit to all stakeholders.

A handwritten signature in blue ink, which appears to read "Prasan Chuaphanich".

Mr. Prasan Chuaphanich
Chairman of the Nomination and Remuneration Committee

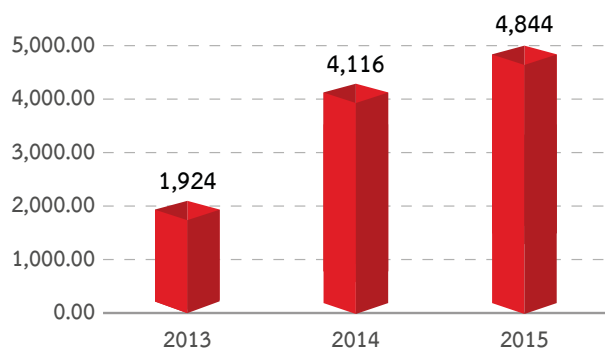
Shareholding Structure



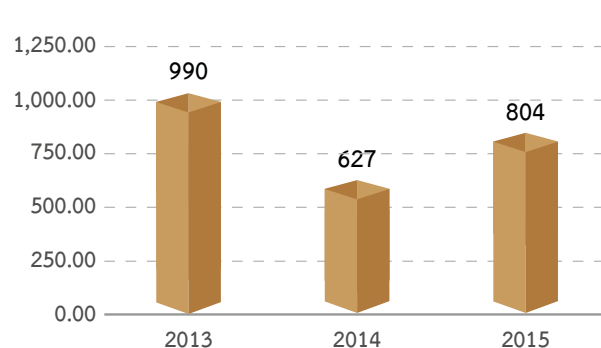
Financial Highlights

as at 31 December

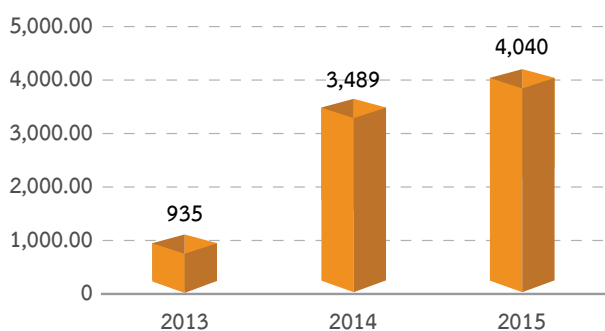
Total Assets (Million Baht)



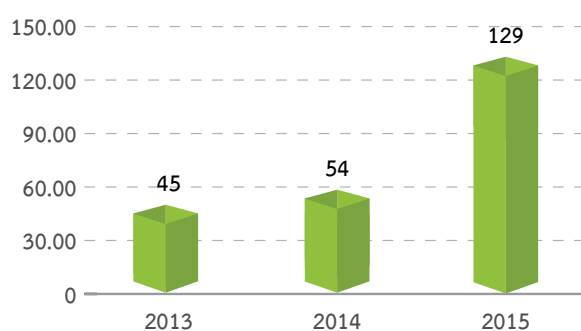
Total Liabilities (Million Baht)



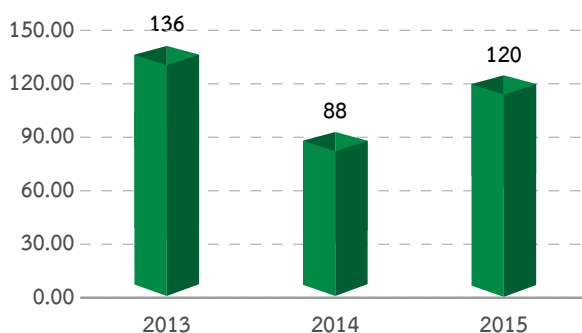
Total Shareholders' Equity (Million Baht)



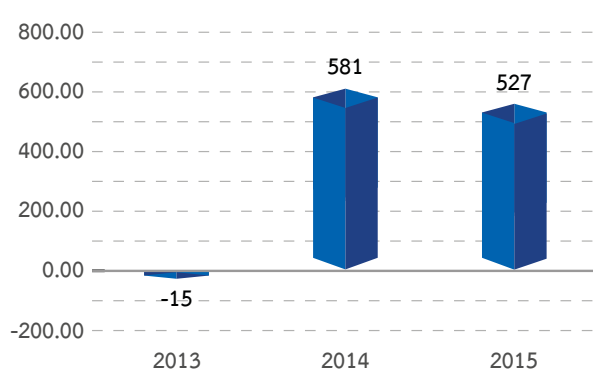
Total Revenues (Million Baht)



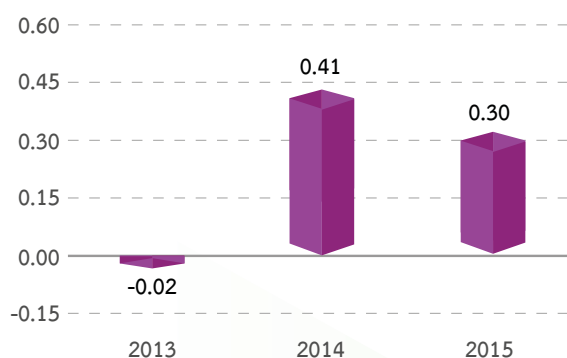
Total Cost and Expenses (Million Baht)



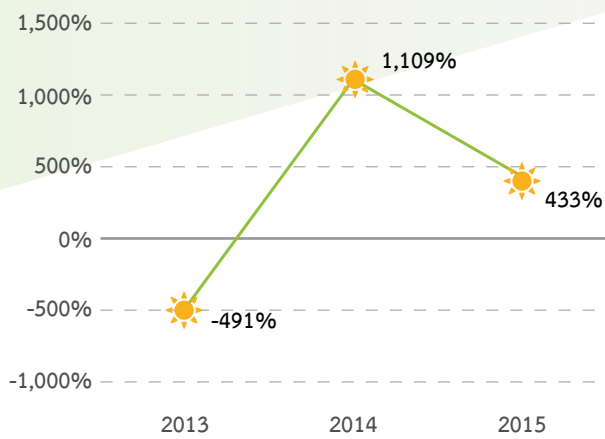
Net Profit (loss) (Million Baht)



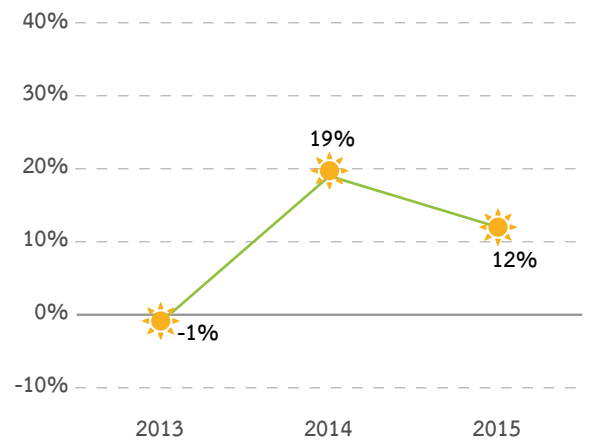
Net Profit (loss) per share (Baht)



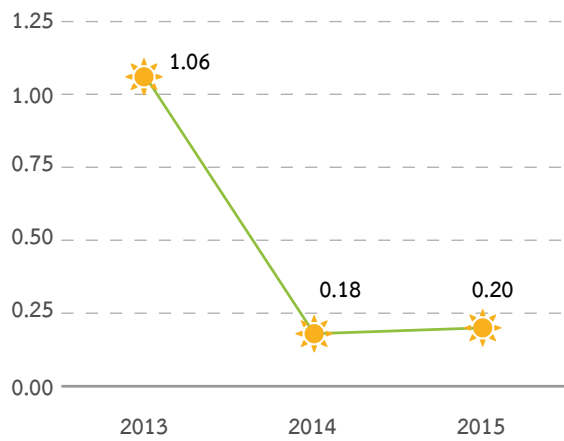
Operation Profit Margin (%)



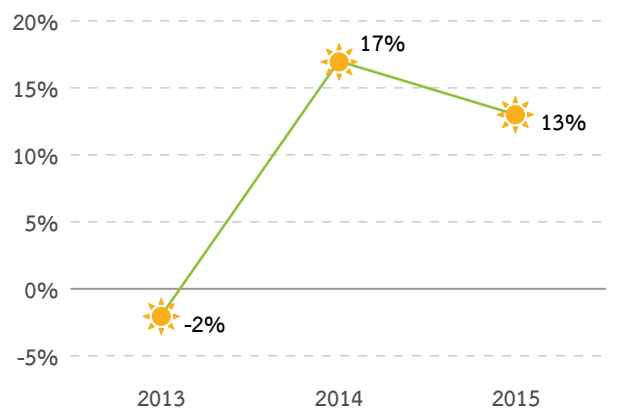
Return on Assets (%)



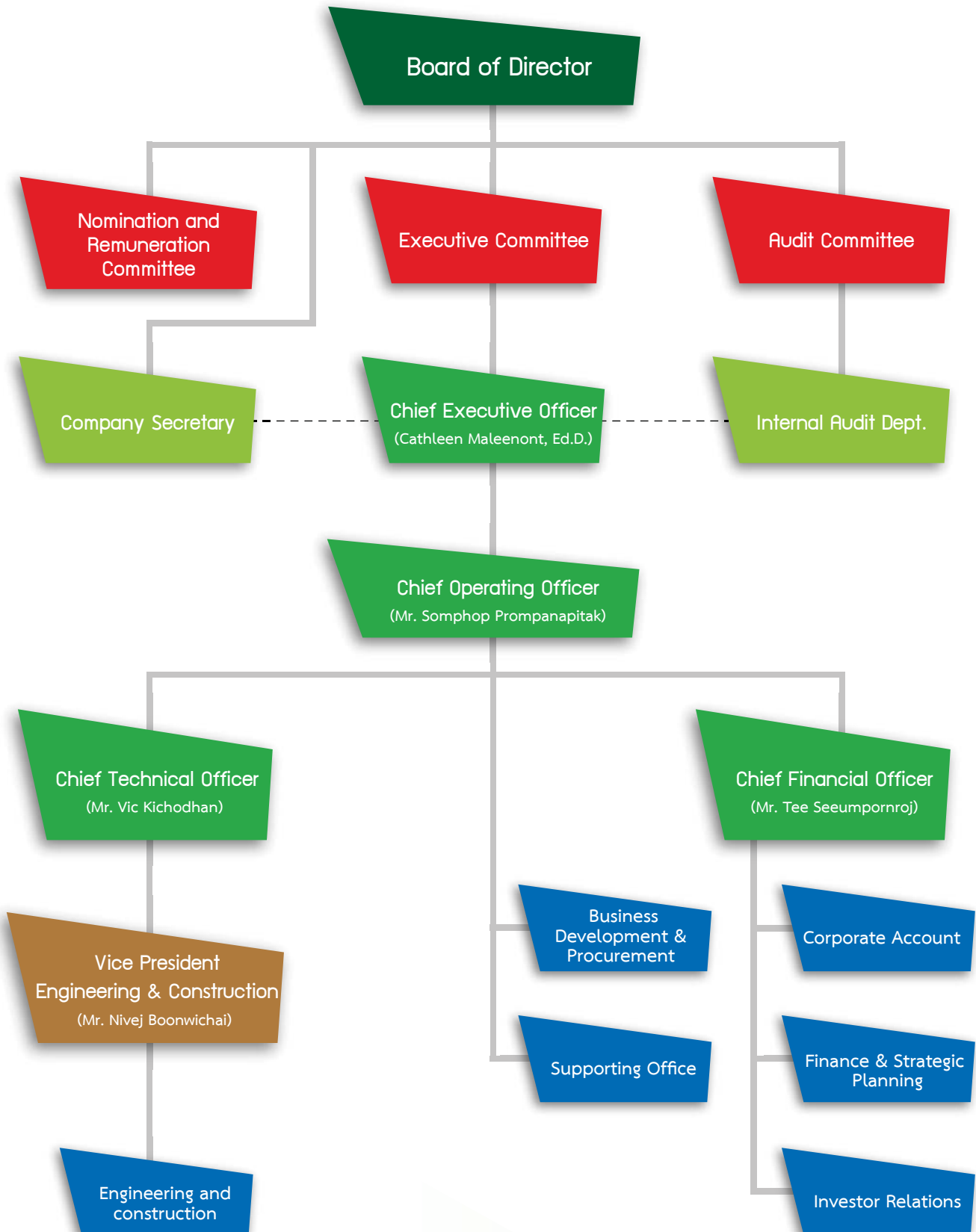
Debt to Equity Ratio (times)



Return on Equity (%)



Organization Chart



Business Operation

Major Events in the Past 3 Years:

2013: The Signing of Shareholders and Solar Farm PV Power Plant Contract and Beginning the Commercial Operation Date

- PTT entered into a shareholder and share payment contract to jointly invest in TSR in which the Company and PTT were holding 60 percent and 40 percent of TSR shares respectively. The Company and PTT jointly control and manage TSR. As a result, TSR became under the joint control and management of the Company and PTT.
- On 24 December 2013, PTT sold and transferred its entire shares in TSR to Global Power Synergy Co., Ltd. (“GPSC”), a Group in the PTT Group). As a result, the Company and GPSC became the co-shareholders in TSR with the shareholding ratio of 60 percent and 40 percent respectively and the operation of GPSC is under a joint control of the Company and GPSC.
- On 31 December 2013, the Group had 5 PV Solar farm projects that distributed electricity as Commercial Operation Date (COD) for the Provincial Electricity Authority at a total selling capacity of 40 MW.
- An expansion of electricity generation from Solar Rooftop System and becoming the leader of PV electrical production in Commercial Rooftop with the most selling capacity shown in the list of Metropolitan Electricity Authority (MEA) and Provincial Electricity Authority (PEA) with the total selling capacity of approximately 14 MW, totaling 14 projects-each of which has an approximate capacity of 1 MW.

2014: Transformation and preparing to be a publicly listed Company

- To register as Public Company Limited and changed the Company’s name to Thai Solar Energy Public Co., Ltd.
- Changed par value from 10 baht to par value 1 baht each and increased the capital from BHT 1,365 MM to BHT 1,815 MM.
- Approved the allocation of common shares for capital increase at the total amount of not exceeding 450 million shares with par value of BHT 1 per share. The shares are to be offered to the public with the following details:
 - (1) Not exceeding 428 million shares at the Initial Public Offering (IPO) and
 - (2) Not exceeding 22 million shares selling to be sold to major shareholders, i.e., the Wave Entertainment Public Co., Ltd. (PCL) (“WAVE”)
- On 30 October 2014, common shares of the Company have listed for trading in the Market for Alternative Investment.

2015: Expansion of Business to Asian Region

- As of 31 December 2015, the Group has produced solar energy from all 14 Solar Rooftop Projects and distributed into the COD system to the Provincial Electricity Authority and the Metropolitan Electricity Authority with the total selling capacity of 14 MW.
- Established a subsidiary, the TSE Group International PTE., LTD. (TSI) and Solar Assets PTE., LTD. in Singapore to support the Group’s plan to expand business operation to other countries in Asian region. The Group holds 100% of shares in these companies.
- The Group began to negotiate with business partners in Asian region such as those in Japan, the Philippines and Laos, etc. So far, the Group has reached agreement with 2 business partners in Japan, i.e., the Eco Solar Japan and Prospec Holding Inc. The total installed capacity of 42.5 MW (Sell capacity of 36.5 MW) and both of them are self-development projects and jointly development project.
- As of 31 December 2015, the total number of projects, implementing by the Group both in the country and overseas is 34 of which 1 is a solar thermal, 19 are Solar PV projects (10 in the country and 9 overseas) and 14 solar rooftop projects with the combined production capacity of 135 MW.

Nature of the Business

Overview of the Group's Business Operation

The Group operates 2 types of solar energy generation and distribution business: thermal power plants, and PV power plants.

1) Solar Thermal Power Plant Project

The Company is the first in Southeast Asia to produce electricity using solar thermal technology.

Its thermal power plants have generated electricity output and commercially distributed it to the Provincial Electricity Authority (PEA) at a total selling capacity of 4.5 MW.

2) Solar PV Power Plants Projects

The Group's PV power plants generate and sell electricity using photovoltaic systems which can be categorized as follows:

2.1) Solar PV Farm

In the Country:

The Group has 10 solar farm PV power plant projects with a total selling capacity of 80 Megawatts, all of which have been commercially sold to the PEA.

Overseas:

The Group incorporated a subsidiary, TSE Group International PTE.LTD. and Solar Assets PTE.LTD., in Singapore as part of the plan to expand investment in solar energy power plant to other countries in Asia. In 2015, the Group has signed a Memorandum of Understanding and the construction contract with 2 partners in order to develop and to build solar power plants in Japan with total installed capacity of 42.5 MW (Sell capacity of 36.5 MW). So far, one of the projects has already distributed electricity as Commercial Operation Date (COD) with the capacity of 0.5 MW. Other project is under construction and implemented.

2.2) Commercial Rooftop Solar PV Power Plant Project

The Group has 14 Solar Commercial Rooftop projects, the highest number in Thailand with a total selling capacity of 14 MW, all of which has been commercially distributed as Commercial Operation Date (COD) to the PEA.

2.3) Rooftop Solar PV Power Plant for Industrial Use

The Group has expertise and experience in the installment of equipment for rooftop solar PV power plant through a network of business partners. It has, therefore, conducted a study on rooftop solar power plants for factory and industrial use and introduced such project to many well-known companies and factories.

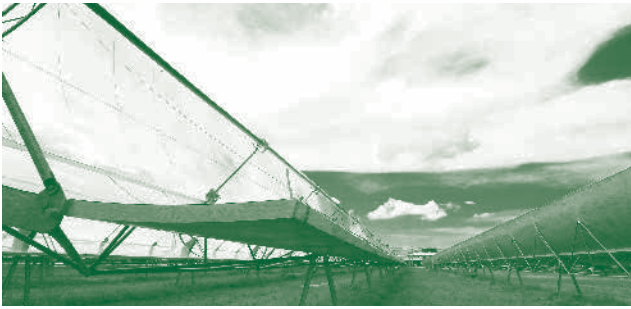
Operations in Each Business Group

The Group operates a business of producing and selling electricity from solar energy for the government sector according to policy to promote the production and use of electricity from alternative energy of the Energy Planning and Policy Office, Ministry of Energy.

As of the end of 2015, the Group has commercially distributed as Commercial Operation Date (COD), totaling 99 MW of which 98.5 MW is domestically generated and 0.5 MW is produced overseas. Followings are the detail:

Domestic Generation: Total generating capacity = 98.5 MW.

Thermal Power Plants - 4.5 MW



TSE 01 Location Huai Krachao District,
Kanchanaburi
Selling Capacity 4.5 MW
COD 26 Dec 2011

Solar Farm PV Power Plants - Total of 80 MW



PV 01 Location Bo Phloi District, Kanchanaburi
Selling Capacity 8 MW
COD 4 Sept 2013



PV 02 Location Don Chedi District, Suphan Buri
Selling Capacity 8 MW
COD 17 Jul 2013



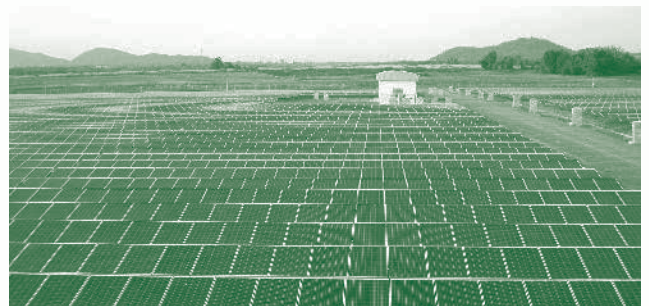
PV 03 Location Nong Ya Sai District, Suphanburi
Selling Capacity 8 MW
COD 28 Oct 2013



PV 04 Location Doem Bang Nang Buat-District,
Suphanburi
Selling Capacity 8 MW
COD 21 Nov 2013



PV 05 Location Doem Bang Nang Buat-District,
Suphanburi
Selling Capacity 8 MW
COD 21 Nov 2013



PV 06 Location Dan Makham Tia District,
Kanchanaburi
Selling Capacity 8 MW
COD 6 Jun 2014



PV 07 Location Tha Muang District,
Kanchanaburi
Selling Capacity 8 MW
COD 20 Mar 2014



PV 08 Location Phanom Thuan District,
Kanchanaburi
Selling Capacity 8 MW
COD 6 Jun 2014

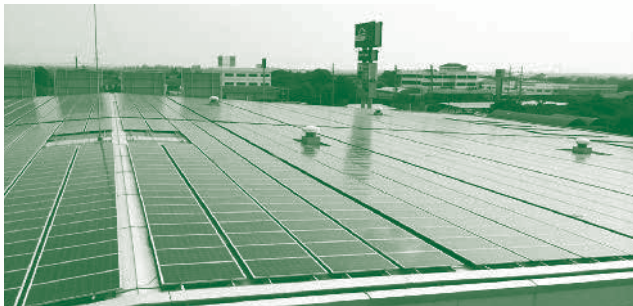


PV 09 Location U-Thong District, Suphanburi
Selling Capacity 8 MW
COD 4 Apr 2014

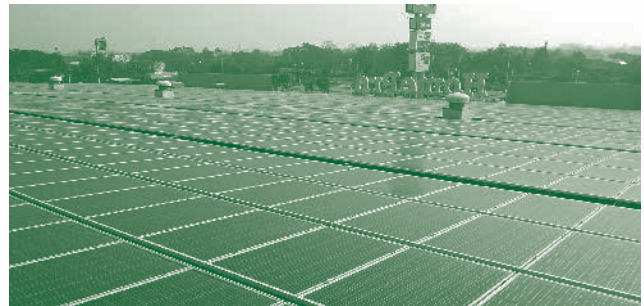


PV 10 Location Sam Chuk District, Suphanburi
Selling Capacity 8 MW
COD 30 May 2014

Commercial Rooftop PV Power Plants-Total of 14 Megawatts



RT 01 Location HMPRO, Muang District, Lopburi
Selling Capacity 1 MW
COD 4 Sept 2014



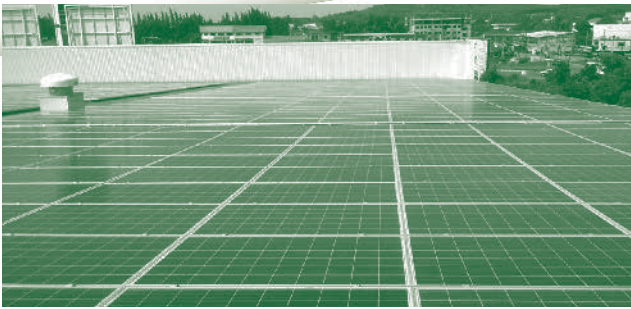
RT 02 Location HMPRO Muang District, Phrae
Selling Capacity 1 MW
COD 3 Feb 2015



RT 03 Location HMPRO Muang District,
Nakhon Sawan
Selling Capacity 1 MW
COD 2 Jun 2015



RT 04 Location HMPRO Muang District,
Chumphon
Selling Capacity 1 MW
COD 4 Sept 2014



RT 05 Location HMPRO Muang District,
Suratthani
Selling Capacity 1 MW
COD 8 Dec 2014



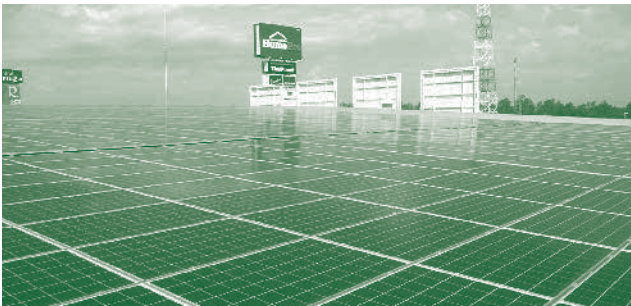
RT 06 Location HMPRO Muang District,
Nakhon Si Thammarat
Selling Capacity 1 MW
COD 7 Jul 2015



RT 07 Location HMPRO Hatyai, Songkhla
Selling Capacity 1 MW
COD 9 Oct 2015



RT 08 Location HMPRO Khao Yai,
Nakhon Ratchasima
Selling Capacity 1 MW
COD 13 Nov 2014



RT 09 Location HMPRO Muang District,
Ubon Ratchathani
Selling Capacity 1 MW
COD 16 Mar 2015



RT 10 Location HMPRO Ekamai-Raminthra,
Bangkok
Selling Capacity 1 MW
COD 11 Feb 2015



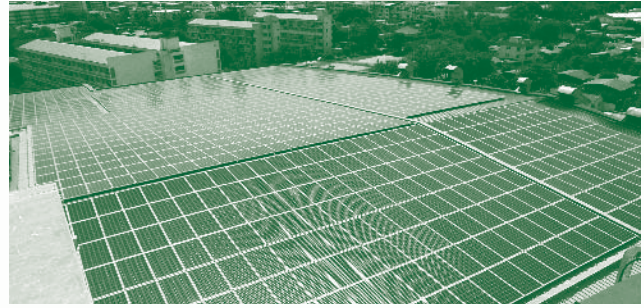
RT 11 Location HMPRO Ratchaphruek, Bangkok
Selling Capacity 1 MW
COD 26 Nov 2014



RT 12 Location The Mall Thapra, Bangkok
Selling Capacity 1 MW
COD 16 Jul 2015



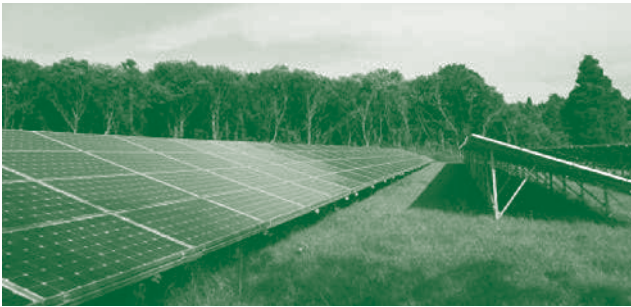
RT 13 Location The Mall Bangkapi, Bangkok
 Selling Capacity 1 MW
 COD 28 Jul 2015



RT 14 Location The Mall Ngamwongwan, Bangkok
 Selling Capacity 1 MW
 COD 24 Aug 2015

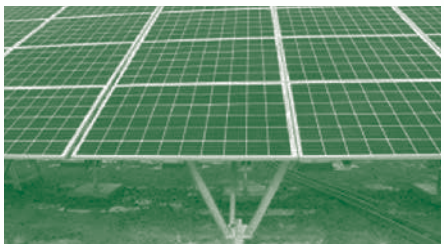
Overseas Generation: Total installed capacity of 42.5 MW.

In 2015, the Group has signed a Memorandum of Understanding and the construction contract with 2 partners, i.e., Eco Solar Japan and Prospec Holding Inc., which was an investment project that the Group developed the entire project by itself and to join hands with business allies to develop a project with total installed capacity of 42.5 MW (sell capacity of 36.5 MW). So far, the project in Ibaraki, Japan with a total capacity of 0.5 MW has already distributed electricity as Commercial Operation Date (COD). Other project is under construction and shall be gradually distributed as COD in 2016 onward.



Kuno Project : Ibaraki, Japan
 COD : 18 August, 2015

Other Projects: Under construction



Marketing and Competitiveness

Competitive Strategy

The Group has developed its operating strategies as follows:

- 1) Efficient management by a team that has expertise in engineering and a long experience in energy and electricity generating, including knowledge and skills in all areas of cost management such as construction cost, administrative cost, and financial costs etc.
- 2) Strict process of EPC Contractors selection. The selected EPC Contractors must be trustworthy and have internationally-accepted professional record to ensure that each power plant is able to produce enough electricity according to the supply contracts that the Group has entered with the MEA and the PEA.
- 3) The EPC Contractors, hired by the Group shall have a world-class team of experts with experience and expertise in the field of civil engineering and installation of solar power plants, including the technical consultant to help in the process of checking and evaluating the projects during the construction process. This is to ensure that the efficiency and consistency of the Group's electricity generation capability is in high level.
- 4) Focusing on quality control of electricity generation process in order to ensure maximum efficiency in generating and delivering electricity supply as agreed upon in the contracts.
The Group chooses to use equipment and technology, provided by leading manufacturers to ensure a stable and consistent distribution of electricity supply. The major equipment such as parabolic troughs, steam turbo, cooling system, solar cell panel, inverter and transformer all carry product warranty of 2-12 years. Moreover, the solar cell panels also carry the power output guarantee at not lower than 80.0% of electricity generating capacity throughout 25 years of their operating life time. The Group has set up system to closely control and monitor the operation at each power plant by the staff, responsible for controlling the operation of the power plant as well as a controlling system at the head-office that can control the operation of all power plants. This is to ensure the stability, uninterruptedness and maximum safety of electricity generation process.
- 5) Earning stable and consistent revenue from electricity generation as all of the 10 solar PV farm projects under SSE1 with total generating capacity of 80 MW has the comprehensive output performance guarantees from the contractor for a period of 10 years, starting from the date that the electricity is supplied into a commercial system. As a result, the Group shall earn minimum revenue as agreed upon with the contractor.
- 6) Establishing business relationship with allies that have good reputation, stable financial status and expertise in energy and related businesses.
- 7) Acquiring support in the form of loans for the projects from financial institutions.

Target Customers and Distribution Channels

Domestic: The Group's solar power plant projects are categorized as very small power producer or VSPP that provides electricity supply to Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) according to the contracts, totaling 25 projects. Therefore, the Group's distribution channels are the electricity connection points from each project to the supply stations and electricity system of the MEA and PEA. The amount of power supply, distributed to MEA and PEA is calculated from the electricity units, passing through the meter at the power distribution point of each project. The MEA and PEA then distribute the electricity to the general public.

Overseas: The Group now has solar power plant projects in Japan that generate electricity supply for regional utility Group who oversees public utilities in each region in Japan according to the power supply contract. Therefore, the Group's distribution channels are the electricity connection points from each project to the supply stations and electricity system of each region. From there, the electricity supply is distributed to the general public.

Acquiring the Products and Services

Projects Location

As solar energy generating project relies mainly on solar radiation, thus, selecting the right location for the power plants is very critical. And in realizing that the differences in geography and climate will result in the intensity of sunrays, the Group has studied the intensity of sunrays from 4 main sources which are MetroNorm, NASA, (New Energy and Industrial Technology Development Organization, Japan (NEDO) and Japan Meteorological Agency (JMA) before choosing locations for the power plants.

Hiring of Contractors

Solar Thermal Power Plant

The Group is the first one in Southeast Asia to use the Direct Steam CSP technology. This technology uses the steam from a parabolic trough as a thermal conductor instead of oil. Apart from being a cost saving renewable energy, water is safe and does not create pollution. However, it has an inferior quality relating to heat storage. For the beginning phase, the Group has hired a German Group to be the Engineering, Procurement and Construction (EPC) contractor.

Solar PV Farm

When hiring EPC Contractors, the Group has a strict process in selecting the contractors in order to ensure that the Group's power plants can efficiently, safely and cost-effectively produce electricity.

In addition, for large-scale projects, the Group has hired the OWL technical consultant to provide consultancy from the beginning process of hiring contractors to the completion of the construction. The consultant's duty is to check the scope of work, investing fund and other conditions in the contracts to ensure that they conform to each project's objective and are reasonable. The consultant also needs to ensure that the contractors delivered each project and performed their works according to the contracts. For overseas projects, the Group has hired MottMacDonald to provide the technical consults. The Group also has legal and business consultants to provide consults since the process of applying for license and hiring the contractor and an ally, Prospec Holding Inc., who has expertise and experience in construction of solar power plant.

Solar Commercial Rooftop PV

Based on the experience gained from Solar PV Farm power plant projects, the Group chose to procure raw material for Solar Commercial Rooftop PV such as solar modules, transformers etc., by itself through direct purchase from manufacturers. The Group also hires sub-contractors with experience, skills and potential, appropriate for each location of the projects to construct its Solar Commercial Rooftop PV.

Moreover, the Group hired a technical consultant, the Excellence Engineer International to provide the Group with consultancy on contractor's engineering construction design and quality control for the construction from the beginning until completion. This is to ensure that contractors deliver quality work according to the contracts.

Procurement of Raw Materials

The main raw material for power generation is the solar energy whose supply is unlimited, depending on geography and climate. For procurement of main equipment, the Group joins hands with its EPC contractors to select all main equipment used in the Group's power plant projects.

As for Commercial Rooftop PV power plant projects, the Group procures the main equipment by itself by purchasing directly from manufacturers using experience gained from the construction of Solar Farm PV power plants.

The Group does not take into consideration only the specifications of equipment such as technology, quality and useful life but also on the qualifications of the sellers or distributors of such equipment such as financial status, business security, after sales services and warranty in order to ensure that the distributors and manufacturers are able to deliver the best services to the Group.

Hiring of O&M Contractors

In order to ensure the smooth and integrated operations, the Group hired O&M contractors and EPC contractors for the power plants at the same time. For big projects, the EPC contractors are also acting as O&M contractors for that particular project which allows easier management for the projects because they will have the expertise with their own technology. The scope of work operations and the contractors' qualifications are defined in the TOR which is part of the EPC contract.

As for Commercial Rooftop PV Power Plants, the Group shall take responsibility in the operations and maintenance management by itself, using experienced employees who undergone training for the said management from the EPC contractors.

Environmental Impacts

The Group complies with the standards related to the studies on preventive and correctional measures for environmental impacts called "Environmental Safety Assessment" or "ESA" which is a measure that plays an important role in environmental impact control. The study has to be strictly implemented before starting construction of the solar power plant projects. In addition, it has to be undertaken according to measures related to environmental impact mitigation and tracking together with examining environmental quality. The said performance needs to be reported to relevant departments regularly.

The Group also operates its business based on ISO 9001:2008 and ISO 14001:2004 which are both international standards. As for the thermal and PV power plants, the Group has established regulations and best practices in relation to environmental concerns according to laws, appropriateness and accountability. These are to ensure that the Group's solar energy productions are operated without creating pollution whether it is noise, heat or air; and there will be no negative impact to local community and the country as a whole.

Risk Factors

Risk factors related to the Group's operation that may have a significant impact on the Group, and its risks prevention guidelines are as follows:

1. Risk related to business operation

1.1 Risk from the lower-than-expected electricity output

Usually the electricity output of solar power plants may be affected by both external and internal factors. Significant internal factors include, for example, the efficiency and useful life span of equipment that ranges from solar collectors trough, solar modules, wind turbines, to transformers. Moreover, there are

also the loss of output and the technical problems that could occur during the electricity generating process. The significant external factors include solar intensity, changes in climate, and natural disasters such as floods, storms and fire etc. These risk factors can cause the Group to be unable to generate electricity output that is less than expected and may pose a direct effect on the revenue and business performance of the Group and other operators in the industry.

From 2012 to present, the Group's electricity output from solar thermal power plant was lower than the output, estimated by the former management team due to lower sun radiation and shorter daily operation time as well the too humid climate condition. Furthermore, a thermal power plant usually requires equipment with moving parts more than a PV power plant and Thailand's climate may cause quicker wear down of the equipment than normal. These could incur more than expected repair and maintenance expenses for the Group or the Group might need to set impairment of assets for some asset items.

However, the Group realizes and is aware of the problems and sets high priority to solving such issues. At present, the Group has completed an analysis and a study and the procurement of new technology to improve the efficiency of solar thermal power plant.

That experience has led the new management team to realize the importance of those risks. Before commencing the construction of the solar PV power plant, the Group hired Owl Energy Limited ("OWL"), a technical consulting firm with extensive experience in solar power to conduct the feasibility study and to be a consultant for the process of selecting the EPC Contractor including the controlling and overseeing of the construction of the power plant to be in accordance with the construction drawings, time frame and agreement. In addition, the EPC Contractor provides an output performance guarantee to the Group for the period of 10 operating years and also provides warranty to major equipment to minimize this risk.

1.2 Risk from reliance on major customers

The Group's 2 major customers are MEA and PEA who buy all of the electricity supply, generated by the Group according to the PPA that determines fixed output and purchase price for each period, based on the policy to support alternative energy of the Energy Policy and Planning Office, Ministry of Energy. Therefore, if these 2 customers terminate the PPA, it may have a critical impact on the Group's business operation.

However, the Group has 2 types of PPA, distinguished by the contract period. The first type is a 5-year contract, automatically renewable for 5-years each until the contract expires or is terminated and the second type, the 25-year contract. The Group strictly complies with the terms and conditions in the PPA, and the government promotes the renewable energy business which should make the Group be able to renew the contract.

1.3 Risk from reliance of on EPC Contractor

The Group hires an EPC Contractor to design, procure equipment, and construct each of the power plants. These assigned tasks require EPC contractor who has experience, expertise, technology knowledge and strong financial status because the EPC contractor tend to be the owner of technology, required by those power plant to generate electricity and act as the guarantor of efficiency and effectiveness of power production. Moreover, such contractor may be the manufacturer and distributor of some of the equipment to the power plant. Therefore, the Group faces a risk from reliance on EPC Contractor in a case where the EPC Contractor has difficulties in operation or other factors that may affect its financial status causing the risk of not being in compliance with terms and conditions, stipulated in the EPC contract. This situation might affect the revenue, expenses and performance of the Group.

At present, the Group has an internal team that can handle basic repair and maintenance of the equipment. As for backup/replacement equipment, the Group is able to procure enough of them to maintain normal and uninterrupted operation.

However, in realizing the potential presence of the risk so, the Group has put in place a stringent selection process for EPC Contractor and engages technical consultants with solar power plant experience to act as advisors in the selection and hiring of EPC contractor, including the monitoring and supervising of the construction of power plants to ensure that it is in accordance with the drawing plan and the agreement. In selecting the contractor, the Group initially focuses on each contractor's technical information such as qualifications (experience, expertise, technology know how, and financial status), efficiency and effectiveness of the equipment, warranty (electricity output and equipment), and services. After all of those factors have been considered, the Group, then, concentrates on pricing to ensure that it has hired a contractor of high quality at reasonable price.

1.4 Interest Risk

It is a general characteristic in solar power generating industry that the power plant companies tend to take out loan from commercial banks in the form of project financing with D/E ratio in the range of 2:1 to 3:1 and with floating interest rates whereby the loan period and interest rate are subject to credit worthiness of the borrower. Thus, the Group faces a risk from interest rate volatility as does any other operator in the business.

1.5 Insolvency Risk

The source of operating fund of most of solar power plants is a loan. The power plant operator, therefore, has an obligation to pay interest and repay the principal to the commercial bank when they are due, and comply with financial conditions, specified in the loan agreement. If the business operation is not good or the Group cannot comply with such financial conditions, it may face the risk of not being able to pay interest or repay the principal when they are due or may be subject to a demand to repay the whole debt amount immediately as any other operator in the industry may face.

According to the loan agreement, the Group has to maintain debt service coverage ratio (DSCR) of not less than 1.1. The lending bank shall conduct an audit half-yearly.

As of 31 December 2015, DSCR is equal to 1.32 which it conform with loan agreement's condition, the Group can pay interest and principal according to the repayment schedule.

Moreover, the management has adjusted the financial restructure and analyzed, studied, and sought new technology in order to improve the efficiency of its thermal power plant operation. The Group also tries to develop its PV projects in order to create revenue to the Group as soon as possible. Since, the yearly minimum electricity output from these solar farm PV projects have been guaranteed by EPC contractor, the Group is positive in its ability to repay loans and loans interests within the due period.

1.6 Risk from changes in policy of the government or relevant agencies

The Group faces a risk from changes in policy of the government or relevant agencies like any other solar power plants operators such as changes in power development plan in relation to the renewable energy, supporting measure for renewable energy, conditions for the electricity purchase, conditions of permit for factory operation (Ror Ngo 4) or environmental permit etc.

However, the Group realizes this risk and tries to reduce the risk by carefully studying the information on changes of governmental policy or other government agencies and conducting a feasibility study of the projects as well as taking into account relevant rules and regulations thoroughly and continuously.

1.7 Exchange Rate Risk

In accordance with our expanding in capacity overseas, there are revenue, loan, investment costs and expenses in a foreign rate as a result having the Group an exchange rate risk. In 2015, the Group invested totally 2,148.83 Million Japanese Yen or equal 743.94 Million Thai Baht (using average selling exchange rate of the Bank of Thailand on 31st December 2015 at 0.302756 Thai Baht per Japanese Yen). In the future, the Group will increasingly invest in overseas which will cause more of assets and liabilities in foreign rate. In conclusion, the foreign rate from overseas investments could affect the Group performance. The Group has a main policy to managed the exchange rate risk by financing loan the same foreign rate as its income to minimize the effect of the risk (Natural Hedge).

1.8 Risk from investment in new projects

The Group has a plan to invest in new solar power projects including solar farms, solar commercial rooftops, solar residential rooftops, and other renewable power projects through both its own investment or joint- investment in Thailand and other countries. The performance from such projects should create secured long-term revenue and provide risk diversification for the Group. The plan is also in line with the government's policy to promote the use of renewable and alternative energy.

However, since these are new projects that have to undergo several operational stages such as a feasibility study, land procurement, execution of electricity purchasing contract, seeking source of funds etc., the Group faces many risks from these new projects such as risks related to the increasing price of land, price competition, selection of locations for operations such as rooftop solar module, storage etc. In addition, there are also risks from entering into electricity selling and buying contract, risk from seeking source of funds, risk from fluctuation of exchange rates for overseas investment projects, risks from a delay in projects' operations, and risk from investment returns that are lower than expected, etc.

Being aware of the above-mentioned risks, the Group, therefore, opts to develop a strict investment policy and regularly monitors the progress of the projects. Moreover, the responsible management will report the progress to the executive committee every month.

2. Business management risks

2.1 Risk relating to major shareholders holding more than 50% of total paid-up shares

The Group's major shareholder is Dr. Cathleen's group who collectively holds 1,145,571,830 shares or 63.1% of the total paid-up shares. Thus, this group of shareholders can control the majority of voting rights. As a result, other shareholders of the Group have the risk related to their inability to gather sufficient voting rights to maintain checks and balances with respect to agendas proposed by the major shareholder.

However, the Group has set up management structure that comprises personnel with knowledge and capability, a clear scope of roles and responsibilities, and assigned authorities to the board members and the management, based on clarity and transparency. Moreover, the Group has prescribed measures on transactions related to directors, major shareholders, parties with controlling power as well as parties with conflict of interest. These parties are not allowed to vote when it involves their interests. This is to ensure that the business operation of the Group is carried out transparently. In addition, the Group appoints 6 independent directors from a total of 10 directors to ensure checks and balances as well as effectiveness of the Group's management.



Management and Corporate Governance

Shareholding and Management Structures

Shareholding

As of December 31, 2015, the Group's registered capital is Baht 1,815,000,000; of which 1,815,000,000 common shares with a par value of 1 baht per share. The paid-up capital was Baht 1,815,000,000 with a par value of 1 Baht per share.

Shareholders

The Group's shareholding structure as of the latest book closure date on December 1, 2015, prepared by Thailand Securities Depository Co., Ltd. is as follows:

	Number of Shareholders	Number of Common Shares	Percentage of Shareholding (%)
Thai shareholders	10,315	1,722,027,980	94.88
Foreign shareholders	9	92,972,020	5.12
Total	10,324	1,815,000,000	100.00

Name List of Top 10 Major Shareholders

Names of Top 10 major shareholders as of the latest book closure date on December 1, 2015 are as follows:

	Shareholder Name	Number of Common Shares	Percentage of Share Holding (%)
1	Dr. Cathleen Group*		
	P.M Energy Co.,Ltd. ("PME") ^{/1}	776,746,810	42.8
	Wave Entertainment PCL ("WAVE") ^{/2}	363,250,000	20.0
	Mr. Matthew Kichodhan	5,575,020	0.3
	Total	1,145,571,830	63.1
2	CREDIT SUISSE AG, SINGAPORE BRANCH	76,457,100	4.2
3	Mr. Pornsek Karnchanachari	28,700,000	1.6
4	Ms. Nattawan Piyamahachot	18,610,400	1.0
5	Mr. Somchai Eakudomsin	13,671,000	0.8
6	Mr. Sanit Dussadeenod	9,777,600	0.5
7	Mr. Taveesak Watchararakwong	8,360,000	0.5
8	Mrs. Krisnee Chaianat	8,110,000	0.5
9	Mr. Supoj Tanyongwetch	7,500,000	0.4
10	Mr. Songtham Aranyakanon	7,500,000	0.4

* The grouping refers to the definition of related persons according to person in the Notification of the Security and Exchange Commission No.Kor.Jor.17/2551 dated 15 December 2008; not referring to related persons under section 258 of The Securities Exchange of Thailand Act B.E. 2535 (including the amendments)

^{1/1} PME operates its business by investing in renewable energy companies. Its major shareholder as of December 31, 2015 was Dr. Cathleen Maleenont who holds 100 % in PME

^{1/2} WAVE engages in:

- (1) Copyright holder and distributor of Thai TV 3's television programs, movies and TV dramas.
- (2) Sub-leasing spaces in department stores - Central Plaza Pinklao and Central Plaza Ratchada-Rama III as per existing leasehold periods
- (3) Organizing concerts and events (iWave)

Top 10 major shareholders as of December 30, 2014 are as follows:

Shareholders	No. of shares	%
1. Dr. Cathleen Maleenont	71,435,580	22.05
2. BEC World PCL	58,250,000	17.98
3. Mr. Veerasak Boonvornmethee	22,947,000	7.08
4. Mr. Pinai Jinapan	14,930,000	4.61
5. Ms. Nattawan Piyamahachot	12,598,000	3.89
6. Ms. Onyaporn Kanjanajaree	12,000,000	3.70
7. Mrs. Suwimol Leesuwan	9,842,000	3.04
8. Mr. Thienvech Jinakul	7,510,000	2.32
9. Mr. Sinchok Piriyothaisakul	6,217,000	1.92
10. Mr. Pornprasert Karnjanaree	5,891,000	1.82



Information Related to Shareholding of Directors and the Management

Name	Surname	Position	No. of Common Shares	During 2015		No. of Common Shares
				Increase	Decrease	
			Dec 31, 2014			Dec 31, 2015
Dr. Cathleen	Maleenont	Chairman of Board of Directors Chairman of Executive Committee Member of Nomination and Remuneration Committee	---	---	---	---
Mr. Prommin	Lertsuridej	Independent Director Vice Chairman	---	---	---	---
Mr. Pala	Sookawesh	Independent Director	---	---	---	---
Mrs. Siripen	Sitasuwan	Independent Director Chairman of Audit Committee	---	---	---	---
Mr. Prasan	Chuapanich	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee	---	---	---	---
Mr. Boonchoo	Direksataporn	Independent Director Member of Audit Committee	---	---	---	---
Mr. Somsak	Worawijak	Independent Director	---	---	---	---
Mr. Matthew	Kichodhan	Director	5,575,020	---	---	5,575,020
Mr. Vic	Kichodhan	Director Member of Executive Committee	3,428,170	---	---	3,428,170
Mr. Somphop	Prompanapitak	Director Member of Executive Committee Member of Nomination and Remuneration Committee	---	---	---	---
Mr. Tee	Seeumpornroj	Executive Committee Company Secretary	---	---	---	---
Mr. Nivej	Boonwichai	Vice President of Engineering and Construction	---	---	---	---

Note: Information on shareholding of the first 4 directors and the management is in accordance with the definition of the Securities and Exchange Commission, including the shareholding of spouse and children who have not reached legal age.

Management Structure

Scope of authority, duties and responsibilities of each committee and list of members of executive committee

The Group has four committees: Board of Directors, Audit Committee, Nomination and Remuneration Committee and Executive Committee. Each has authority, duties and responsibilities as follows:

Board of Directors

As of December 31, 2015, Board of Directors consisted of the following 10 directors:

Name	Surname	Position	Start Date
Dr. Cathleen	Maleenont	Chairman of Board of Directors Chairman of Executive Committee Member of Nomination and Remuneration Committee	February 18, 2014
Mr. Prommin	Lertsuridej	Independent Director Vice Chairman	February 18, 2014
Mr. Pala	Sookawesh	Independent Director	February 18, 2014
Mrs. Siripen	Sitasuwan	Independent Director Chairman of Audit Committee	February 18, 2014
Mr. Prasan	Chuapanich	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee	February 18, 2014
Mr. Boonchoo	Direksataporn	Independent Director Member of Audit Committee	February 18, 2014
Mr. Somsak	Worawijak	Independent Director	April 30, 2014
Mr. Matthew	Kichodhan	Director	February 18, 2014
Mr. Vic	Kichodhan	Director Member of Executive Committee	February 18, 2014
Mr. Somphop	Prompanapitak	Director Member of Executive Committee Member of Nomination and Remuneration Committee	February 18, 2014
Mr. Tee	Seeumpornroj	Executive Committee Company Secretary	April 1, 2014

* Number of meeting attendance is shown in the topic "Number of Meeting Attendance of Directors and the Management."

Authorized director, according to Group Certificate, who can sign on behalf of the Group

Authorized directors are: Dr. Cathleen Maleenont, Mr. Vic Kichodhan, Mr. Mathew Kichodhan, Mr. Somphop Prompanapitak whereby any two of the authorized directors shall sign on behalf of the Group with the Group's seal affixed.

Scope of authority, duties and responsibilities of Board of Directors

1. Perform duties and control the operations of the Group and subsidiaries with accountability, carefulness and integrity and in accordance with laws, objectives and regulations of the Group as well as the resolution of Board of Directors meeting and shareholders meeting for the benefit of the Group and shareholders
2. Review and set the vision, policies, strategies, business directions, business plan, budgets and investment fund of the Group and subsidiaries including supervising and controlling the management team to undertake their duties efficiently and effectively and in accordance with the aforementioned policies. Inspect, monitor, and review the operation of Group regularly and continuously to ensure it is in line with the business plan and budget and earns optimum benefit to the Group and shareholders
3. Supervise, monitor and evaluate operating performance of the Group, subsidiaries and the jointly-controlled operations and performance of the management regularly to ensure that they are in line with the prescribed objectives and plan
4. Establish corporate good governance policy and regularly monitor and evaluate the results of implementation of such policy. The corporate good governance policy is reviewed at least once a year
5. Establish accounting, financial reporting, risk managing and internal auditing systems that are efficient, credible and suitable to the operation of the Group, subsidiaries and jointly-controlled operations. Set up adequate and suitable internal control system in the Group, subsidiaries and the jointly-controlled operations and a mechanism to audit, monitor and assess the performance of such system.
6. Review and approve transactions relating to the acquisition or disposal of assets, new business investment, and any operations required by laws, notification, and related rules and regulation
7. Review and/or provide opinion on the carrying out of related transaction and/or all transactions of the Group, subsidiaries and jointly-controlled operations in case where the value of such transaction does not fall under a condition to be reviewed or approved by shareholders meeting in order to be in compliance with the laws, notification, rules and regulations.
8. Manage operations to ensure compliance with regulations of the Securities and Exchange Stock of Thailand and any related laws and to ensure that the disclosure of information that may cause conflict of interest between the stakeholders is done correctly and completely.
9. Promptly report to the Group, if the Board, after a review, found that there have been or may be a conflict of interest from making an agreement or acquiring or selling of the shares of the Group, subsidiaries and the jointly-controlled operations by upholding the interest of the shareholders and stakeholders as the utmost priority. In a case where a board member has a conflict of interest in any forms when involving in any transaction with the Group, subsidiaries or the jointly-controlled operations, that Board member shall have be entitled to vote to approve such transaction.
10. Disseminate and disclose appropriate data to stakeholders, parties that may have conflict of interest and other related parties accurately, completely, appropriately and punctually
11. Generate accurate and complete financial report within a prescribed timeline as well as to approve a quarterly and annual budget
12. Arrange to include a report of Audit Committee in annual report of the Group. The report must cover the important auditing areas, required under the code of best practice for directors of listed companies in the Stock Exchange of Thailand.
13. Authorize one or more directors or other individuals to jointly or separately undertake one or multiple tasks on behalf of Board of Directors. However, such authorization must be under scope of legal authority of the Board of Directors and the scope of authority and duties of the attorney must be clearly defined. However, such authorization must not enable any member of Board of Directors or attorney to consider and approve any transaction or take any action that he/she or the party with conflict of interest (as defined in the Notification of The Securities and Exchange Commission) in any form with the Group or subsidiaries except in the case of granting the approval normal business transactions with general trading conditions and the Board of Directors have already approved such transaction in principle in accordance with the Securities and Exchange Commission Act.

14. Appoint a person to serve as a Director of the Group when the position is vacant due to certain circumstance other than the end of the term. The appointee must have required qualifications for a director and must not have prohibited characters stated in the Public Limited Company Act, B.E. 2535 (including its amendments), Securities and Exchange Commission Act, B.E. 2535 (including its amendment) as well as notification, related regulations and/or rules. Appoint Sub-Committee, e.g., Executive Committee or Audit Committee to help supervise, control the management team and direct internal control system to comply with the laid out policies.
15. Approve remuneration for the director as proposed by the Nomination and Remuneration Committee and propose that remuneration for approval at the shareholders meeting
16. Appoint sub-committee to assist in the management, supervision and internal control of the Group when required and deemed suitable.
17. Arrange to have a charter of sub-committee and review and approve changes of rules in the charter as deemed appropriate and to make it up-to-date
18. Appoint a director with qualification according to the definition set by Securities and Exchange Commission and/ or Capital Market Supervisory Board and approve the remuneration for that director
19. Determine organizational structure as well as scope of authority, duties and responsibilities of the management and the succession plan for CEO
20. Review salary structure, criteria and methodology for annual salary adjustment.
21. Appoint the Group Secretary to ensure that Board of Directors and the Group comply with relevant laws and regulations and approve remuneration for the Group Secretary
22. Set up a channel to receive professional opinions from independent consultant as deemed appropriate so the Board of Directors can use the input for decision making process and the Group shall be responsible for all the incurred expenses.
23. Review and approve the selection and nomination of independent individual to be serve as an auditor of the Group as proposed by Audit Committee
24. Review, determine and make changes to the name of director who is the Group's authorized signer.
25. Review and approve interim dividend payment to shareholders when the Group is considered to have sufficient profit to do so and report the dividend payment to shareholders in the next shareholders meeting
26. Encourage committee members and directors to attend courses/ seminars of Thai Institute of Directors that are related to the duties and responsibilities of committee members or directors

In 2015, the Board of Directors held 8 meetings.

Audit Committee

As of December 31, 2015, the Audit Committee consisted of 3 directors as follows:

Name	Surname	Position	Number of meeting attendance
Mrs. Siripen	Sitasuwan	Chairman of Audit Committee and Independent Director	4/4
Mr. Prasan	Chuapanich	Member of Audit Committee and Independent Director	3/4
Mr. Boonchoo	Direksataporn	Member of Audit Committee and Independent Director	4/4

Mr. Ronachai Rungfha as Secretary of Audit Committee

All three members of Audit Committee possess sufficient accounting and financial knowledge and experience to review the accuracy of the Group's financial statement.

1. Mrs. Siripen Sitasuwan is currently a Chairman of Audit Committee and Independent Director for Thanachart PCL and other leading companies in Thailand and overseas. She received the Best CFO Award in 2002 from the Asia Best CFO survey conducted by Finance Asia magazine.
2. Mr. Prasan Chuapanich is currently the President of the Federation of Accounting Professions. He also serves as a member of Audit Committee and Independent Director for leading listed companies. He holds many key positions in various organizations in insurance business, education sector and associations. In addition, he used to serve as an Executive Chairman of Price Waterhouse Coopers, Thailand and Co-Executive Chairman of Price Waterhouse Coopers, Southeast Asia Peninsula Region.
3. Mr. Boonchu Direksataporn has experience in auditing financial report. He is a CPA (Certified Public Accountant) in England and used to hold key position in accounting and finance departments of power generating business, e.g., Deputy Director of Accounting Department, Deputy Governor of Accounting and Finance Department of Electricity Generating Authority of Thailand. In addition, he used to serve as director, member of audit committee and independent director for many leading listed companies in Thailand.

Scope of authority, duties and responsibilities of the Audit Committee

1. Review the Group's financial reporting and ensure that it is accurate and adequate
2. Review the Group's internal control system, internal audit system and enterprise risk to ensure that they are suitable and effective. Ensure the independence of internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other units in charge of an internal audit
3. Review the Group's compliance with the securities and exchange law, the regulations of the Stock Exchange of Thailand, and laws relating to the Group's business
4. Consider, select, and nominate an independent person to be the Group's auditor, and to propose remuneration for the Group's auditor.
5. Review the connected transactions or the transactions that may cause conflicts of interest to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand and that the transactions are reasonable and for the utmost benefit of the Group
6. Perform other action, assigned by the Group's Board of Directors with the consent of the Audit Committee.
7. In performing the duty, if it is found or suspected that the following transaction or action have been made and may pose significant impact on the financial and operational standing of the Group, the Audit Committee shall report to the Board of Directors to improve or make correction within a time frame, deemed appropriate by the Audit Committee.
 - (1) Transactions that may cause conflict of interest
 - (2) Corruption or irregularity or key weaknesses in the internal control
 - (3) Breach of the regulations of the securities and exchange law and regulations of the Stock Exchange of Thailand or other regulations related to its business operationIf the Board of Directors or management does not improve or rectify the situations within the above-specified period, one of the Audit Committee's members may report the matters to the Securities and Exchange Commission or the Stock Exchange of Thailand.

In performing duties, the Audit Committee may seek advice from independent advisor or specialist of other professions as deemed appropriate under the expense of the Group and will be used as an input for the Audit Committee to make decision.

In 2015, the Audit Committee held 4 meetings altogether

Nomination and Remuneration Committee

As of December 31, 2015, the Nomination and Remuneration Committee consisted of 3 members as follows:

Name	Surname	Position	Number of meeting attendance
Mr. Prasan	Chuapanich	Chairman of Nomination and Remuneration Committee	2/2
Dr. Cathleen	Maleenont	Member of Nomination and Remuneration Committee	2/2
Mr. Somphop	Prompanapitak	Member of Nomination and Remuneration Committee	2/2

Ms. Malai Jiraruangrit as Secretary of Nomination and Remuneration Committee

Scope of authority, duties and responsibilities of the Nomination and Remuneration Committee

1. Consider to ensure that the organization structure, qualification of directors, Chief Executive Officer and sub-committees are suitable for the Group's business
2. Select the candidates to be nominated as new director or Chairman of Executive Director by determining the criteria or credible and transparent selection methods before proposing for consideration and approval by the Board of Directors meeting and/or shareholders meeting
3. Set direction on how to determine remuneration and other benefits for director, member of Executive Committee and Chief Executive Officer both in terms of monetary and non-monetary benefits. There must be criteria for fair and reasonable remuneration in line with operating results of the Group and other companies in the same industry to be proposed for consideration and approval by the Board of Directors meeting and/ or shareholders meeting
4. Review and approve overall annual remuneration of the Group and subsidiaries
5. Review and approve the reward, salary adjustment, remuneration and special bonus other than annual bonus for senior management staff of the Group
6. Report the performance of Nomination and Remuneration Committee to Board of Directors and prepare Nomination and Remuneration report, signed by Chairman of Nomination and Remuneration Committee, to be disclosed in the Group's annual report
7. Perform other assignments, delegated by the Board of Directors which are related to recruiting and determining remuneration of director, member of Executive Committee and Chief Executive Officer

In 2015, the Nomination and Remuneration Committee held 2 meetings.

Member of Executive Committee

As of December 31, 2015, the Executive Committee consisted of 4 directors as follows:

Name	Surname	Position	Number of meeting attendance
Dr. Cathleen	Maleenont	Chairman of Executive Committee	8/8
Mr. Somphop	Prompanapitak	Member of Executive Committee	8/8
Mr. Vic	Kichodhan	Member of Executive Committee	6/8
Mr. Tee	Seeumpornroj	Member of Executive Committee	8/8

Ms. Nottaporn Thiengprathes as Secretary of Executive Committee

Scope of authority, duties and responsibilities of Executive Committee

1. Oversee the management and day-to-day business operation for the benefit of the Group and to ensure that they are in line with the policies, vision, mission, objectives, business plan, business strategies and budget agreed and approved by Board of Directors. In addition, Executive Committee is in charge of screening all the businesses before proposing them to Board of Directors for approval or consent
2. Oversee to ensure that there is internal control system and appropriate and careful risk control and management system which align with recommendations of Audit Committee.
3. Review business plan, budget, annual expenditure, investment plan, and corporate social responsibility (CSR) plan of the Group to be in line with the laid out policies and strategies and propose to Board of Directors for approval
4. Review the Group's operating performance summary report and present it to Board of Directors quarterly
5. Employ, appoint, transfer or dismiss top executive management of the Group
6. Determine overall annual remuneration policy of the Group and subsidiaries in order to propose to Nomination and Remuneration Committee for approval
7. Determine reward, salary adjustment, remuneration and special bonus other than annual bonus for top executive management level in order to propose to Nomination and Remuneration Committee for approval
8. Negotiate and enter into the contract and/or any transactions, which are regarded as the normal business operation, within the budget limit per transaction and per year as authorized by the Board of Directors
9. Approve loan/ loan between Group and subsidiaries within credit limit per transaction and per year as authorized by Board of Directors
10. Approve the entering into loan contract between Group and any commercial banks within credit limit per transaction and per year as authorized by Board of Directors
11. Order, issue rules, criteria, notification and internal memorandum concerning business operation to ensure that it is in line with the Group's policies and to the benefit of the Group as well as to maintain the well-regarded rules of the organization
12. The meeting of the Executive Committee to consider any operations under the scope of power, as prescribed in this order must consist of at least half of the Board of Directors members to be considered as a quorum that can undertake any aforesaid businesses.
13. In casting the voting at Executive Committee meeting, each director has the right to give 1 vote. If the number of votes is equal, the Chairman of Executive Committee will exercise the right to give 1 vote and that will determine the final result.
14. Any resolution of Executive Committee requires a supporting vote of at least half of all the eligible voters in that particular meeting.
15. An Executive Committee Meeting should be called only when needed and deemed appropriate. Any of directors may call for special meeting other than regular one provided that he informs the agenda of the meeting well in advance to allow enough time for other directors to review the agenda
16. Executive Committee may appoint a working committee and/or any individuals to take charge of screening matters to be presented to Executive Committee or undertaking any tasks beneficial to the working of Executive Committee or to act on behalf as delegated by Executive Committee under its scope of authority and duties
17. Perform other tasks, assigned and authorized by Board of Directors
18. Issue sub-power of attorney and/or authorize other individual to undertake the tasks on behalf of Executive Committee. Such sub-power of attorney and/or authorization must be under the scope authority, stated in the Group's power of attorney and/ or regulations, rules or resolution of Board of Directors. However, such authorization under the scope of authority of the Executive Committee must not be a granting of sub-power of attorney to any director or attorney who may have conflict of interest with the Group or subsidiaries in any forms to approve the transactions. In such case, the Executive Committee shall not have the authority to approve the transactions. Instead, the committee needs to propose the transactions to Board of Directors

meeting and/ or shareholders meeting (whatever the case may be) to evaluate and give consent except if that transaction is regarded as normal businesses of the Group and have the same criteria as when dealing with outside parties (arm's length transactions)

In 2015, the Executive Committee held 8 meetings altogether

Management Team

As of December 31, 2015, the Group has 4 executives according to the definition of the “management” of the Office of the Securities as follows:

Name	Surname	Position
Dr. Cathleen	Maleenont	Chief Executive Officer
Mr. Somphop	Prompanapitak	Chief Operating Officer
Mr. Vic	Kichodhan	Chief Technical Officer
Mr. Tee	Seeumpornroj	Chief Financial Officer
Mr. Nivej	Boonwichai	Vice President, Engineering and Construction

Scope of authority, duties and responsibilities of Chief Executive Officer

1. Manage overall business, finance, marketing, human resources and other operations in pursuance to the policies and business plan of the Group as agreed and authorized by Executive Committee and/or Board of Directors
2. Consider to set up a working committee to assist in business operation or problem solving in pursuance to the policies of the Group
3. Approve all the expenses incurred in the plans which have been approved by Board of Directors and/or Executive Committee
4. Arrange to ensure that the Group has a suitable internal control system in pursuance to the directions given of the Audit Committee
5. Arrange to ensure that there is suitable risk management and control system that comply with the direction given by Executive Director and/or Audit Committee
6. Carry out overall Management of human resource, oversee the tasks undertaken by the employees to ensure that they are in compliance with the policies and rules including the principle of corporate good governance and encourage the employees to acquire more knowledge, competency and capability in order to increase capability of the organization
7. Appoint and dismiss employee or staff in the position below Chief Executive Officer and to dismiss employees or staff, approved by Board of Directors or Executive Committee
8. Negotiate and enter into a contract and/or any transaction, regarded as normal business operation, within the budget limit per transaction and per year as authorized by Board of Directors
9. Approve the opening of the branch and/or new representative office and establish new subsidiary under relevant laws/rules and regulations
10. Approve a borrowing/ loan between Group and subsidiaries within credit limit per transaction and per year as authorized by Board of Directors
11. Approve the entering into a loan contract between Group and any commercial bank within credit limit per transaction and per year as authorized by Board of Directors
12. Approve the opening of bank account with any commercial bank
13. Making order, issue rules, criteria, notification and memorandum concerning business operation in pursuance to the Group's policies and for the benefit of the Group
14. Summarize and report important transactions, undertaken within the scope of authority of Chief Executive Officer to Executive Committee and/or Board of Directors respectively.

15. Approve the connected transactions that are under normal business conditions, e.g., trading goods at market price and with the same conditions as general customers, under policies approved by Board of Directors and in pursuance with the regulations of Stock Exchange of Thailand
16. Perform other tasks as delegated and authorized by Executive Committee and/or the Board of Directors.
17. Issue sub-power of attorney and/or authorize other individual to undertake the tasks on behalf of Executive Committee. Such sub-power of attorney and/or authorization must be under the scope authority, stated in the Group's power of attorney and/ or regulations, rules or resolution of Board of Directors. However, such authorization under the scope of authority of the Executive Committee must not be a granting of sub-power of attorney to any director or attorney who may have conflict of interest with the Group or subsidiaries in any forms to approve the transactions. In such case, the Executive Committee shall not have the authority to approve the transactions. Instead, the committee needs to propose the transactions to Board of Directors meeting and/ or shareholders meeting (whatever the case may be) to evaluate and give consent except if that transaction is regarded as normal businesses of the Group and have the same criteria as when dealing with outside parties (arm's length transactions)

Company Secretary

Board of Directors has a resolution to appoint Mr. Tee Seeumpornroj as Company Secretary, effective from December 4, 2013 in compliance with the regulations of the Securities and Exchange Commission Act B.E. 2535 (including its amendments). Mr. Tee Seeumpornroj graduated with a master degree in Management Science (Finance) from Stanford University and bachelor degree in engineering (Second class honor) from Chulalongkorn University. He also serves as a financial advisor to reputable agencies and a long experience in management from listed companies in the country and overseas.

Duties and responsibilities of the Company Secretary

1. Prepare and keep the directors' registration, notices of board meeting, minutes of board meeting, annual report of the Group, notice of meeting appointment of shareholders, minutes of shareholders meeting
2. Keep the report relating to stakes holding, submitted by the directors or the management
3. Perform other businesses as prescribed by Capital Market Supervisory Board
4. Submit copy of stakes holding report as prescribed in Section 89/14 of the Securities and Exchange Commission Act B.E. 2535 (amended), prepared by directors, to Chairman of Audit Committee within 7 business days from the day the Group has received the report
5. Perform other duties or other responsibilities as prescribed in the Securities and Exchange Commission Act B.E. 2535 (amended)

Number of meetings of Directors and Executives

List of directors, executives and number of the meetings in 2015

Name	Surname	AGM 2015	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
Dr. Cathleen	Maleenont	Attended	8/8	-	2/2	8/8
Mr. Prommin	Lertsuridej	Attended	8/8	-	-	-
Mr. Pala	Sookawesh	Attended	7/8	-	-	-
Mrs. Siripen	Sitasuwan	Attended	6/8	4/4	-	-

Name	surname	2015 General Meeting	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
Mr. Prasan	Chuapanich	Attended	7/8	3/4	2/2	-
Mr. Boonchoo	Direksataporn	Attended	8/8	4/4	-	-
Mr. Somsak	Worawijak	Attended	8/8	-	-	-
Mr. Matthew	Kichodhan	Attended	7/8	-	-	-
Mr. Vic	Kichodhan	Attended	8/8	-	-	6/8
Mr. Somphop	Prompanapitak	Attended	8/8	4/4	2/2	8/8
Mr. Tee	Seeumpornroj	Attended	8/8	4/4	-	8/8
Mr. Nivej	Boonwichai	Attended	-	-	-	3/8

Remuneration for Directors and Executives

The Company has clearly and transparently prescribed remuneration for the directors in pursuance to the roles, duties and responsibilities in overseeing the operations of the company. The remuneration has been reviewed for its suitability based on the maximum interest of the company.

The remuneration for directors and executives in 2015 is as follows:

Monetary Remuneration

1) Remuneration for director

At the general meeting of shareholders in 2015 on April 29, 2015, there was a resolution to approve remuneration for directors for attending each meeting in 2015 at an amount of not more than 6 million Baht in the forms of monthly remuneration and meeting allowance according to the number of meeting actually attended. Followings are the detail of the remuneration.

	Remuneration	Meeting Allowance
	Monthly	Per Meeting
Board of Director		
- Chairman of Board of Directors	35,000	35,000
- Vice Chairman	30,000	25,000
- Directors	20,000	20,000
Audit Committee		
- Chairman	25,000	35,000
- Members	20,000	20,000
Nomination and Remuneration Committee		
- Chairman	----	30,000
- Members	----	15,000

In 2015, the Company paid director's remuneration for the amount of 4.275 million baht.

Name	Surname	Position	Remuneration 2015
Dr. Cathleen	Maleenont	Chairman of Board of Directors Chairman of Executive Committee Member of Nomination and Remuneration Committee	580,000
Mr. Prommin	Lertsuridej	Vice Chairman Independent Director	430,000
Mr. Pala	Sookawesh	Independent Director	290,000
Mrs. Siripen	Sitasuwan	Independent Director Chairman of Audit Committee	605,000
Mr. Prasan	Chuapanich	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee	575,000
Mr. Boonchoo	Direksataporn	Independent Director Member of Audit Committee	545,000
Mr. Somsak	Worawijak	Independent Director	310,000
Mr. Matthew	Kichodhan	Director	290,000
Mr. Vic	Kichodhan	Director Member of Executive Committee	310,000
Mr. Somphop	Prompanapitak	Director Member of Executive Committee Member of Nomination and Remuneration Committee	340,000

2) Remuneration for Executive Committee and Executive

The Group paid a monetary remuneration including salary, bonus, and other remuneration to Executive Committee and Executives for a total of 25 million baht in 2015

	2015	
	Number (Person)	Remuneration (million baht)
Salary and bonus	5	24
Other remuneration such as contribution to social security fund and providence fund.	5	1
Total	5	25

Other remuneration

-None

Corporate Governance Policy

Corporate Governance Policy

The Group values good corporate governance in compliance with the principles of the Stock Exchange of Thailand to ensure the transparency, increase the efficiency in management, enhance the capacity, and add the long-term value for shareholders. It therefore institutes the following operational guidelines:

The Group's Practical Guideline

As a listed company, the Group complies with the corporate good governance regulatory principle of the Stock Exchange of Thailand, except certain principles which the Group chooses to implement differently as follows.

SET Guideline	The Group's Explanation
The chairman of the Board should be an independent director	Chairman of the Board is not an independent director: <ul style="list-style-type: none"> The chairman of the Board is a visionary, experienced, knowledgeable in business and can provide independent opinions.
The chairman of the Board and the Chief Executive Officer should not be the same person	The company has the same person who serves as the Chairman of the Board and the Chief Executive Officer. <ul style="list-style-type: none"> Under the Board structure, more than half of the Board members are independent directors and the company has set a clear scope of authority, duties and responsibilities of the Board members and the Chief Executive Officer. Moreover, the approval process and operation of business are in accordance with the rules and regulations on approval process, reviewed and approved by the Board of Directors.
The Board should set a term of not more than 9 years for the independent directorship.	The company doesn't set a consecutive term for the independent directorship. <ul style="list-style-type: none"> The company is in the process of setting a guideline on this.
The Board should set a rule that the board members are able to serve in positions of not more than 5 other listed companies.	The company doesn't set the for how many other companies that the board members can serve. <ul style="list-style-type: none"> The Nomination and Remuneration shall review and set the qualifications, knowledge, capability and availability of time to perform duties in order to use as guidelines for appointment of board members.
The members of Nomination and Remuneration Committee should all be independent directors.	The members of Nomination and Remuneration Committee are independent directors and members of Executive Committee. <ul style="list-style-type: none"> The Chairman of the Nomination and Remuneration Committee is an independent director who is able to provide independent opinion.

Rights of Shareholders

Putting the rights of shareholders as the first priority, the Group conducts the business to assure the shareholders that they can fully exercise the following basic rights. (1) Right to purchase, sell, or transfer stocks (2) Right to earn a part of the Group's profit in the form of dividends (3) Right to receive sufficient information via the Group's or SET website or other channels indicated by the Group (4) Right to attend the shareholders' meetings and exercise their right to vote for the agendas, and (5) Right to ask the Board of Directors about their reports and other topics proposed in the shareholders' meetings for further consideration and approval. To ensure the compliance with this guideline, the Group sets the policies on the shareholders as below:

1) Protection of shareholder's rights

- The Group respects the shareholders' rights and will not do anything to limit their rights, such as right to purchase, sell, or transfer the stocks, right to earn a part of the Group's profit, and right to receive sufficient information about the Group. The shareholders are also entitled to attend the shareholders' meetings to set the business direction with the Board of Director or to make a decision on important matters that may affect the Group, for instance the appointment or dismissal of the directors, the appointment of the auditors, allocation of dividends, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving special transactions.
- The Group supports and encourages the shareholders to exercise their rights in the Annual General Meeting of Shareholders, including right to propose the meeting agenda in advance, nominate the directors in advance, submit the questions to the meeting in advance, and express opinions and ask questions.
- The Group will not do anything that violates, limits, or lessens the shareholders' rights to access the Group information, which must be disclosed in compliance with law, rules, regulations and notifications of the regulatory agencies. Furthermore, the Group will not do anything that violates, limits, or lessens their rights to attend the shareholders' meetings. For example, the Group will not present additional documents with crucial information in a short notice or will not add the agenda or change the crucial information without informing the shareholders in advance, except in emergency case or for the Group's best interest.
- The Group facilitates the shareholders in exercising the rights, such as providing updated information on its website.

2) Disclosing the information about shareholder's meeting

- The Group has a policy to timely provide the information on date, time, venue and agenda of shareholders' meetings, opinions of the board and detail to support the review of each agenda, including the businesses that the shareholders must review and make a decision in the shareholders' meeting in the Group's website in advance with adequate preparation time.
- In each meeting, the Group offers the shareholders a chance to study the information before hand on its website and the content must match the one in the documents provided by the Group.
- After each of the shareholders' meeting, the Group gathers the content of the meeting, consisting of the details of agenda, resolution, voting as well as shareholders' questions and opinions. Then, the Group would prepare the "minutes of the shareholders' meeting" and posts it on the Group's website. Also, the Group shall send the minutes to the Stock Exchange of Thailand within 14 days after the meeting, in compliance with the regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand and to the Department of Business Development as required by law.
- The Group promotes the shareholders to exercise their rights and does not limit their rights. It will disclose the information via its website in advance.
- The Group always offers the shareholders a chance to receive its updated information on the website.

3) The Conducting of Meeting

- The Group has a policy to facilitate the shareholders to fully exercise the rights to attend and vote in the meeting.
- The Group shall inform the shareholders on criteria and methods to attend the meeting in an invitation letter. On the date of the meeting, the person, conducting the meeting shall explain to the shareholders the regulations for the meeting and voting process. In each meeting, the Group shall keep record of the regulations and voting process in the minutes of the shareholders' meeting.
- The Group allows the shareholders to ask agenda-related or Group-related questions and to express their opinions in the meetings based on the proposed agenda and topics. The Chairman of the meeting shall inquire the meeting about each agenda and arrange to keep record of the has agenda-related or Group- related questions as well as the shareholders' opinions and the explanation of the Board of Director and/or the management included in every minutes of the shareholders' meeting.
- The Group encourages every director and the management to attend the shareholders' meetings in order to ask questions and to listen to their opinions, except in a case where the directors and the management have other business engagement.

Equitable Treatment of Shareholders

The Group shall equally and fairly treat all shareholders, including managerial, non-managerial, foreign and individual shareholders under the following principles:

- 1) The Group shall arrange to timely provide the information on date, time, venue and agenda of shareholders' meetings, opinions of the board and detail to support the review of each agenda, including all of the information related to the businesses that the shareholders must review and make a decision in the shareholders' meeting in the Group's website in advance with adequate preparation time. The information is the same as that sent to the shareholders who have the right to attend and to vote in the shareholders meeting.
- 2) The Group shall facilitate the shareholders in proposing the agenda in advance before the meeting, the right to nominate a person to be selected as the director in advance, the right to submit questions in advance through the Group's website.
- 3) The Group shall conduct the meetings in the sequence, indicated in the invitation letter and the managerial shareholders will not propose additional agendas that are unnecessary for the meeting, especially the agendas that the shareholders need sufficient time to review before making any decision.
- 4) The Group shall facilitate minor shareholders to nominate a person to serve as a director such as submitting the nominees' resume and consent letter to the Nomination and Remuneration Committee. This must be conducted under the Group's criteria, regulations and procedures.
- 5) The Group encourages the shareholders to use proxy form, which sets the voting direction on agreeing, disagreeing or no vote. Therefore, it shall provide Proxy Form A, B and C (Proxy form for the custodians) to the shareholders.
- 6) The Group shall facilitate the shareholders who are unable to attend the meeting but wish to exercise their right to vote by proxy. The Group shall assign at least one independent director as their option to join the meeting and cast a vote for them.
- 7) The Group shall provide the ballots for all agendas and shall inform the meeting of the ballot collection method, including the ballots of important voting, such as the appointment of individual director, connected transactions and obtaining or selling the significant assets.
- 8) It is the Group's policy to encourage the shareholders' to use their right to elect each individual director.

Roles of Stakeholders

In realizing the important roles of stakeholders, the Group properly, equally and fairly treats all Groups of them, both internal stakeholders, such as shareholders and employees, and external stakeholders, such as customers, business partners, creditors, competitors, public and society. The Group sets the following policies and rules to treat each stakeholder as a part of its good governance and business ethics:

Shareholders or Investors

The Group shall equally treat all shareholders and shall provide related information that significantly benefits the shareholders. Moreover, the Group also realizes the importance of the shareholders' benefits and be responsible for them by operating the business with integrity, transparency and fairness.

Employees

In realizing that the employees are the key factor that drives target achievement, the Group formulates the policies to fairly treat the employees in many aspects, including opportunity, remuneration, appointment, transfer, and capacity development. The Group offers the compensation, based on a fair and measurable assessment of performance under the regulations, prescribed by the Group. The remuneration and benefits of employees are examined and reviewed to ensure that they are in line with the industry's standard. The Group also promotes and develops its employees to be knowledgeable and capable on a regular basis by sending them to attend training in related work units. In the past year, the Group's employees attended several important training courses such as the one on guidelines for developing social responsibility.

Customers

It is the Group's responsibility to build long-term relationship and cooperation with the customers by adhering to the principle of integrity and trust. The Group also has the duty to satisfy the customers by being responsible and taking care of them, paying attention to their problems, and putting their needs as the first priority.

Creditors

The Group adheres to the principle of integrity and trust and must also be responsible for and pay attention to the conditions in the agreement with the creditors.

Business Partners

The Group shall treat the business partners with honesty, trust and equality to ensure the business of the Group is conducted properly, fairly, sustainably and for a long-term. The Group chooses the business partners under various conditions, such as pricing, quality, environmental protection, technical and legal expertise, credibility and righteousness.

Business Competitors

The Group treats the competitors under fair rules and refrains from violating secret or dishonestly or improperly seeking competitors' confidential information or slandering them.

Communities and Society

The Group and employees adhere to the principle of conducting the business responsibly and for the benefits the society and communities. The Group also has the duty to cordially treat and support the local communities to improve their quality of life as well as to be responsible for a fair and equitable operation of its business. Moreover, the Group also uses green technology to promote sustainable development.

Related Government Agencies

It is the Group's duty to comply with the related and enacted law and regulations and to support activities of the government agencies on appropriate occasions. The Group also adheres to conducting the business that is fair and in compliance with the related laws, rules, regulations and notifications in countries where the Group operates the business.

Disclosure and transparency

The Group has a policy to fully, accurately, promptly and transparently disclose the related and important information, either financial or non-financial information, and other information that may affect the stock prices or the investor's or stakeholders' decision in compliance with the standard of The Stock Exchange of Thailand or the Security and Exchange Commission. Therefore, all parties will equally receive the information through various channels, such as the report to The Stock Exchange of Thailand or the Security and Exchange Commission and the Group's website. The Group also has the investor relations officers to communicate with the investors or shareholders, including institutional and individual investors.

The Group has the policy to prevent and eliminate any potential conflicts of interest that may occur in the future and to review the connected transactions between the Group and/or subsidiaries and any potential conflicting individuals to ensure compliance with related laws, regulations and declarations.

The Group shall take action to prohibit its directors, management and/or major shareholders to engage in similar or competing business, which may decrease the Group's competitiveness or the conducting of connected transactions by its directors, management and/or major shareholders, which may cause the conflict of interest with the Group or the subsidiaries, whichever case may be. The Group must be informed if the directors, management and/or major shareholders own stocks in the companies that have similar operational objectives to the Group and/or subsidiaries.

The company sets up channels for filing complaints and/or recommendation and provides email address of the top management, info@thaisolarenergy.com, as a direct channel of communication. It also has a policy to protect the whistle-blowers by keeping their information confidential. At first, the Internal Audit Department gathers all complaints before sending them to the Audit Committee for further investigation. If the complaints affected the company, the Committee will further submit it to the Board of Director.

Responsibilities of the Board

The Group's Board of Directors is responsible for the shareholders by conducting and supervising the operation of the business to ensure that it is in compliance with the objectives, and guideline to maximize the benefits for the shareholders, by taking into account the benefits of all stakeholders, including compliance with the laws, objectives, articles of association of the Group and resolution of the shareholders meeting in good faith. The Board shall also protect the short-term and long-term interest of the stakeholders.

The Group sets the policies in pursuance to corporate good governance principle as follows:

1) Board structure

- The directors are appointed by the shareholders' meetings and the retired directors may be re-elected by the shareholders' meetings.
- The directors shall be qualified persons who do not possess characteristics forbidden by law.

- The Board shall comprise independent directors at least one third of total number of directors and not less than three. The independent directors shall have qualifications and shall not have prohibited characteristics, prescribed by the Group's Board. The qualification requirements should be less strict than those, prescribed by the Security and Exchange Commission. More than half of total number of directors must have residences in Thailand.
- The Group set a clear scope of authority of the Board and Chief Executive Officer.
- The Group requires the directors and top management to report any information about their capacity as director, the management or the person with management authority in other limited company, public company limited, partners of ordinary partnership, or limited partnership according to the rules and regulations and methods, prescribed by the Group's Board.
- Each director shall freely perform the duty and exercise the discretion to make decisions as well as to ask, make comment, or express disagreement on issues that affect the interest of shareholders or stakeholders without being subject an influence of any party.
- The Group has the policy to appoint a secretary to perform various duties required by law and other duties, assigned by the Board.

2) Roles of the Board

Apart from conducting the business in compliance with law, objectives, the Group's articles of association and shareholders' resolution, the scope of work, authority, roles and responsibilities of the Board are as specified *with details under the topic of management structure and term of office.*

The article of association of the Group provides that in each of the annual shareholders meeting, one-third of the directors shall retire. If there number is not a multiple of three, then the number will be the nearest to one-third must retire. The directors who have been longest in office shall retire. When a position in the Board of Directors becomes vacant for reasons other than retirement by rotation, the Board of Directors shall elect a qualified person, who does not possess characteristics forbidden by laws to fill the vacancy according to the Public Company Act and the Securities and Exchange Act to replace the retiring directors in the subsequent meeting, except when the remaining term for such director is less than two months. The person who fills the vacancy shall retain his office only for the remaining term of the director whom he replaces.

The selection of new director must be screened and approved by the Nomination and Remuneration Committee.

3) Sub-Committee and Responsibilities

The Group establishes three sub-committees, namely Audit Committee, Nomination and Remuneration Committee and executive Committee.

(a) Audit committee

Audit Committee has the duties to review financial reports, internal audit system, risk management system, compliance, selecting of auditors, connected transactions or transactions, prescribed in pursuance to the rules and regulations of the Stock Exchange of Thailand and/or the capital market to ensure that the disclosure of the Group's information and preparation of the report of Audit Committee were made correctly and transparently. The Audit Committee's scope of authority, scope of work, roles and responsibilities appear under the topic of management structure.

(b) Nomination and Remuneration Committee

Nomination and Remuneration Committee performs the duties to select the qualified person to be the new director or nominate the Chief Executive Officer by prescribing the selection criteria or method that is transparent to propose to the Board meetings and/or shareholders' meetings for further consideration or approval of the remuneration of directors and Chief Executive Officer. The remuneration criteria and method to be proposed to the Board meetings and/or shareholders' meetings for their approval must be fair and reasonable. The Nomination and Remuneration Committee's scope of work, authority, scope, authority, roles and responsibilities appear under the topic of management structure.

(c) The Executive Committee

The Executive Committee has the duties to supervise the administration, management and normal business operation for the interest of the Group and to ensure that they are in compliance with the policies, visions, missions, objectives, business plans, business strategies and budget approved by the Board. Furthermore, the Executive Committee is responsible for screening various matters before submitting them to the Board for their approval. The Executive Committee's scope of work, authority, scope, authority, roles and responsibilities appear under the topic of management structure.

4) The Board Meetings

The Group sets the rules and regulations for the Board meetings as follows:

- The Board has scheduled the meetings in advance at least once every quarter and extraordinary meetings as deemed necessary and appropriate. Each meeting must be notified at least seven days in advance. More than half of all directors must attend the meeting to constitute the quorum.
- The meeting agendas are set in advance and the secretary will make sure that every director receives the materials in advance and has enough time to review the documents in order to prepare to express opinions or cast the vote.
- The Chairman has the duty to allocate enough time for the management to prepare documents for discussion and for the Board to discuss important topics as well as to provide opportunity and to encourage each director to express the opinions before summarizing the comments, expressed at the meetings.
- In considering the meeting agendas, the directors with conflicts of interest in those agendas are not entitled to vote and cannot be present in the meeting during the review of that agenda.
- Every meeting must be recorded in a written form of minutes that must be verified by the Board must kept in a file, ready to be inspected by the Board or related parties.

5) Businesses That Are Reserved To Be Under the Approval Power of the Board

- Annual business and investment plan
- The review of investment project
- The spending of management spending budget
- Entering into important contract that contain general trading conditions.
- Borrowing and guarantee agreement with the bank
- Organizational structure and appointment of Chief Executive Officer and senior management
- Dividend and interim dividend payment

6) The Board's Remuneration

The Board assigns the Nomination and Remuneration Committee to be responsible for setting the remuneration and other benefit guideline, both in financial and non-financial form for the directors, Executive Committee and Chief Executive Officer. The criteria and methods must be fair, reasonable and in line with the operational performance of the Group and other company in the same industry, to be proposed to the Board meetings and/or shareholders' meetings for further approval as detailed under the topic: Remuneration of the Board members and the Management-Management Structure.

7) Enhancing The Directors' Knowledge and Business Outlook

The Board focuses its endeavor on enhancing the directors' knowledge. Each director shall have a chance to attend training courses, hosted by various agencies to increase the knowledge and expand point of view.

8) Board's Self-Evaluation

The Group shall arrange self- evaluation for the Board members every year in order to allow them to evaluate their performance in the past year and to find a way to improve their efficiency for the following years.

9) Business Ethics

The Group's Board of Directors operates the business under ethical principle and complies with standard laws and code of good practice as follows.

1. Operate the business by adhering to the principle of good faith, transparency and equity under the law, rules and regulations related to the business operation.

2. Perform duties with knowledge, skills, determination and cautiousness and strive to improve knowledge and fully apply the knowledge and skills to the management of the Group.
3. Disclose data and information completely, correctly and transparently according to the law, rules and regulations of the regulatory agency.
4. Treat the stakeholders such as shareholders, customers, competitors, partners, creditors, employees and the general public fairly and equally and correctly and completely disclose information to related parties.
5. Respect and adhere to the practices under the basic principle of human right and dignity without depriving or discriminating against the right of any individual.
6. Arrange to set up adequate and proper internal control system and develop a clear and effective system and mechanism for auditing, controlling and balancing the use of authority.
7. Adhere to business practices that are in compliance with the laws related to safety and health in the work place.
8. Promote and support activities that are beneficial to society, culture and tradition.
9. Set the rules to ensure that all employees have the duties and responsibilities to comply with the working rules and regulations of the Group and related laws.

*The company discloses detail on Business Ethics in the website: www.thaisolarenergy.com under the topic of “Investors Relations-Corporate Good Governance”.

Recruiting and Appointing the Directors and Top Management

The Nomination and Remuneration Committee has a duty to review the expertise and qualifications of the director to be appointed by the Group by preferring person who has ability, experience, good career record, outstanding leadership, vision, good moral, ethics, positive attitude towards the organization and can contribute enough time to the operation of the Group’s business.

Criteria for the Nomination

1. Directors

The Nomination and Remuneration Committee considers candidates for the position of director from the business-related knowledge or considers from among the major shareholders, whose experience can benefit the Group or from the shareholder who holds voting shares at a total of not less than 5% of the total number of voting shares of the Group on the date that the agenda is submitted or nominates a person who is qualified to be appointed as a director in advance. The person must be fully qualified as specified in the Public Limited Group Act, B. E. 2535, the Securities and Exchange Act, the notifications of the Securities and Exchange Commission, the notice of Capital Market Supervisory Board, and the related notifications, rules and/or regulations. However, the appointment of new director must be approved by the Board and/or the shareholders’ meeting (whichever case may be) according to the Group’s articles of associations.

2. Independent Directors

The Nomination and Remuneration Committee shall select a person to serve as an independent director by considering his/her qualifications, stipulated in the Public Limited Group Act B.E. 2535, the Securities and Exchange Act, the Notifications of the Securities and Exchange Commission, the notifications of the Capital Market Supervisory Board, and other related notifications, rules and/or regulations. The number of independent directors should be more than three or at least one third of total directors, depending on which one is higher.

The qualifications of independent directors

Independent directors must not own, take part in managing, or have benefit in the Group that may affect their independent decision. The Independent directors should have the following qualifications:

1. Holding shares not more than 1% of the total stock with voting right in holding company, subsidiaries, affiliates, major stockholders, or persons with controlling power over the Group, includes the shareholding by the persons related to the independent directors.
2. Not being or having been the director involving in the management of employees or staff affairs, the consultant earning salary, or persons with controlling power over the Group, the parent company, subsidiaries, affiliates, same-level subsidiaries, major stockholders, or persons with controlling power over the Group, except in the case where the person has been relieved from above-mentioned status for at least two years before submitting the application for a permission to the Office. However, the prohibited characteristics exclude that of civil service or consultant of government body that maintains major shareholding or persons with controlling power over the Group.
3. Not being related by blood or by legally registering as the father or mother, spouse, sibling, offspring, and spouse of the offspring of other directors, management, major shareholders, persons with controlling power, or person nominated as Executive Director or persons with controlling power over the subsidiaries.
4. Not having or having had the business relations with the holding company, subsidiary, affiliate, major shareholder or persons with controlling authority in the manner that may obstruct the independent exercise of discretion, including, not being or having been a shareholder with significant amount of shares or persons with controlling power who has the business relations with the Group, the holding company, subsidiary, affiliate, major shareholder or person with controlling power over the Group, except in a case where the person has been relieved from the above-mentioned status for over two years before the submitting the application for a permission to the Office.

The business relation in paragraph one includes normal trade transactions in the business of renting or leasing immovable properties or asset related transaction or service or providing or receiving financial assistance through accepting, lending, or guaranteeing the properties as collateral, including similar behavior that causes the Group or counter party the debt burden to be settled with another party from 3% of net tangible asset of the Group or from 20 million baht up, whichever amount is lower. The calculation of debt burden shall follow the valuation of connected transactions in the Notification of the Securities and Exchange Commission on Rules on Connected Transactions, mutatis mutandis. The consideration of such debt burden shall include the debt burdens incurred during the one year before the date of business relation with the same person.

5. Not being or having been an auditor of the holding company, the Group, subsidiary, affiliate, major shareholder or person with management power of the Group and not a shareholder with significant amount of shares, person with management power or partner of auditing firm in with the auditor of the Group, holding company, subsidiary, affiliate, major shareholder or authorized person work for, except in a case where the person has been relieved from such status for more than two years before the date of submitting the application for a permission with the Office.
6. Not being or having been a professional, who provides services related to legal or financial consulting in return for service fee, amounting more than two million baht a year from the Group, holding company, subsidiary, affiliation, major shareholder or person with management power, and not being a significant shareholder, person with management power or partner of the professional provider, except relieved from such status for more than two years before the date of submitting the application for a permission from the Office.
7. Not being a director appointed as a proxy of the Group's director, major shareholder or shareholder who is connected to the Group's major shareholder.
8. Not operating similar or significantly competitive business to the Group's or subsidiaries.
Not being a significant partner in the partnership, director taking part in employee management, consultant with regular salary or holding shares over one percent of the total shares with voting right in other companies, or operating business similar or competing with business of the applicant or subsidiary.

9. Not having other characteristics that will hinder independent opinion related to the Group's operation. The independent directors may be appointed by the Board to make a decision on the operation of the Group as the collective decision.

In case that the appointed independent directors have/had the business relations or provide/provided professional service whose fee is higher than that, specified in No 4 or No 6, the Board may provide leniency if it deems that the appointment does not affect the performance or independent judgment and the Group discloses the following information in the invitation letter to the shareholders' meetings under the agenda for appointing the independent directors.

- A. The nature of business relations or professional service that disqualifies the nominees
- B. The reason and necessity for appointing that nominee as an independent director
- C. The Board's opinion in nominating that particular person as an independent director

3. Audit Committee

The Audit Committee must be appointed by the Board of Directors and must be the Group's directors. The Committee consists of at least three independent committee members and the Board appoints one Audit Committee member as the Chairman of Audit Committee. At least one member must know and have experience in accounting or finance to review the credibility of the Group's financial report. The Audit Committee's qualifications must meet the criteria of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related laws.

The qualifications of the Audit Committee Members:

1. Appointed by the Board or shareholders' meetings as Audit Committee members
2. All of them must be the Group's independent directors
3. Not being the director assigned by the Board to make a decision on the operation of the Group, holding company, subsidiary, affiliate, same-level subsidiary, major shareholder or person with management power.
4. Not being a director in the holding company, subsidiary, affiliate, same-level subsidiary (only listed company)
5. Having the same duties as prescribed in the notification of the stock exchange of Thailand, under the subject of Audit Committee's qualifications and scope of work
6. Having enough knowledge and experience to work as an Audit Committee members. However, at least one knowledgeable and experienced Audit Committee member must be able to review the credibility of financial report.
7. The Board appoints the Chairman of Audit Committee or allows all appointed Audit Committees members to elect the Chairman.

4. Executive Committee

The Board of Directors appoints the Executive Committee members, based on knowledge, ability and experience related to the business.

5. Top Management

The Group's Board of Directors shall consider and select persons to serve as top management, based on their knowledge, ability and experience related to the business.

Corporate Governance Policy for Subsidiary, Affiliate and Joint-Ventured Business

The Group supervises the operation of subsidiary, affiliate and joint-ventured business as follows:

- 1) Assigning the qualified or experienced director or the management, approved by the Board, to serve as a representing director in a subsidiary, affiliate and joint-ventured business in order to set the key policy in management and control the operation of those companies.
- 2) Supervising the subsidiary, affiliate and joint-ventured business to formulate the connected transaction policy with the potential stakeholders or the parties with potential conflicts of interest. The policy must be in line and in compliance with the related laws, rules, regulations, notices and memos.
- 3) Supervising the subsidiary, affiliate and joint-ventured business to prepare financial report that reflects the Group's financial status and actual business performance, based on the accurate, comprehensive and sufficient accounting information that meets the generally accepted accounting standard. Also, the report on connected transactions between those companies and the potential stakeholders or the parties with potential conflicts of interest as well as report on acquisition and disposition assets should be prepared and presented to the Board of Directors for their acknowledgement at least twice a year.
- 4) Arranging for the subsidiary, affiliate and joint-ventured business to request the internal audit unit or outsourced auditors to formulate and monitor the Group's annual internal audit plan, approved by the Audit Committee and the report on audit outcome and suggestions on internal audit system to see how effective the Group's internal control is and how well the employees, management and directors comply with the internal control system. These findings are, then, submitted to the Board of subsidiary and affiliate on a case-by-case basis and in proper timeline.

Internal Control

Internal Control

The Group's Board of Directors shall arrange for the company to set up an internal control system that covers all areas of operation including finance and operation in order to ensure that they are in compliance with related laws, rules and regulations and to set up internal control and balancing mechanisms that are effective enough to protect and maintain assets of the Group. The Board shall also set up an approval process and scope of responsibilities of the management and employees that can be audited and balanced in the Group's written working rules and regulations. It shall also establish an internal control work unit that is independent to audit the operation of all work units to ensure that they are working in compliance with the laid out rules and regulations, including the assessment of efficiency and adequacy of internal control system in all working units of the Group and in accordance with the internal control policies of the Group.

The Board of Directors' Opinion on Internal Control

The Board of Directors of the Group appoints Audit Committee in which 3 members must be the independent directors. The Audit Committee members have the duties to review the credibility of the financial report, the efficiency of the internal control system, compliance with related laws and rules and regulations, including the transactions that may have conflict of interest of the shareholders, directors and the management of the Group.

The Audit Committee has assessed the adequacy of the internal control system in the year 2015 as required by the Securities and Exchange Commission (SEC) in 5 following areas.

1. Internal control environment
2. Risk assessment
3. Control activities
4. Information and communications
5. Monitoring activities

The results of the assessment on above 5 areas of the Group's internal control system showed that the Group's internal control is appropriate and adequate to prevent or mitigate the risks that may occur. These systems are monitored and audited by internal auditor of the Group and reported directly to the Audit Committee to keep it informed that such internal control system has been implemented properly and correctly and whenever a mistake is found, it would be corrected according to the recommendation of the Audit Committee.

The result of an audit conducted by internal audit team which as submitted to the Audit Committee during the year 2015 show that the risks from internal control system of the Group was at a low level. The internal control was at good level, reliable and efficient enough to effectively prevent any risk that may significantly affect the operation. The audit found no significant issue that may affect the operation of the Group.

Head of Internal Audit Unit and Head of Compliance Unit

In 2015, the Audit Committee resolved to appoint Ms. Pansachol Oopakaew as the internal auditor. She shall replace the Dr. Virach and Associates Co., Ltd., to perform an internal audit works and to report the results directly to the Audit Committee. According to the Audit Committee, the appointed Head of Internal Audit Work Unit has qualified and proper educational background, experience and training for the duties. The appointment, dismissal and transfer of the Head of Internal Audit Unit must be approved by the Audit Committee.

Meanwhile, Ms. Nottaporn Thiengprathes has been appointed to be the Head of compliance Unit.

Supervising on the Usage of Internal Information

To ensure the company's corporate good governance system, the Board considers and approves the good governance policy on the usage of inside information, as follows:

- 1) To educate the Board and the management, including the manager of accounting or finance department or equivalent and higher level, about the preparation and submission of the reports on securities holding and the change of securities holding to the Securities and Exchange Commission based on Section 59 and Penalty Section 257 of the Securities and Exchange Act B.E. 2535 (as amended). The company's secretary must be informed every time in order to further inform the related parties.
- 2) To ensure that the directors, management, internal auditors and the management-level staff who are accounting or finance manager or higher prepare and submit the reports on their and their spouse's holding of the company's security, including the holding by their children under legal age, starting from the date they are appointed as the director and/or management. They must also report any changes in security holding to The Securities and Exchange Commission. Everything must be done within the indicated timeline or within 30 days after they are appointed as the director and/or management. The report on changing security holding must be made within three days, starting from the date of purchasing, selling, transferring, and receiving the stocks. The company's secretary must summarize and report the security holding and any changes to the Board Meeting within the proper time. The executive directors and the management-level staff who are accounting or finance manager or higher and related operators should be informed of the significant inside information that affects the change in stock price. They must suspend the company's stock trade before publicizing the financial report or status until the company discloses the information to the public. The company will inform the director and management in writing, including the management-level staff who are accounting or finance manager or higher, to stop trading the stocks at least 30 days before disclosing the information to the public and another 24 hours at least after the disclosure. Furthermore, they are not allowed to disclose the significant information to other parties.
- 3) To ensure that the company's Board, management, employees and workers shall maintain internal information confidential unless when using that information for managing the company's business or for complying with the related law.

- 4) The company's Board, management, employees and workers will neither directly or indirectly disclose the inside information nor use its title to bring inside information or significant information that they have learned during the operation but has not been publicly disclosed to illegally seek the benefits or disclose the information to outside parties for their own benefits and the related parties'. They must do it without any regards for the return or their own benefits.
- 5) To ensure that the company's Board, management, employees and workers will not sell, purchase, transfer, or receive the company's stocks by using its confidential and/or inside information and/or will not do any transactions by using the confidential and/or inside information in the way that may either directly or indirectly damage the company. This includes the spouse and children under legal age of the Board, management, employees and workers. Anyone who violates this rule is considered serious misconduct.
- 6) To lay down the guideline on ethics in using the company's information technology and internal communication are set to control and maintain the information safety in the information technology system and/or prevent the outsiders from accessing the information. In additional, the access level is set for each level of employees and workers to suit their titles, roles and responsibilities.
- 7) Set the penalty measures according to the company's regulations when the management, employees, workers or related parties use the internal information to act in the way that may damage the company. The penalty is based on the intention and severity of that misconduct

Connected Transactions

The Group realizes the importance of conducting business transaction transparently and in a manner that is beneficial to the company. It, therefore, strives to prevent transaction that may cause a conflict of interest, connected transaction or inter-transaction by setting the following policies.

- 1) The management and employees shall comply with the Group's Ethical Guidelines which must be strictly adhered to so that the Group's operation shall be credible and trustful by all stakeholders. The Group also publish the information to ensure that all employees comply with the guideline.
- 2) The directors and the management shall keep the Group informed of the relations and connected transactions related to activities that may cause a conflict of interest.
- 3) The connected transactions shall be presented to be reviewed by the Audit Committee before further submitting to be approved by the Board of Directors in pursuance to the corporate good governance policy and the rules and regulations on supervision on corporate governance, prescribed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.



Corporate Social Responsibility

Overall Objectives

Thai Solar Energy Public Group Limited, the Jointly Controlled Entities and Subsidiaries have the policy to operate the business under the principle Corporate Social Responsibility (CSR) with an awareness and realization on the importance of promoting activities for the benefits of surrounding communities and for protection of environment on a continuing basis. It is our intention to collaborate with those concerned and to foster good relationship that is the result of mutual acceptance and trust, including the realization on the impacts on those stakeholders such as shareholders, employees, local community, customers, partners, government agencies, general public and the country. We also strive to promote attitude and organizational culture so that our employees have social responsibility with the ultimate goal of happy co-existence between the business, community and society and to make a sustainable progress towards the future together.

Operation and Preparation of Report

In realizing the Group's emphasis on responsibility, the Board of Director has adopted policy guideline on social responsibility for the management to implement as follows.

- 1) Manage the business operation of the Group honestly with transparency and accountability aiming for business growth and the quality of life of employees, community, social and environment protection, including the protection of interest of all stakeholders.
- 2) Give priority to basic human rights to promote the respect of rights and freedom without discrimination, promote equality, no unfair treatment, based on gender and class. Not employing child labor and opposing all kinds of corruptions.
- 3) Promote and educate all employees on social and environment responsibility to be used as guideline to jointly develop social and environmental responsibility throughout the organization.
- 4) Promote a two-way communication and public relations on project or social and environment activities between community and stakeholders by giving them the opportunity to participate in such activities as deemed appropriate, e.g., the public hearings in surrounding community to find the initial environmental effect (IEE) and to inform and create awareness among the people in the community on the impacts of the construction of power plant and energy production process on people who live in the community and on environment.
- 5) Publicize the innovation in generating electricity from renewable energy of TSE group of companies for those who are interested in developing it for the benefit of society and environment. Presently, people who are interested in learning about solar energy generation technology are attending the classes, offered by the Group on regular basis.



Activity Implemented for Benefits of Society and Environment

The Group implements activities for the benefits of society and environment on a regular basis such as, providing educational scholarships to students who achieved good educational performance at Wat Bunlung School, Nong Ya Sai Sub-district, Suphan Buri Province and donated educational and sport equipment as well as helping to repaint and to pave a walkway at Wat Waraphot Sangkhawat School , Bang Nang Sub-district, Phan Thong District, Cholburi. The Group also help set up a project to decrease the use of electricity by changing from fluorescent to LED bulbs for Huay Krachao Pittayakhom School, Sa Long Rua Sub-district, Huay Krachao District, Kanchanaburi province.



Dividend Payment Policy

The Group's Policy on Dividend Payment

The Group's dividend policy is to pay dividends at a rate of not less than 40% of the net profit on the Group's separate financial statement after deduction of corporate income tax, and all reserves required by law and the Group's articles of association. However, the dividend payment is subject to change depending on cash flow, financial performance, future business plans, terms and conditions for business expansion, the needs for capital spending each year, and any other terms and conditions in relevant agreements or contracts for which the Group has contractual obligations, as well as other necessity and appropriateness, deemed by Board of Directors.

The dividend payment mentioned above must be approved by the shareholders meeting, except in the case of an interim dividend payment which the Board of Directors may consider paying from time to time if the Board deems that the Group has earned reasonable profit and can afford to do so.

Dividend Policy of subsidiaries and jointly controlled entities

The dividend payment policy for subsidiaries and jointly controlled entities is based on cash flow, financial performance, future business plan, terms and conditions for business expansion, funding needs, and financial position of each subsidiary and jointly controlled entity, and any other dividend restriction stipulated in loan agreements, debentures or other relevant agreements each subsidiary or jointly controlled entity obliges, as well as, the necessity and appropriateness that may be deemed by the Board of Directors of each entity.

The dividend payment mentioned above must get approval from shareholders at the general meeting of shareholders of each Group based on each subsidiary's/ jointly controlled entity's Board of Directors' proposal.

Dividend Restrictions

The Group has dividend restrictions in which it needs to repay loans in an amount of not less than 60% of dividend received from TSR, and not less than 50% of the remaining cash of the Group before it can make dividend payment. Moreover, the Group may not be able to pay dividends or may be able to do so but at lower amount during the time that the Group still has not fully repaid the loans or must use the fund for business expansion.



Anti-Corruption Policy

The Group manages the business by adhering on the principle of corporate food governance with transparency, fairness and accountability. The Group places a priority on social and environmental responsibilities and all groups of stakeholders regularly reviews compliance with its anti-corruption policy as well as improving the guidelines and regulations in doing its business in accordance with changes in business environment, rules, regulations and laws. The Group requires the directors, management team, and all employees of the Group/ subsidiaries/ jointly controlled entities/ and affiliates to strictly follow the anti-corruption policy in order to create a clear practical guideline and to develop the Group as a sustainable organization.

Roles and Responsibilities

- 1) The Group's Board of Directors has duty and responsibility to lay out policies and to ensure that an effective system is set up to support anti-corruption policies, including the reviewing of the appropriateness of the systems and other measures in accordance with changes in business, rules, regulations and laws.
- 2) The audit committee has the responsibility to review the financial and accounting reporting system, internal control and internal auditing to ensure that the business operation is up to international standard of high precision, appropriateness, modern and efficient.
- 3) The CEO and the management team have the duties and responsibilities to promote and support the anti-corruption policy in order to ensure that the management realizes and communicates with all staffs and relevant parties on the importance of anti-corruption policy.

Practical Guidelines

- 1) The Board of Directors, management team, and employees at all levels must comply with the anti - corruption policy and are prohibited to be involved with corruption either directly or indirectly.
- 2) Employees of the Group shall not ignore or neglect when witnessing any act which can be considered as a corruption. If such incidents occur, the employees must report those suspicious acts to their supervisors or responsible party, including giving full cooperation in the investigation of the case.
- 3) The Group will protect and provide a fair treatment to employees who refuse to participate in corruption and employees who inform the Group about the corruption cases.
- 4) The Group will keep confidential and protect informants from harassment both during the process of investigation and afterwards.
- 5) The person who committed a corruption act is also considered as violating the code of ethics which is subject to disciplinary action, prescribed in the Group's rules and regulations. In addition, if such conduct is against the laws, the offender shall also be subject to legal penalty.
- 6) The Group's Board of Directors, the management team, and employees at all level must beware and proceed with careful discretion of the following issues:
 - 6.1.) The giving of gifts and entertaining the clients. Giving or receiving of gifts and entertaining the clients must be arranged in accordance with the Group's rules and regulations.
 - 6.2.) Charity donations or supporting funds. Giving or receiving a charity donation or supporting fund must be made transparently and accordance with the laws

The Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the consolidated and financial statements of Thai Solar Energy Public Company Limited and its subsidiaries and jointly controlled entity, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with Thai Financial Reporting Standards, using careful judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system along with appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect the Company's assets and uncover any weaknesses that may occur in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed the Audit Committee to be responsible for reviewing the accounting policy, financial reports, risk management, internal controls, internal audit and disclosure of connected transactions. All the Audit Committee's opinions on these issues have been presented in the Audit Committee Report for 2015 included in this annual report.

The consolidated and financial statements of the Company and its subsidiaries and jointly controlled entity have been examined by an external auditor, Mr. Kajornkiet Aroonpirodkul (CPA No. 3445) of PricewaterhouseCoopers ABAS Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the external auditor was provided with all of the Company's records and related data as requested. The external auditor's opinion is presented in the auditor's report included in this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to the financial statements of the consolidated and financial statements of the Company and its subsidiaries and jointly controlled entity for the year ended 31 December 2015. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations.



(Cathleen Maleenont, Ed.D.)

Chairman of the Board and Chief Executive Officer

Financial Information

Related Party Transactions

Detail of Related Party Transactions in 2014 and 2015

Persons which may have conflict of interest/ nature of business/nature of relationship	Nature of Transactions	Transaction Value		Necessity and appropriateness of Transaction
		2014	2015	
<p>1. P.M. Energy Company Limited (“PME”)</p> <p><u>Nature of the business</u> Investment in renewable energy with the Head Office located at 3199 Maleenont Tower, 15th floor, Rama 4 Road, Klongtan Klongtoey, Bangkok</p> <p><u>Relationship with the Company</u> - A major shareholder of the Company. As of 31 December 2015, PME held 42.8% shares in TSE - The director who is in the management team: Dr. Cathleen Maleenont (Director, Chairman of Executive Committee and Chief Executive Officer of TSE) is a director and major shareholder of PME. Dr. Cathleen held 100% of PME as of 31 December 2015</p>	<p>Guarantee without Charge PME guarantees a loan by pledging 55,385,000 TSE shares at par value of THB 10 each (The par value has been adjusted later to 1 Baht each and the total number of shares became 553,850,000) as loan collateral from one of the commercial banks in order to use the fund for a thermal project development.</p> <p>- Guarantee (Overdraft and long-term loan)</p>	600	380*	<p>The Company had a loan with commercial bank in order to be used for developing the thermal project. Loans were partially guaranteed by TSE shares which are held by PME. PME did not charge any expense for this guarantee.</p> <p>At present, the bank has adjusted the pledging burden by decreasing the value of Company's shares, held by PME to 100 million Baht. The company is also in the process of asking the same bank to decrease it to 50 million Baht in 2016.</p>

Persons which may have conflict of interest/ nature of business/nature of relationship	Nature of Transactions	Transaction Value		Necessity and appropriateness of Transaction
		2014	2015	
<p>Mr. Somphop Prompanapitak (Director, Executive Committee and Chief Operating Officer of TSE) is a director of PME</p>				<p>Opinion of the Audit Committee</p> <p>This transaction was a financial aid from a major shareholder to fund a Thermal project and PME did not charge any costs to the Company. Therefore, this transaction was necessary, reasonable and beneficial to the Company.</p>

*The company had requested to adjust the value of share pledging down to 100 million. The transaction value was based on the market value of shares as of December 31, 2015, i.e., 3.80 Baht/share

Persons which may have conflict of interest/ nature of business/nature of relationship	Nature of Transactions	Transaction Value		Necessity and appropriateness of Transaction
		2014	2015	
2. Dr. Cathleen Maleenont <u>Relationship with the Company</u> Director and member of the management of TSE	<p>Short-term loan The Company borrowed short-term loan (90-day promissory note) from Dr. Cathleen Maleenont in order to be used for working capital without any interest charge for the year 2013, but with interest rate at MLR-3% for the year 2014</p> <ul style="list-style-type: none"> - Short-term loan Beginning balance 20 Additional loan -- Repayment (20) Ending balance -- - Accrued interest expenses 0 - Interest Expense 0.36 		-none-	<p>The Company borrowed short-term loans from Dr. Cathleen for using as a working capital without interest rate. The Company has to repay the principal within 90 days from the date specified in promissory note.</p> <p>The Board of Directors, at its meeting No.1/2014, held on 18 February 2014, approved the Company to take a loan from Dr. Cathleen Maleenont for using as a working capital at an amount of THB 50 million. The loan was in the form of revolving line of credit promissory note at MLR-3% with 90-day period promissory note. Such rate is lower than financial cost of the Company from a commercial bank.</p> <p>However, at the end of 2015, the Company has repaid the whole amount of such short-term loan to Dr. Cathleen Maleenont.</p> <p><u>Opinion of Audit Committee</u></p> <p>This transaction was a short term loan with interest rate that was lower than that, charged to the company's loan to be used as a working capital. The conditions of payment are the same as any other ordinary loan. The Company has to repay the loan principal within 90 days from the date appears on the promissory note. At the end of 2015, the Company has repaid the whole amount of such short-term loan to Dr. Cathleen Maleenont.</p>

Persons which may have conflict of interest/ nature of business/nature of relationship	Nature of Transactions	Transaction Value		Necessity and appropriateness of Transaction
		2014	2015	
	<p>Guarantee without charge Dr. Cathleen Maleenont guaranteed loans for the Com- pany to develop Commercial rooftop PV projects.</p> <p>- Guarantee of Short-term loan</p>	227	-none-	<p>The Company had short-term loans from a financial institution for developing Commercial Rooftop PV projects. The loan was guaranteed by Dr. Cathleen Maleenont without charge in accordance with the conditions of the lending commercial bank. No cost is incurred to the Company from that guarantee.</p> <p>However, in 2015, the Company had already removed its entire guarantee burden.</p> <p><u>Opinion of Audit Committee</u></p> <p>This transaction is a financial aid from Dr. Cathleen Maleenont to develop the company's project without any charge to the Company.</p> <p>And in 2015, the Company had already removed its financial dependence. Therefore, this transaction was necessary, reasonable and beneficial to the Company.</p>

Measures or procedures for approving related party transactions and policy for potential related party transactions in the future

The Company established measures and procedures for approving related party transactions of the Company and/ or its subsidiaries with stakeholders or persons which may have a conflict of interest or a potential conflict of interest in the future. These measures and procedures are to ensure transparency and fairness and to prevent the transfer of interest from the Company and/ or its subsidiaries. They consist of 4 following measures:

1. The Company's/subsidiaries' related party transactions with stakeholders or persons who may have a conflict of interest with the Company and / or its subsidiaries are required to be processed according to laws, regulations, announcements or notifications, rules and requirements, and related circular letters as per the following:
 - 1) Securities and Exchange Act B.E.2535
 - 2) Notification of the Capital Market Supervisory Board, Tor Chor. 21/2551: Rules on Connected Transactions
 - 3) Notification of the SEC on Disclosure of Information and Operation of Listed Company for Related Parties Transactions B.E., 2546
 - 4) Regulations of SET on Guidelines, Conditions, and Practice Relating to Information and Operations Disclosure of Listed Companies
 - 5) Requirements related to disclosure of information of connected transactions in the note to financial statements which are prepared by a certified audit committee, and form of company's annual report (56-1 form), including related notifications from Capital Market Supervisory Board and SEC, circular letters and other related laws and regulations

2. Any related party transaction which may be considered as a transaction needing an approval from the Company's Board of Directors or resolution from a general shareholders meeting must be screened and considered by Audit Committee before presenting them to the Company's Board of Directors or general shareholders meeting for approval, depending on the cases. This is to ensure that the said related party transactions do not have an aim to transfer the Company's and/or its subsidiaries' assets. The Audit Committee's point of views must at least cover the following issues:
 - 1) Whether the transaction reflects proper rationale and mutual benefit to the Company and/or subsidiaries.
 - 2) Whether the pricing and mutual conditions of the transaction reflect fairness by comparing the price and other returns with the market price or price offered from external parties or price valuation by an independent appraiser.
 - 3) Whether conditions related to the transaction are appropriate by comparing conditions on payment and other returns to normal business conditions.

In a case where the Audit Committee has no expertise in screening related party transactions, the committee may seek advice from an independent expert or the Company's auditor to use as supporting material for its consideration before presenting the transactions to the Company's Board of Directors or general meeting of shareholders, whichever case may be.

3. The Company and or/ its subsidiaries must prevent directors and stakeholders who have interests in such transactions to participate in the meeting and/or vote on that agenda. The company shall disclose information on related party transactions in note to financial statements which are already reviewed or certified by the Company's auditor
4. For all of related party transactions, the management may have authority to approve such transactions if the transactions have business agreements and conditions as if a person of ordinary prudence may proceed with contractor counterpart within the same situation based on business bargaining power without using authority of director, management, or related person. The Company also needs to prepare a summary report on related party transactions which have a value of more than THB 10 million Baht and report to the Company's Board of Directors within an appropriate timeframe.

The Company has established an approval procedure for related party transactions of the Company, jointly controlled entities and/or subsidiaries, directors, management, stakeholders or persons who may have a conflict of interest that have normal business conditions as follows:

1. In the case of minor connected or related transactions that have normal business conditions, the management is obliged to consider and give approval.
2. In the case of medium and large connected or related transactions that have normal business conditions, the Company's Board of Directors will be the one to consider and give approval.
 - Minor transaction refers to transactions with a value equal to or less than THB 1 million, or equal to or less than 0.03 % of net tangible assets whichever is higher.
 - Medium transaction refers to transactions with a value of more than THB 1 million but less than THB 20 million, or more than 0.03% but less than 3 % of net tangible assets whichever is higher.
 - Large transaction refers to transactions with a value equal to or more than THB 20 million or more than 3% of net tangible assets whichever is higher.

Management Discussion and Analysis

Unit : THB million

Line items	31 December		Increase (Decrease)	
	2015	2014	Amount	Percentage
Revenue from sales and services	128.9	53.9	75.0	139.1%
Cost of sales and services	(119.5)	(88.2)	(31.3)	35.5%
Gross Profit	9.3	(34.3)	43.7	(127.4%)
Other income	40.2	8.1	32.1	396.3%
Administrative expenses	(88.0)	(85.9)	(2.1)	2.4%
Finance cost	(27.8)	(29.3)	1.5	(5.1%)
Share of profit from investments in jointly controlled entities	596.6	510.0	86.6	17.0%
Profit (loss) before income tax expense	530.2	368.6	161.6	43.8%
Tax income	(3.7)	12.8	(16.5)	(128.9%)
Normal Operating Income	526.6	381.3	145.3	38.1%
Extraordinary items	0.0	200.0	(200.0)	(100.0%)
Profit (loss) for the year	526.6	581.3	(54.7)	(9.4%)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Currency translation differences	24.5	0.0	24.5	100.0%
Actuarial gains	0.0	0.2	(0.2)	(100.0%)
Total Comprehensive income (expense) for the year	551.1	581.6	(30.5)	(5.2%)
Profit (loss) attributable to:				
Owner of the parent	526.6	581.3	(54.7)	(9.4%)
Non-controlling interest	0.0	0.0	0.0	0.0%
	526.6	581.3	(54.7)	(9.4%)
Comprehensive income (expense) attributable to:				
Owners of the parent	551.1	581.6	(30.4)	(5.2%)
Non-controlling interests	0.0	0.0	0.0	0.0%
	551.1	581.6	(30.4)	(5.2%)
Earnings per share (Baht per share)	0.30	0.41	-0.11	(26.8%)
Normal Operating Income	526.6	381.3	145.3	38.1%
Earnings per share excluding extraordinary items (Baht per share)	0.29	0.27	0.02	7.4%
Weighted average number of ordinary share outstanding (Million Share)	1,815	1,405	410	29.2%

The new accounting standard in 2015 required the company to change its accounting policy with regards to an investment in joint controlled entities from applying partial consolidation to equity method. The impact to the financial statements ended 31 December 2014 and financial statements for the year ended 31 December 2015 is described in Note 4 of the financial statement.

1.1 Revenue from sales and services

Total revenue from sales and services in 2015 was THB 128.9 million, which increased by THB 75.0 million or 139.7% compared with THB 53.9 million in the same period last year. (The revenue number here does not include revenue from 80 MW solar farm of which performance is recognised through share of profit from investments in jointly controlled entities)

The increase mainly came from the total 14 PV Rooftop projects becoming operational by 2015 from 5 PV Rooftop projects in 2014. The commercial operation started between 2014 until 2015 contributing an increase in revenue from electricity by THB 75.8 million.

1.2 Cost of sales and services

Total cost of sales and services in 2015 was THB 119.5 million, which increased by THB 31.3 million or 35.5% compared with THB 88.2 million in the same period last year. The increase in 2015 was mainly from more staff and other costs due to business expansion and from depreciation and roof rental fee from additional rooftop projects in operation.

The company's gross margin for 2015 was 7.3% increasing from negative 63.6% achieved last year due to more commercial operation of PV Rooftop.

1.3 Administrative expenses

Total administrative expenses for 2015 was THB 88.0 million, which increased by THB 2.1 million or 2.4%, compared with THB 85.9 million in the same period last year. The increase in 2015 was caused by more staff and other related costs in business expansion including professional fees for domestic and foreign business opportunities.

1.4 Finance Cost

Finance cost for 2015 was THB 27.8 million, which decreased by THB 1.5 million or 5.1% compared with THB 29.3 million in the same period last year. The decrease was due to a partial loan repayment from IPO proceeds.

1.5 Share of Profit from Investment in Jointly Controlled Entities

The effect of changes in accounting policy with regards to an investment in joint controlled entities, the company recognises an investment in joint controlled entities, which own and manage 80 MW solar farm, based on equity method.

Financial Performance of joint controlled entities based on equity method

Unit : THB million

Line items	30 December		Increase (Decrease)	
	2015	2014	Amount	Percentage
Normal Operating Profit		742.3	252.0	33.9%
Extraordinary Item:				
Income from Liquidated Damages for Delay in Construction	0	107.7	(107.7)	(100.0%)
Net Profit	994.3	850.0	144.3	17.0%
Share of Profit from Investment in Jointly Controlled Entities (60.0%)	596.6	510.0	86.58	17.0%

Normal operating profit of joint controlled entities for 2015 was THB 994.3 million, which increased by THB 252.0 million or 33.9% compared with THB 742.3 million in the same period last year. The increase was from all PV solar power plants becoming operational in 2015.

1.6 Net profit (loss) for the Year

According to the consolidated financial statement for 2015, the net profit was THB 526.6 million or earnings per share of THB 0.30 , a decrease of THB 54.7 million, compared with a net profit of THB 581.3 million or earnings per share of THB 0.41 in 2014. The decrease was due to an extraordinary accounting profit of THB 450 million in 2014 from the change in status of investments in subsidiaries to jointly controlled entities offsetting by a loss on impairment of solar thermal of THB 250 million.

Considering the net profit excluded extraordinary items, the profit in 2014 was THB 381.3 million or earnings per share of THB 0.27, compared to a net profit of THB 526.6 million or earnings per share of THB 0.29 in 2015, an increase of THB 145.3 million of operating profit. The operating earning is higher in 2015 due to more operation of PV solar power plants from 5 to 10 power plants and more operation of rooftop projects.

According to the consolidated financial statement for 2015, There was a currency translation difference from an outbound investment of THB 24.5 million contributing to a comprehensive net profit for the period of THB 551.2 million.

Analysis of Financial Position

2.1 Analysis of assets

As of December 31, 2015, the total assets were THB 4,844.4 million, increasing by THB 728.0 million or 17.7% from THB 4,116.4 million as at December 31, 2014. The details were as follows;

Unit : THB million

Line items	31 December		Increase (Decrease)	
	2015	2014	Amount	Percentage
Current assets	1,023.6	1,409.8	(386.2)	(27.4%)
Non-current assets	3,820.8	2,706.6	1,114.2	41.2%
Total assets	4,844.4	4,116.4	728.0	17.7%

- 1) As of December 31, 2015, current assets were THB 1,023.6 million, decreasing by THB 386.2 million or 27.4% from THB 1,409.8 million as at December 31, 2014. The main reasons were a usage of some matured fixed deposits to expand domestic and foreign businesses and offset by a decrease in trade and other receivables.
- 2) As of December 31, 2015, non-current assets were THB 3,820.8 million, increasing by THB 1,114.2 million or 41.2% from THB 2,706.6 million as at December 31, 2014. The main reason was an increase in investments in Japan and investments in PV Rooftop.

2.2 Analysis of liabilities and shareholders' equity

As of December 31, 2015 the total liabilities and shareholders' equity were THB 4,844.6 million, increasing by THB 728.0 million or 17.7% from THB 4,116.4 million as at December 31, 2014. The details were as follows;

Unit : THB million

Line items	31 December		Increase (Decrease)	
	2015	2014	Amount	Percentage
Liabilities	804.1	627.2	176.9	28.2%
Equity	4,040.3	3,489.2	551.1	15.8%
Total Liabilities and Equity	4,844.4	4,116.4	728.0	17.7%

- 2.2.1) As of December 31, 2015, the total liabilities were THB 804.1 million, increasing by THB 176.9 million or 28.2% from THB 627.2 million as at December 31, 2014. The main reasons were as follows;
 - 1) Additional borrowing from short-term loan of THB 153.0 million for construction of Solar Projects in Japan.
 - 2) Construction payables and other payables decreased by THB 116.5 million due to the completion of PV rooftop construction.
 - 3) Additional borrowing from bank of THB 195.9 million for construction of PV rooftops.
 - 4) Undued Value added tax payable decreased by THB 38.3 million.
- 2.2.2) As of December 31, 2015, the total equity were THB 4,040.3 million, increasing by THB 551.1 million or 15.8% from THB 3,489.2 million at the end of 2014 due to net profit for 2015.

At the Annual General Meeting of shareholders held on April 29, 2015, resolution was passed to approve the compensation of the accumulated loss of Baht 538.5 million from the share premium of Baht 1,266.1 million. Upon the compensation, the Company has no accumulated loss with the remaining share premium of Baht 727.6 million.

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

Statement of Financial Position

As at 31 December 2015

	Notes	Consolidated			Company	
		31 December 2015 Baht	(Restated)		31 December 2015 Baht	31 December 2014 Baht
			31 December 2014 Baht	1 January 2014 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		1,023,602,437	1,409,833,369	134,451,913	1,131,884,025	1,462,747,394
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		3,820,792,271	2,706,579,465	1,789,637,384	1,907,997,038	1,344,634,702
Total assets		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 Financial Position (Cont'd)
As at 31 December 2015

	Notes	Consolidated			Company	
		31 December 2015	(Restated)		31 December 2015	31 December 2014
			31 December 2014	1 January 2014		
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term borrowings						
		152,949,889	-	70,294,349	-	-
		from financial institutions				
	17	34,506,196	150,977,563	325,312,576	4,056,427	14,378,815
		Construction and other payables				
	18.1	4,491,620	4,294,225	4,105,174	4,491,620	4,294,225
		Current portion of finance lease liabilities				
	18.2	88,749,767	102,122,416	528,315,010	39,662,264	39,663,187
		Current portion of long-term borrowings				
		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	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	326,952,611	27,971,628	121,283,812	164,094,896
		Total liabilities	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	3,489,251,064	934,570,633	2,867,945,135	2,542,554,273
		Total liabilities and shareholders' equity	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		Company	
		(Restated)		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		551,075,394	581,559,850	325,390,862	(338,378,695)
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	-	-	-
		526,597,369	581,322,118	325,390,862	(338,616,427)
Comprehensive income (expense) attributable to:					
Owners of the parent		551,075,394	581,559,850	325,390,862	(338,378,695)
Non-controlling interests		-	-	-	-
		551,075,394	581,559,850	325,390,862	(338,378,695)
Earnings (loss) per share	26				
Basic earnings (loss) per share		0.30	0.41	0.18	(0.24)

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						Other components					
	Called-up share capital	Premium on ordinary capital	Share subscriptions received in advance	Subscriptions receivable	Retained earnings (deficits)/financial statements	Translation of of equity	Total owners of the parent	Non-controlling interests	Total	Baht	Baht	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Notes											
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	-	-	932,726,489
Retrospective adjustments due to changes in accounting policy	4	-	-	-	1,844,144	-	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	-	-	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	-	-	1,973,120,581
Total comprehensive income for the year	-	-	-	-	581,559,850	-	581,559,850	-	581,559,850	-	-	581,559,850
Closing balance at 31 December 2014	1,815,000,000	1,266,097,322	-	-	408,153,742	-	3,489,251,064	-	3,489,251,064	-	-	3,489,251,064
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	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	(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	-	-	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	2,791	-	551,078,185
Closing balance at 31 December 2015	1,815,000,000	727,554,273	-	-	1,473,294,160	24,478,025	4,040,326,458	2,791	4,040,329,249	2,791	-	4,040,329,249

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 ordinary capital received	Share subscriptions in advance	Subscriptions receivable	Retained earnings (deficits)	Total
Note	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	1,815,000,000	1,266,097,322	-	-	(538,543,049)	2,542,554,273
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	-	(538,543,049)	-	-	538,543,049	-
Total comprehensive income for the year	-	-	-	-	325,390,862	325,390,862
Closing balance at 31 December 2015	1,815,000,000	727,554,273	-	-	325,390,862	2,867,945,135

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

	Notes	Consolidated		Company	
		2015 Baht	(Restated) 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)		2015	2014
	2015	2014		
Notes	Baht	Baht	Baht	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.

Thai Solar Energy Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

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.

2.2 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. (Cont'd)

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

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 recognised 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.

(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.

2 Accounting policies (Cont'd)

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

(4) Joint arrangements (Cont'd)

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.

(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 Accounting policies (Cont'd)

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.

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 Accounting policies (Cont'd)

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.

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.

2 Accounting policies (Cont'd)

2.10 Investment Property (Cont'd)

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.

2.11 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.

2.13 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.

2 Accounting policies (Cont'd)

2.13 Leases - where a Group company is the lessee (Cont'd)

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.

2.16 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.

2 Accounting policies (Cont'd)

2.16 Current and deferred income taxes (Cont'd)

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.

(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 Accounting policies (Cont'd)

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.

2.21 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 Accounting policies (Cont'd)

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.

3.1.2 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 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

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:

4 Change in accounting policies (Cont'd)

Investment 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			
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

	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)

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 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 onrolled 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

	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

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			
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.

5 Critical accounting estimates and judgements (Cont'd)

5.1 Critical accounting estimates and assumptions (Cont'd)

(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	<u>67,647,401</u>	<u>499,159,808</u>	<u>566,807,209</u>

10 Short-term investments (Cont'd)

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
	<u>67,647,401</u>	<u>499,159,808</u>	<u>566,807,209</u>

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	<u>14,219,119</u>	<u>4,472,351</u>	<u>5,900</u>	<u>427,226</u>
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	<u>33,340,194</u>	<u>59,124,138</u>	<u>77,934,269</u>	<u>119,342,512</u>
<u>Less</u> provision for impairment of other receivables	-	(100,000)	-	(100,000)
Total other receivables, net	<u>33,340,194</u>	<u>59,024,138</u>	<u>77,934,269</u>	<u>119,242,512</u>
Total trade and other receivable	<u>47,559,313</u>	<u>63,496,489</u>	<u>77,940,169</u>	<u>119,669,738</u>

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.

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

13.1 Investment in joint ventures (Cont'd)

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.

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

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

13.1 Investment in joint ventures (Cont'd)

Summarised statement of comprehensive income

	Consolidated	
	Thai Solar Renewable Co., Ltd. For the period ended 31 December	
	2015 Baht	2014 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

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).

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

13.1 Investment in joint ventures (Cont'd)

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.

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	-

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

13.2 Principal subsidiaries (Cont'd)

Details of investments as at 31 December 2015 are as follows: (Cont'd)

	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 (Cont'd)				
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	-

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

13.2 Principal subsidiaries (Cont'd)

Details of investments as at 31 December 2015 are as follows: (Cont'd)

	Business	Country of incorporation	Proportion of ordinary shares directly held by parent(%)	Proportion of shares held by non-controlling interests (%)
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.

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.

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

13.2 Principal subsidiaries (Cont'd)

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.

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 Baht	2014 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>

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 Baht	2014 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	-

15 Property, plant and equipment

		Consolidated													
		Land improvement		Power plant		Office building		Tools and equipment		Vehicles and equipment		Asset under construction		Total	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	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					
Less Accumulated depreciation		-	(202,799)	(56,414,159)	(711,578)	(620,981)	(2,205,279)	(1,797,707)	-	(61,952,503)					
Less Provision for impairment		-	-	-	-	-	-	-	(591,900,236)	(591,900,236)					
Year ended 31 December 2014															
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		-	2,938,260	815,281,373	10,402,338	872,654	1,620,096	20,487,656	345,413,755	1,234,568,196					
Disposals		-	-	996,420	93,000	624,450	1,877,252	210,000	231,475,504	235,276,626					
Transferred-in(out)		-	20,215,318	238,696,594	-	-	-	-	(571,684,918)	(571,684,918)					
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		37,552,064	2,837,823	774,889,261	10,137,826	1,165,182	2,737,456	18,305,091	349,895,248	1,197,519,951					

15 Property, plant and equipment (Cont'd)

Consolidated

	Land		Land improvement		Power plant		Office building		Tools and equipment		office equipment		Vehicles and equipment		Asset under construction		Total		
	Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		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		
Less Accumulated depreciation	-		(303,236)		(86,499,285)		(1,069,090)		(952,903)		(2,965,171)		(2,931,272)		-		(94,720,958)		
Less 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		
Less Accumulated depreciation	-		(363,581)		(124,516,374)		(1,293,781)		(1,308,342)		(3,776,559)		(5,218,022)		-		(136,476,659)		
Less 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		

15 Property, plant and equipment (Cont'd)

	Company															
	Land Baht	Land improvement		Power plant		Office building		Tools and equipment		Vehicles and equipment		Asset under construction		Total		
			Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	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																
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	-	2,938,260	815,281,373	10,402,338	872,654	1,620,096	20,487,656	-	889,154,441							
Disposals	-	-	242,420	93,000	571,950	1,688,451	210,000	-	2,805,821							
Transferred-in(out)	-	20,215,318	-	-	-	-	(1)	(571,684,918)	(571,684,919)							
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	-	-	-	-	-	-	-	-	-							
Allowance for impairment-Transfer-in(out)	-	(20,215,318)	-	-	-	-	-	571,684,918	571,684,918							
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							

15 Property, plant and equipment (Cont'd)

	Company										Total Baht	
	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				
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)		
Less 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
	41.90	34.03	44.77	32.21

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</u> Accumulated depreciation	(4,935,877)	(2,734,483)	(4,935,877)	(2,734,483)
Net book amount	15,590,123	17,791,517	15,590,123	17,791,517

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	90,739,685	109,635,743	90,027,424	109,067,611
Deferred tax asset (net)	105,985,368	109,635,743	105,273,107	109,067,611

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	105,985,368	109,635,743	105,273,108	109,067,611

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

	Consolidated					Total Baht
	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	109,635,743
Charged/(credited) to profit or loss	-	(4,043,064)	268,561	-	124,128	(3,650,375)
At 31 December 2015	104,461,710	-	811,397	-	712,261	105,985,368
At 1 January 2014	-	108,504,774	-	338,493	1,662,218	110,505,485
Charged/(credited) to the income statement	104,461,710	(104,461,710)	542,836	(338,493)	(1,074,085)	(869,742)
At 31 December 2014	104,461,710	4,043,064	542,836	-	588,133	109,635,743

	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	-	-

16 Deferred income taxes (Cont'd)

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

	Company				Total Baht
	Tax losses Baht	Provision for impairment of property, plant and equipment Baht	Retirement benefits Baht	Others 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	104,461,711	-	811,397	-	105,273,108
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	104,461,711	4,043,063	542,837	20,000	109,067,611

	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	-	-

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
	130,236,984	115,911,340

17 Construction and other payables

	Consolidated		Company	
	2015 Baht	Restated	2015 Baht	2014 Baht
		2014 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 Baht	Restated	2015 Baht	2014 Baht
		2014 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 Baht	Restated	2015 Baht	2014 Baht
		2014 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	600,429,452	417,968,768	152,988,637	192,651,824

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	
	2015	Restated 2014	2015	Restated 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	
	2015	Restated 2014	2015	Restated 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 Baht	Restated 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 Baht	Restated 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%
Salary growth rate	0.50%	Increase by 6.23%
		Increase by 6.30%
		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	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	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	1,815,000,000	1,815,000,000	1,815,000,000	727,554,273	2,542,554,273

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
	40,177,324	458,090,965	453,729,869	54,182,341

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	3,666,404	(12,795,121)	3,794,503	(12,333,753)

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	Restated 2014	2015	2014
	Baht	Baht	Baht	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
Amounts due to related parties (Note 17)				
Subsidiaries	-	-	408,737	110,687

c) Short-term loans to subsidiaries

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

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.

27 Related party transactions (Cont'd)

d) Key management compensation

For the year ended 31 December	Consolidated		Company	
		Restated		
	2015 Baht	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 Baht	2014 Baht	2015 Baht	2014 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	-	-
	<u>264,713,059</u>	<u>218,275,485</u>	<u>12,329,500</u>	<u>3,728,420</u>

28 Commitments and contingencies (Cont'd)

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

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.
- 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 Commitments and contingencies (Cont'd)

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.

Auditor's Remuneration

1) Audit Fee

In the accounting period, ended on 31 December 2015, the Group paid a total of 2.90 million Baht as an audit fee to the PricewaterhouseCoopers ABAS Ltd., comprising quarterly and annually audit fee.

2) Non-Audit Fee

The Group has paid a fee for the audit and preparation of audit report related to the compliance audit of BOI certificate of Thailand Board of Investment for the accounting period of 2015 to the PricewaterhouseCoopers ABAS Ltd., the Group's auditing firm at an amount of 0.75 million Baht.

General and Other Important Information

General information

The company	: Thai Solar Energy Public Company Limited (Pcl.)
Abbr. name used in stock exchange	: TSE
Date of registration	: 30 October, 2014
Industrial group	: Resource
Head Office	: 3199 Maleenont Tower, 16 th Floor, Rama IV Road, Klongtan, Klongtoey District, Bangkok
Type of business	: Generate and distribute electricity from the Solar energy
Registration number	: 0107557000055
Telephone number	: (662) 661-2701
Fax number	: (662) 661-2705
Website	: www.thaisolarenergy.com
Registered Capital and paid-up capital	: 1,815 million baht

General Information of Joint-controlled Company and Subsidiaries

	Type of business	Registered capital (million baht)	Proportion of Shareholding (%)
The Group's Address: 3199 Maleenont Tower, 16 th floor, Rama IV Road, Klongtan, Klongtoey District, Bangkok 10110			
Solar Farm business			
Thai Solar Renewable Co., Limited - TSR	Investment	583.33	60
<i>Joint-controlled company indirectly held through TSR</i> Siam Solar Energy 1 Co., Ltd. - SSE1	Produce and distribute electricity from solar energy system installed on the ground	1,800	60
Subsidiaries			
Solar Rooftop business			
TSE Rooftop Co., Ltd. - TSEER	Investment	182	100
<i>Subsidiaries indirectly held through TSEER</i>			
Champ Energy Co., Ltd. (CE)	Produce and distribute electricity from solar energy system installed on the Rooftop of commercial buildings	52	100
North Rooftop Co., Ltd. (NR)		39	100
Roof Energy Co., Ltd. (RE)		39	100
Green Rooftop Co., Ltd. (GR)		26	100
Lucky Solar Co., Ltd. (LS)		26	100

	Type of business	Registered capital (million baht)	Proportion of Shareholding (%)
Subsidiary: The Solar Visible Co., Ltd. - SV	Produce and distribute electricity from solar energy system installed on the ground	202	100
<i>Subsidiaries indirectly held through SV</i>			
Thai Community Energy Co., Ltd. - TCE		100	100
World Solar Co., Ltd. (WS)		1	100
Sun Future Co., Ltd. (SFT)		1	100
The Solar Earth Co., Ltd. - SE		1	100
Clean Renewable Co., Ltd. - CLR		1	100
Subsidiary - Overseas TSE Group International PTE. LTD.	Investment in renewable energy in foreign countries		100
Address: 112 Robinson Road, #12-01 Robinson 112, Singapore			
Solar Assets PTE. LTD.			100
Address: 112 Robinson Road, #12-01 Robinson 112, Singapore			

Reference

Security Registrar Thailand Securities Depository Co., Ltd. (TSD)
93 Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Tel: 0 2009 9000 Fax: 0 2009 9991 Call Center 0 2009 9999
Website : www.set.or.th/tsd

Auditor Kajornkiet Aroonpirodkul
Certified Public Accountant number 3445
PwC Thailand:
179/74-80 Bangkok City Tower, 15th Floor South Sathorn Road, Tungmahamek Sub-district
Sathorn District, Bangkok, 10120
Telephone: 0 2344 1000 , 0 2824 5000 Fax: 0 2286 5050
Website : www.pwc.com/th

Investors can find more information on the Company's Form 56-1 shown on the websites: www.sec.or.th or www.thaisolarenergy.com