

**THAI SOLAR ENERGY PUBLIC COMPANY LIMITED**

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

**30 JUNE 2016**

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying consolidated and company statement of financial position as at 30 June 2016, the related consolidated and company statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month period then ended, and condensed notes to interim financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and of Thai Solar Energy Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### *Scope of review*

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

### *Conclusion*

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

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

Bangkok  
11 August 2016

**Thai Solar Energy Public Company Limited**  
**Statement of Financial Position**  
**As at 30 June 2016**

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,002,651,804	337,425,538	346,841,936	241,190,936
Short-term restricted bank deposits	6	32,034,904	25,091,922	1,494,406	551,565
Short-term investments	7	1,806,675	566,807,209	1,806,675	566,807,209
Trade and other receivables	8	52,196,682	47,559,313	64,643,061	77,940,169
Short-term loans to subsidiaries	15 c)	-	-	710,800,301	240,399,141
Value added tax refundable		55,981,339	41,490,867	1,065,262	1,806,954
Other current assets		4,665,684	5,227,588	2,947,221	3,188,051
<b>Total current assets</b>		<b>1,149,337,088</b>	<b>1,023,602,437</b>	<b>1,129,598,862</b>	<b>1,131,884,025</b>
<b>Non-current assets</b>					
Long-term restricted bank deposits	6	522,453,518	159,131,000	522,453,518	159,131,000
Investments in subsidiaries	9	-	-	925,588,881	596,013,731
Investments in jointly controlled entities	10	1,524,380,753	1,476,668,878	350,000,130	350,000,130
Long-term loans		169,405	-	169,405	-
Investment properties		88,399,605	88,399,605	88,399,605	88,399,605
Property, plant and equipment	11	2,558,042,360	1,977,474,403	592,747,346	602,246,468
Deferred tax assets		107,493,111	105,985,368	105,435,689	105,273,108
Intangible assets		3,412,325	3,621,380	3,412,325	3,604,897
Other non-current assets		8,083,168	9,511,637	1,908,100	3,328,099
<b>Total non-current assets</b>		<b>4,812,434,245</b>	<b>3,820,792,271</b>	<b>2,590,114,999</b>	<b>1,907,997,038</b>
<b>Total assets</b>		<b>5,961,771,333</b>	<b>4,844,394,708</b>	<b>3,719,713,861</b>	<b>3,039,881,063</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 30 June 2016**

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions		603,507,225	152,949,889	530,052,789	-
Construction and other payables	12	29,913,945	34,506,196	12,675,088	4,056,427
Current portion of finance lease liabilities	13.1	4,594,037	4,491,620	4,594,037	4,491,620
Current portion of long-term borrowings	13.2	202,528,897	88,749,767	133,156,583	39,662,264
Short-term loans from related parties	15 d)	-	-	37,000,000	-
Income tax payable		380,571	67,921	-	-
Other current liabilities		3,108,705	3,662,941	894,608	2,441,805
<b>Total current liabilities</b>		<b>844,033,380</b>	<b>284,428,334</b>	<b>718,373,105</b>	<b>50,652,116</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	13.1	1,505,268	3,828,455	1,505,268	3,828,454
Long-term borrowings	13.2	797,748,411	511,679,685	-	113,326,373
Employee benefit obligation		4,869,893	4,056,985	4,869,893	4,056,985
Deferred tax liabilities		1,451,457	-	-	-
Other non-current liabilities		72,000	72,000	72,000	72,000
<b>Total non-current liabilities</b>		<b>805,647,029</b>	<b>519,637,125</b>	<b>6,447,161</b>	<b>121,283,812</b>
<b>Total liabilities</b>		<b>1,649,680,409</b>	<b>804,065,459</b>	<b>724,820,266</b>	<b>171,935,928</b>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital					
Ordinary shares 1,815,000,000 shares of par Baht 1 each		1,815,000,000	1,815,000,000	1,815,000,000	1,815,000,000
Issued and paid-up share capital					
Ordinary shares, 1,815,000,000 shares of paid-up Baht 1 each		1,815,000,000	1,815,000,000	1,815,000,000	1,815,000,000
Premium on ordinary shares		727,554,273	727,554,273	727,554,273	727,554,273
Retained earnings		1,654,316,764	1,473,294,160	452,339,322	325,390,862
Other components of equity		115,213,962	24,478,025	-	-
Equity attributable to owners of the parent		4,312,084,999	4,040,326,458	2,994,893,595	2,867,945,135
Non-controlling interests		5,925	2,791	-	-
<b>Total shareholders' equity</b>		<b>4,312,090,924</b>	<b>4,040,329,249</b>	<b>2,994,893,595</b>	<b>2,867,945,135</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,961,771,333</b>	<b>4,844,394,708</b>	<b>3,719,713,861</b>	<b>3,039,881,063</b>

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 30 June 2016**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Note</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Revenue from sales	48,518,550	21,173,779	644,642	1,676,763
Subsidy for adders	925,440	3,083,520	925,440	3,083,520
Management service income	9,662,264	9,451,823	11,552,264	10,325,656
Cost of sales and services	<u>(41,568,243)</u>	<u>(29,623,256)</u>	<u>(21,011,208)</u>	<u>(22,724,154)</u>
<b>Gross profit (loss)</b>	17,538,011	4,085,866	(7,888,862)	(7,638,215)
Dividends income	-	19	124,250,025	163,100,033
Other income	16 29,076,023	7,984,410	28,977,070	7,868,647
Administrative expenses	(23,578,541)	(22,180,210)	(19,914,350)	(19,223,545)
Other expenses	(28,809)	(8,680)	(28,809)	(4,642)
Finance costs	(10,295,001)	(6,717,223)	(2,131,921)	(2,544,902)
Share of profit from investments in jointly controlled entities	<u>147,966,940</u>	<u>157,609,886</u>	-	-
<b>Profit before income tax expense</b>	160,678,623	140,774,068	123,263,153	141,557,376
Tax (expense) income	<u>(154,415)</u>	<u>80,570</u>	<u>81,290</u>	<u>67,142</u>
<b>Profit for the period</b>	160,524,208	140,854,638	123,344,443	141,624,518
<b>Other comprehensive income:</b>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	<u>70,854,320</u>	<u>1,319,103</u>	-	-
<b>Total comprehensive income for the period</b>	<u>231,378,528</u>	<u>142,173,741</u>	<u>123,344,443</u>	<u>141,624,518</u>
<b>Profit attributable to:</b>				
Owners of the parent	160,524,208	140,854,638	123,344,443	141,624,518
Non-controlling interests	-	-	-	-
	<u>160,524,208</u>	<u>140,854,638</u>	<u>123,344,443</u>	<u>141,624,518</u>
<b>Comprehensive income attributable to:</b>				
Owners of the parent	231,378,528	142,173,741	123,344,443	141,624,518
Non-controlling interests	-	-	-	-
	<u>231,378,528</u>	<u>142,173,741</u>	<u>123,344,443</u>	<u>141,624,518</u>
<b>Earnings per share</b>				
Basic earnings per share	<u>0.09</u>	<u>0.08</u>	<u>0.07</u>	<u>0.08</u>

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the six-month period ended 30 June 2016**

	Notes	Consolidated		Company	
		30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
Revenue from sales		79,106,576	35,225,005	736,508	2,679,877
Subsidy for adders		925,440	4,374,720	925,440	4,374,720
Management service income		19,012,842	18,568,011	22,792,842	20,109,909
Cost of sales and services		<u>(72,256,932)</u>	<u>(55,287,699)</u>	<u>(39,727,757)</u>	<u>(43,480,840)</u>
<b>Gross profit (loss)</b>		26,787,926	2,880,037	(15,272,967)	(16,316,334)
Dividends income		-	24	255,500,048	163,100,038
Other income	16	41,275,928	22,444,267	41,051,294	20,661,341
Administrative expenses		(61,052,057)	(45,562,188)	(41,069,857)	(41,419,112)
Other expenses		(399,969)	(50,622)	(399,969)	(46,584)
Finance costs		(19,614,779)	(12,087,875)	(4,129,024)	(5,151,604)
Share of profit from investments in jointly controlled entities	10	<u>303,211,922</u>	<u>313,534,614</u>	-	-
<b>Profit before income tax expense</b>		290,208,971	281,158,257	235,679,525	120,827,745
Tax (expense) income	14	<u>(292,721)</u>	<u>129,446</u>	<u>162,581</u>	<u>134,285</u>
<b>Profit for the period</b>		289,916,250	281,287,703	235,842,106	120,962,030
<b>Other comprehensive income:</b>					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		<u>90,735,937</u>	<u>2,049,982</u>	-	-
<b>Total comprehensive income for the period</b>		<u><u>380,652,187</u></u>	<u><u>283,337,685</u></u>	<u><u>235,842,106</u></u>	<u><u>120,962,030</u></u>
<b>Profit attributable to:</b>					
Owners of the parent		289,916,250	281,287,703	235,842,106	120,962,030
Non-controlling interests		-	-	-	-
		<u><u>289,916,250</u></u>	<u><u>281,287,703</u></u>	<u><u>235,842,106</u></u>	<u><u>120,962,030</u></u>
<b>Comprehensive income attributable to:</b>					
Owners of the parent		380,652,187	283,337,685	235,842,106	120,962,030
Non-controlling interests		-	-	-	-
		<u><u>380,652,187</u></u>	<u><u>283,337,685</u></u>	<u><u>235,842,106</u></u>	<u><u>120,962,030</u></u>
<b>Earnings per share</b>					
Basic earnings per share		<u>0.16</u>	<u>0.15</u>	<u>0.13</u>	<u>0.07</u>

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Changes in Shareholders' Equity (Unaudited)**  
**For the six-month period ended 30 June 2016**

	<b>Consolidated</b>							
	<b>Note</b>	<b>Issued and called-up share capital Baht</b>	<b>Premium on ordinary capital Baht</b>	<b>Retained earnings Baht</b>	<b>Other components of equity</b>		<b>Total Baht</b>	
					<b>Translation of financial statements Baht</b>	<b>Shareholders' equity Baht</b>		<b>Non-controlling interests Baht</b>
<b>Opening balance at 1 January 2015</b>		1,815,000,000	1,266,097,322	408,153,742	-	3,489,251,064	-	3,489,251,064
<b>Change in equity for the period</b>								
Compensation of the accumulated loss from the share premium		-	(538,543,049)	538,543,049	-	-	-	-
Total comprehensive income for the period		-	-	281,287,703	2,049,982	283,337,685	-	283,337,685
<b>Closing balance at 30 June 2015</b>		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>1,227,984,494</u>	<u>2,049,982</u>	<u>3,772,588,749</u>	<u>-</u>	<u>3,772,588,749</u>
<b>Opening balance at 1 January 2016</b>		1,815,000,000	727,554,273	1,473,294,160	24,478,025	4,040,326,458	2,791	4,040,329,249
<b>Change in equity for the period</b>								-
Dividends paid	18	-	-	(108,893,646)	-	(108,893,646)	-	(108,893,646)
Total comprehensive income for the period		-	-	289,916,250	90,735,937	380,652,187	-	380,652,187
Non-controlling interest invested in subsidiary		-	-	-	-	-	3,134	3,134
<b>Closing balance at 30 June 2016</b>		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>1,654,316,764</u>	<u>115,213,962</u>	<u>4,312,084,999</u>	<u>5,925</u>	<u>4,312,090,924</u>

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Changes in Shareholders' Equity (Unaudited) (Cont'd)**  
**For the six-month period ended 30 June 2016**

	<b>Company</b>				
	<b>Note</b>	<b>Issued and called-up share capital Baht</b>	<b>Premium on ordinary capital Baht</b>	<b>Retained earnings Baht</b>	<b>Total Baht</b>
<b>Opening balance at 1 January 2015</b>		1,815,000,000	1,266,097,322	(538,543,049)	2,542,554,273
<b>Change in equity for the period</b>					
Compensation of the accumulated loss from the share premium		-	(538,543,049)	538,543,049	-
Total comprehensive income for the period		-	-	120,962,030	120,962,030
<b>Closing balance at 30 June 2015</b>		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>120,962,030</u>	<u>2,663,516,303</u>
<b>Opening balance at 1 January 2016</b>		1,815,000,000	727,554,273	325,390,862	2,867,945,135
<b>Change in equity for the period</b>					
Dividends paid	18	-	-	(108,893,646)	(108,893,646)
Total comprehensive income for the period		-	-	235,842,106	235,842,106
<b>Closing balance at 30 June 2016</b>		<u>1,815,000,000</u>	<u>727,554,273</u>	<u>452,339,322</u>	<u>2,994,893,595</u>

The accompanying notes form part of this interim financial information.



**Thai Solar Energy Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the six-month period ended 30 June 2016**

	Notes	Consolidated		Company	
		30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		290,208,971	281,158,257	235,679,525	120,827,745
Adjustments for:					
Depreciation	11	27,967,311	17,234,038	10,462,427	10,221,100
Share of profit from investments in jointly controlled entities	10	(303,211,922)	(313,534,614)	-	-
Provision for employee benefits obligations		812,908	671,424	812,908	671,424
Unrealised loss (gain) on exchange		-	80	(38,338,172)	80
Fair value loss (gain) on trading investments	7	399,969	(151,510)	399,969	(151,510)
Dividends income		-	(24)	(255,500,048)	(163,100,038)
Interest income	16	(4,369,041)	(14,880,779)	(4,229,058)	(14,736,382)
Finance cost		19,614,779	12,087,875	4,129,024	5,151,604
		31,422,975	(17,415,253)	(46,583,425)	(41,115,977)
Changes in operating assets and liabilities					
Trade and other receivables		(6,382,772)	(6,849,780)	11,559,108	6,312,031
Value added tax refundable		-	-	741,692	(1,859,547)
Other current assets		(13,219,390)	(169,702)	939,997	(8,127,943)
Other non-current assets		1,637,525	(951,614)	1,612,572	1,711,376
Other payables		4,547,821	7,138,177	8,796,762	874,309
Other current liabilities		(554,237)	(40,056,682)	(1,547,198)	(41,225,740)
Other non-current liabilities		-	(43,526)	-	(43,526)
Cash flows generated from (used in) operating activities		17,451,922	(58,348,380)	(24,480,492)	(83,475,017)
<u>Less</u> Income tax paid		(745,536)	(1,046,432)	(699,166)	(970,930)
Net cash generated from (used in) operating activities		16,706,386	(59,394,812)	(25,179,658)	(84,445,947)

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the six-month period ended 30 June 2016**

	Notes	Consolidated		Company	
		30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
<b>Cash flows from investing activities</b>					
Decrease (increase) in restricted bank deposits		(6,942,982)	14,102,458	(942,842)	31,897,376
Increase in long-term restricted deposits		(363,322,518)	-	(363,322,518)	-
Purchase of short-term investments		(5,364,794)	(505,661,491)	(5,364,794)	(505,661,491)
Proceeds from disposals of					
short-term investments		569,965,359	789,777,882	569,965,359	789,777,881
Short-term loans made to subsidiaries	15 c)	-	-	(460,637,630)	(85,300,000)
Short-term loan repayments received					
from subsidiaries	15 c)	-	-	28,574,789	131,553,208
Long-term loans		(169,405)	-	(169,405)	-
Acquisition of subsidiaries	9	-	-	(329,575,150)	(251,542,645)
Acquisition of other long-term investments		-	(190,500,461)	-	-
Acquisition of property, plant and equipment		(608,542,457)	(261,795,006)	(1,167,553)	(7,282,253)
Interest received		6,114,445	17,373,631	5,967,059	17,232,615
Dividends received		255,500,048	210,350,042	255,500,048	210,350,042
Net cash from (used in) investing activities		<u>(152,762,304)</u>	<u>73,647,055</u>	<u>(301,172,637)</u>	<u>331,024,733</u>
<b>Cash flows from financing activities</b>					
Increase in bank overdrafts and short-term					
borrowings from financial institutions		450,557,336	1,574	530,052,789	1,574
Repayment to finance lease liabilities		(2,387,652)	(2,387,652)	(2,387,652)	(2,387,652)
Increase in loans from subsidiaries	15 d)	-	-	45,000,000	-
Loans repayment to subsidiaries	15 d)	-	-	(8,000,000)	-
Cash proceeds from long-term borrowings	13.2	443,987,469	272,899,916	-	-
Repayment to long-term borrowings	13.2	(44,208,445)	(48,244,198)	(20,000,000)	(20,000,000)
Non-controlling interests invested in subsidiary		3,134	-	-	-
Dividends paid	18	(108,893,646)	-	(108,893,646)	-
Interest expenses and financial service fee		(28,511,949)	(15,052,979)	(3,768,196)	(4,751,356)
Net cash from (used in) financing activities		<u>710,546,247</u>	<u>207,216,661</u>	<u>432,003,295</u>	<u>(27,137,434)</u>
<b>Net increase in cash and cash equivalents</b>		<u>574,490,329</u>	<u>221,468,904</u>	<u>105,651,000</u>	<u>219,441,352</u>
Cash and cash equivalents at					
beginning of the period		337,425,538	7,210,028	241,190,936	4,061,247
Effect of exchange rate changes on balances					
held in foreign currencies		90,735,937	2,049,982	-	-
<b>Cash and cash equivalents at end of the period</b>		<u>1,002,651,804</u>	<u>230,728,914</u>	<u>346,841,936</u>	<u>223,502,599</u>

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

The accompanying notes form part of this interim financial information.

## **1 General information**

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

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

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

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

The interim consolidated and company financial information was authorised for issue by the Board of Directors on 11 August 2016.

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

## **2 Accounting policies**

### **2.1 Basis of preparation**

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015.

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

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

## 2 Accounting policies (Cont'd)

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

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
TFRS 3 (revised 2015)	Business combinations
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.

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) 'Separate financial statements' 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.

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.

**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 2016. These standards are relevant to the group. (Cont'd)

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

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

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 TFRS 9 (when announced).

b) 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

## **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 2016. 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)

TSIC 32 (revised 2015)	Intangible assets - Web site costs
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 TAS29 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

## **3 Estimates**

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

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

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**4 Operating segments**

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

**Financial information by geography segment**

	<b>For the three-month period ended 30 June (Million Baht)</b>									
	<b>Domestic</b>		<b>International</b>		<b>Total</b>		<b>Elimination</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenue from operations	197.48	205.66	16.84	-	214.32	205.66	(126.14)	(163.97)	88.18	41.69
Cost of operations	(34.11)	(30.50)	(9.35)	-	(43.46)	(30.50)	1.89	0.87	(41.57)	(29.63)
Operating profit	163.37	175.16	7.49	-	170.86	175.16	(124.25)	(163.10)	46.61	12.06
Selling and administrative expenses	(21.70)	(20.10)	(1.04)	(0.41)	(22.74)	(20.51)	-	-	(22.74)	(20.51)
Profit before finance cost, taxes, depreciation and amortisation	141.67	155.06	6.45	(0.41)	148.12	154.65	(124.25)	(163.10)	23.87	(8.45)
Depreciation and amortisation	(0.87)	(1.67)	-	-	(0.87)	(1.67)	-	-	(0.87)	(1.67)
Finance cost	(7.29)	(6.72)	(3.00)	-	(10.29)	(6.72)	-	-	(10.29)	(6.72)
Share of profit from investments in jointly controlled entity	147.97	157.61	-	-	147.97	157.61	-	-	147.97	157.61
Operating results before taxes	281.48	304.28	3.45	(0.41)	284.93	303.87	(124.25)	(163.10)	160.68	140.77
Income tax income (expense)	0.08	0.08	(0.24)	-	(0.16)	0.08	-	-	(0.16)	0.08
<b>Net profit (loss)</b>	<b>281.56</b>	<b>304.36</b>	<b>3.21</b>	<b>(0.41)</b>	<b>284.77</b>	<b>303.95</b>	<b>(124.25)</b>	<b>(163.10)</b>	<b>160.52</b>	<b>140.85</b>
<b>Total assets</b>									<b>5,961.77</b>	<b>4,475.51</b>
<b>Total liabilities</b>									<b>1,649.68</b>	<b>702.92</b>

**Thai Solar Energy Public Company Limited**  
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**4 Operating segments (Cont'd)**

**Financial information by geography segment (Cont'd)**

	<b>For the six-month period ended 30 June (Million Baht)</b>									
	<b>Domestic</b>		<b>International</b>		<b>Total</b>		<b>Elimination</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenue from operations	380.69	245.25	18.91	-	399.60	245.25	(259.28)	(164.64)	140.32	80.61
Cost of operations	(65.68)	(56.83)	(10.36)	-	(76.04)	(56.83)	3.78	1.54	(72.26)	(55.29)
Operating profit	315.01	188.42	8.55	-	323.56	188.42	(255.50)	(163.10)	68.06	25.32
Selling and administrative expenses	(45.07)	(43.52)	(14.57)	(0.41)	(59.64)	(43.93)	-	-	(59.64)	(43.93)
Profit (loss) before finance cost, taxes, depreciation and amortisation	269.94	144.90	(6.02)	(0.41)	263.92	144.49	(255.50)	(163.10)	8.42	(18.61)
Depreciation and amortisation	(1.81)	(1.68)	-	-	(1.81)	(1.68)	-	-	(1.81)	(1.68)
Finance cost	(14.54)	(12.09)	(5.07)	-	(19.61)	(12.09)	-	-	(19.61)	(12.09)
Share of profit from investments in jointly controlled entity	303.21	313.53	-	-	303.21	313.53	-	-	303.21	313.53
Operating results before taxes	556.80	444.66	(11.09)	(0.41)	545.71	444.25	(255.50)	(163.10)	290.21	281.15
Income tax income (expense)	(0.06)	0.13	(0.24)	-	(0.30)	0.13	-	-	(0.30)	0.13
<b>Net profit (loss)</b>	<b>556.74</b>	<b>444.79</b>	<b>(11.33)</b>	<b>(0.41)</b>	<b>545.41</b>	<b>444.38</b>	<b>(255.50)</b>	<b>(163.10)</b>	<b>289.91</b>	<b>281.28</b>
<b>Total assets</b>									<b>5,961.77</b>	<b>4,475.51</b>
<b>Total liabilities</b>									<b>1,649.68</b>	<b>702.92</b>



## 5 Fair value

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

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

As at 30 June 2016, the Company has no financial assets that are measured at fair value.

## 6 Restricted bank deposits

Short-term restricted bank deposits are saving deposits that subsidiaries pledged and assigned rights of claim to secure the credit facilities of the subsidiary with its lenders, which there is term of expense and stages of withdrawal for specially purpose according to the long-term loan agreements.

Long-term restricted bank deposits are saving deposits pledged to guarantee company and subsidiaries' gasoline credit card and assigned rights of claim to secure the credit facilities of the company and subsidiaries with lenders according to condition in long-term loan agreement.

## 7 Short-term investments

	<b>Consolidated and Company</b>			
	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Cost Baht</b>	<b>Fair value Baht</b>	<b>Cost Baht</b>	<b>Fair value Baht</b>
Short-term investments comprise:				
1. Trading securities	-	-	67,247,432	67,647,401
2. Held-to-maturity investments	1,806,675	1,806,675	499,159,808	499,159,808
Total	1,806,675	1,806,675	566,407,240	566,807,209
<u>Less</u> Revaluation adjustments	-	-	-	-
Total short-term investments	1,806,675	1,806,675	566,407,240	566,807,209

As at 30 June 2016, held-to-maturity investment are bank deposits in fixed accounts, carry interest at 1.88% per annum (31 December 2015: 1.88% to 2.00% per annum).

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**7 Short-term investments (Cont'd)**

During the six-month period ended 30 June 2016, movements of trading securities are as follows:

	<b>Consolidated and Company Baht</b>
Book value - beginning balance	67,647,401
Disposal	(67,247,432)
Change in fair value of trading securities	(399,969)
Book value - ending balance	-

**8 Trade and other receivables**

Trade and other receivables as at 30 June 2016 and 31 December 2015 comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Trade accounts receivable	22,232,388	14,219,119	324,830	5,900
<u>Less</u> provision for impairment of trade receivables	-	-	-	-
Total trade accounts receivable, net	22,232,388	14,219,119	324,830	5,900
Amounts due from and advances to related parties (Note 15 b)	3,501,791	5,001,004	42,381,268	55,363,499
Prepaid expenses	6,408,290	8,620,200	2,155,013	3,502,046
Other receivables	1,191,585	3,214,927	1,078,170	2,791,192
Advance payment	18,862,628	16,504,063	18,703,780	16,277,532
Total other receivables	29,964,294	33,340,194	64,318,231	77,934,269
Total trade and other receivables	52,196,682	47,559,313	64,643,061	77,940,169

All outstanding trade accounts receivable are not yet due.

**9 Investments in subsidiaries**

**9.1 Movements of investments in subsidiaries**

	<b>Company Baht</b>
<b>For the six-month period ended 30 June 2016</b>	
Opening net book amount	596,013,731
Acquisitions during the period	<u>329,575,150</u>
Closing net book amount	<u><u>925,588,881</u></u>

**Additional investments under Thai Solar Energy Plc. Co., Ltd.**

**Investments in TSE Group International Pte. Ltd.**

The Company made additional payment for the remaining called-up capital of TSE Group International Pte. Ltd. amounting to Baht 266.88 million during the first quarter of 2016.

**Investments in Solar Assets Pte. Ltd.**

The Company made additional payment for the remaining called-up capital of Solar Assets Pte. Ltd. amounting to Baht 62.70 million during the first quarter of 2016.

**Additional investments under TSE Group International Pte. Ltd.**

**Investments in Ishikawa Hanamizuki 1 GK**

In March 2016, the Group invested in Ishikawa Hanamizuki 1 GK totaling Baht 235 million for the purpose of generating and distributing electricity from solar power in Japan. The stated investment follows the Godo Kaisha Agreement (GK agreement) which indicates that operating profits and losses will be distributed among the investors and the operator in the proportion of 97 percent and 3 percent respectively.

**Thai Solar Energy Public Company Limited**  
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**9 Investments in subsidiaries (Cont'd)**

**9.2 Details of investment in subsidiaries**

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 June 2016	31 December 2015
<b>Subsidiaries directly held by the Company</b>				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100
Solar Visible Co., Ltd. ("Formerly TSE Operations Co., Ltd.")	Provision of maintenance service for power plants	Thailand	100	100
TSE Group International. Pte. Ltd.	Investment	Singapore	100	100
Solar Assets Pte. Ltd.	Investment	Singapore	100	100
The Solar Earth Co., Ltd. ("Formerly Central Rooftop Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
Clean Renewable Co., Ltd. ("Formerly Clean Solar Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
<b>Subsidiaries held by TSE Rooftop Co., Ltd.</b>				
Green Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100
North Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Lucky Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Champ Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Roof Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
<b>Subsidiaries held by Solar Visible Co., Ltd</b>				
Thai Community Energy Co., Ltd. ("Formerly Win Win Investment Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
World Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Sun Future Co., Ltd. ("Formerly Home Rooftop Co., Ltd.")	Production and distribution of electricity	Thailand	100	100
Solar Community Co., Ltd.	Production and distribution of electricity	Thailand	100	100
<b>Subsidiaries held by TSE Group International. Pte. Ltd.</b>				
Eco Solar Aizu GK	Production and distribution of electricity	Japan	97	97
Ishikawa Hanamizuki 1 GK	Production and distribution of electricity	Japan	97	-
<b>Subsidiaries held by Solar Assets Pte. Ltd.</b>				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100

**10 Investments in jointly controlled entities**

**10.1 Movements of investments in jointly controlled entities**

	<u>Consolidated Baht</u>	<u>Company Baht</u>
<b>For the six-month period ended 30 June 2016</b>		
Opening net book amount	1,476,668,878	350,000,130
Share of profit	303,211,922	-
Dividends received	(255,500,047)	-
	<u>1,524,380,753</u>	<u>350,000,130</u>
Closing net book amount		

As at 30 June 2016, Thai Solar Renewable Company Limited has pledged share certificates of investments in Siam Solar Energy 1 Company Limited, its subsidiary, with the carrying value of Baht 1,080 million (31 December 2015: 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 5,552 million (31 December 2015: Baht 5,673 million) and pledged bank deposits amounting to Baht 286 million (31 December 2015: Baht 336 million), as collateral for credit facilities granted by a commercial bank.

The Company has pledged all share certificates of investments in jointly controlled entities with a lender as collateral for a jointly controlled entity's credit facilities received from the commercial bank.

**10.2 Details of investment in jointly controlled entities**

Details of investments are as follows:

	<u>Business</u>	<u>Country of incorporation</u>	<u>% Ownership interest</u>	
			<u>30 June 2016</u>	<u>31 December 2015</u>
<b>Jointly controlled entity directly held by the Company</b>				
Thai Solar Renewable Co., Ltd	Investment	Thailand	60	60
<b>Jointly controlled entity held by Thai Solar Renewable Co., Ltd.</b>				
Siam Solar Energy 1 Co., Ltd.*	Generation and distribution of electricity	Thailand	60	60

\* The Company also directly holds one share.

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**11 Property, plant and equipment**

Property, plant and equipment for the six-month period ended 30 June 2016 have the following movement:

	<b>Consolidated Baht</b>	<b>Company Baht</b>
<b>For the six-month period ended 30 June 2016</b>		
Opening net book amount	1,977,474,403	602,246,468
Foreign currency translation differences	113,855,352	-
Additions	510,592,941	963,305
Disposals	(15,913,025)	-
Depreciation	(27,967,311)	(10,462,427)
Closing net book amount	<u>2,558,042,360</u>	<u>592,747,346</u>

Borrowing costs of Baht 9.13 million (2015: Baht 3.0 million) were capitalised during the period 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 period until it gets ready for its intended use. A capitalisation rates of 2.91% (2015: 4.53% to 4.75%) were used, representing the actual borrowing cost of the borrowing used to finance the project.

**Capital commitments**

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

	<b>Currency</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
Power plant	Yen	7,248,201,417	7,329,840,672	-	-
Machinery	Euro	51,503	51,503	51,503	51,503

As at 30 June 2016, the Company had vehicles under hire purchase agreements with net book value amounting to Baht 14 million (31 December 2015: Baht 16 million).

The Company, its subsidiaries and its jointly controlled entity have pledged assets with the net book value amounting to Baht 1,224 million (31 December 2015: Baht 1,077 million) Company : Baht 574 million (31 December 2015: Baht 571 million) as collateral for credit facilities received from the commercial bank.

**12 Construction and other payables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Amounts due to related parties (Note 15 b)	-	-	-	408,737
Construction payables and retention guarantee	92,769	8,964,757	48,726	39,300
Other payables	1,611,624	2,325,267	857,895	547,470
Accrued expenses	28,209,552	23,216,172	11,768,467	3,060,920
	<u>29,913,945</u>	<u>34,506,196</u>	<u>12,675,088</u>	<u>4,056,427</u>

**13 Borrowings**

**13.1 Finance lease liabilities**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Not later than 1 year	4,594,037	4,491,620	4,594,037	4,491,620
Later than 1 year but not later than 5 years	1,505,268	3,828,455	1,505,268	3,828,454
<b>Total</b>	<b>6,099,305</b>	<b>8,320,075</b>	<b>6,099,305</b>	<b>8,320,074</b>

**13.2 Long-term borrowing**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Current portion of long-term borrowings	202,528,897	88,749,767	133,156,583	39,662,264
Long-term borrowings repayable between 1 to 5 years	365,572,872	377,374,224	-	113,326,373
Long-term borrowings repayable more than 5 years	432,175,539	134,305,461	-	-
<b>Total</b>	<b>1,000,277,308</b>	<b>600,429,452</b>	<b>133,156,583</b>	<b>152,988,637</b>

**13 Borrowings (Cont'd)**

**13.2 Long-term borrowings (Cont'd)**

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

	<b>Consolidated Baht</b>	<b>Company Baht</b>
<b>For the six-month period ended 30 June 2016</b>		
Opening book amount	600,429,452	152,988,637
Additional	443,987,469	-
Repayment	(44,208,445)	(20,000,000)
Financial service fee	(320,702)	167,946
Amortisation of financial service fee	389,534	-
Closing book amount	<u>1,000,277,308</u>	<u>133,156,583</u>

Subsidiaries entered into long-term loan agreements with a local commercial bank to obtain a loan facility of Baht 561 million in order to finance their obligations in respect of solar rooftop panel installation projects. The long-term loans carry interest at MLR minus a stipulated margin per annum. The long-term loans of Baht 521 million are repayable in quarterly installments as from December 2014 to September 2026, at the percentage specified in the loan agreements. The long-term loans of Baht 32 million are repayable within October 2015 and the loans of Baht 8 million are repayable within September 2016.

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

The loan agreements contain covenants imposed on the Company, its subsidiaries and its jointly controlled entities as specified in the agreements, related to such matters as dividend payment, reduction of share capital, merger or consolidation with any other entities and maintenance of certain debt to equity and debt service coverage ratios.

**13.3 Borrowing facilities**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Floating rate				
Expiring beyond one year	-	3,705,476	-	-

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



**14 Promotional privileges and income tax**

**Promotional privileges**

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

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

The Company's, and its subsidiaries' operating revenue from sales and subsidy for adders as presented in the statements of comprehensive income for the six-month periods ended 30 June 2016 and 2015 totally resulted from promoted operations.

**Income tax**

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 0.10%.

**15 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 widely held. The significant investments in subsidiaries, and jointly controlled entities are set out in note 9 and note 10, respectively.

The following material transactions were carried out with related parties:

**a) Sales of goods and services**

For the three-month period ended	Consolidated		Company	
	30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
<b>Subsidiaries</b>				
Management service income	-	-	1,470,000	873,833
Operation and maintenance income	-	-	420,000	249,667
	-	-	1,890,000	1,123,500
<b>Jointly controlled entity</b>				
Management service income	9,662,264	9,202,156	9,662,264	9,202,156
Rental income	108,000	108,000	108,000	108,000
	9,770,264	9,310,156	9,770,264	9,310,156
<b>Related parties</b>				
Rental income	69,472	69,472	69,472	69,472
Service income	46,315	46,315	46,315	46,315
Other income	6,545	6,265	6,545	6,265
	122,332	122,052	122,332	122,052

**Thai Solar Energy Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
**For the interim period ended 30 June 2016**

**15 Related party transactions (Cont'd)**

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

**a) Sales of goods and services (Cont'd)**

For the six-month period ended	Consolidated		Company	
	30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
<b>Subsidiaries</b>				
Management service income	-	-	2,940,000	1,541,898
Operation and maintenance income	-	-	840,000	440,542
	-	-	3,780,000	1,982,440
<b>Jointly controlled entity</b>				
Management service income	19,012,842	18,107,469	19,012,842	18,107,469
Rental income	216,000	216,000	216,000	216,000
	19,228,842	18,323,469	19,228,842	18,323,469
<b>Related parties</b>				
Rental income	138,944	69,472	138,944	69,472
Service income	92,630	46,315	92,630	46,315
Other income	13,465	15,721	13,465	15,721
	245,039	131,508	245,039	131,508

**b) Outstanding balances arising from purchases of goods and services**

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
<b>Amounts due from and advances to related parties (Note 8)</b>				
Subsidiaries	-	1,626,729	38,879,477	51,989,224
Jointly controlled entity	3,501,791	3,374,275	3,501,791	3,374,275
	3,501,791	5,001,004	42,381,268	55,363,499
<b>Amounts due to related parties (Note 12)</b>				
Subsidiaries	-	-	-	408,737

**15 Related party transactions (Cont'd)**

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

**c) Short-term loans to subsidiaries**

	<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Short-term loans to subsidiaries	<u>710,800,301</u>	<u>240,399,141</u>

Movements in loans to subsidiaries are analysed as follows:

	<b>Company Baht</b>
<b>For the six-month period ended 30 June 2016</b>	
Opening net book amount	240,399,141
Addition	460,637,630
Repayment	(28,574,789)
Foreign currency translation differences	38,338,319
Closing net book amount	<u>710,800,301</u>

Loans to subsidiaries are the promissory notes with maturity within December 2016 and there is no interest thereon.

**d) Short-term loans from subsidiaries**

	<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>31 December 2015 Baht</b>
Short-term loans from subsidiaries	<u>37,000,000</u>	<u>-</u>

Movements in loans from subsidiaries are analysed as follows:

	<b>Company Baht</b>
<b>For the six-month period ended 30 June 2016</b>	
Opening net book amount	-
Addition	45,000,000
Repayment	(8,000,000)
Closing net book amount	<u>37,000,000</u>

Loans to subsidiaries are the promissory notes with maturity within September 2016 and there is no interest thereon.

**Thai Solar Energy Public Company Limited**  
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**15 Related party transactions (Cont'd)**

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

**e) Key management compensation**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>30 June 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>30 June 2015 Baht</b>
<b>For the three-month period ended</b>				
Short-term employee benefits	7,082,445	6,976,750	7,082,445	6,976,750
Post-employment benefits	292,419	257,346	292,419	257,346
	<u>7,374,864</u>	<u>7,234,096</u>	<u>7,374,864</u>	<u>7,234,096</u>
<b>For the six-month period ended</b>				
Short-term employee benefits	14,155,445	13,308,500	14,155,445	13,308,500
Post-employment benefits	600,812	525,676	600,812	525,676
	<u>14,756,257</u>	<u>13,834,176</u>	<u>14,756,257</u>	<u>13,834,176</u>

**16 Other income**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 June 2016 Baht</b>	<b>30 June 2015 Baht</b>	<b>30 June 2016 Baht</b>	<b>30 June 2015 Baht</b>
<b>For the three-month period ended</b>				
Rental income	373,715	218,232	373,715	218,231
Service income	59,943	19,981	59,943	19,981
Interest income	1,297,819	6,844,184	1,222,517	6,733,298
Gain on disposal of assets	14,246	3,202	-	-
Realised gain on foreign exchange	27,273,635	85,261	27,273,635	85,261
Fair value gain on trading securities	29,838	794,876	29,838	794,876
Other income	26,827	18,674	17,422	17,000
	<u>29,076,023</u>	<u>7,984,410</u>	<u>28,977,070</u>	<u>7,868,647</u>

**16 Other income (Cont'd)**

For the six-month period ended	Consolidated		Company	
	30 June 2016 Baht	30 June 2015 Baht	30 June 2016 Baht	30 June 2015 Baht
Rental income	603,359	692,567	603,359	692,567
Service income	119,885	264,205	119,885	264,205
Interest income	4,369,041	14,880,779	4,229,058	14,736,382
Gain on disposal of assets	14,246	3,202	-	-
Realised gain on foreign exchange	34,879,395	1,597,161	34,879,395	107,309
Fair value gain on trading securities	644,493	1,542,462	644,493	1,542,462
Other income	645,509	3,463,891	575,104	3,318,416
	<u>41,275,928</u>	<u>22,444,267</u>	<u>41,051,294</u>	<u>20,661,341</u>

**17 Commitments and contingencies**

**17.1 Power purchase agreements**

**Domestic**

As at 30 June 2016, the Company, its subsidiaries and its jointly controlled entity have 25 power purchase agreements with the Provincial Electricity Authority (“PEA”) and the Metropolitan Electricity Authority (“MEA”) (31 December 2015: 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 jointly controlled entity to sell electricity in a specified quantity and at a stipulated price as defined in the agreements. The agreements are for a period of 5 years and will automatically renew every 5 years until termination. In the electricity selling to the PEA, the Company and its jointly controlled entity have also been granted an adder amounting to Baht 6.50 - 8 per kilowatt-hour (Company: Baht 8 per kilowatt-hour) for the period of 10 years commencing from the commercial operation date.

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

**Overseas**

As at 30 June 2016, subsidiaries operating in Japan have obtained 3 power purchase agreements with the power purchasing agencies, of which the power plants have already commenced generating and distributing the electricity. In addition, the subsidiaries have obtained the permission licenses for entering into another 5 power purchase agreements for the projects which have not commenced generating and distributing the electricity.

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

**17 Commitments and contingencies (Cont'd)**

**17.2 Operating lease commitments - where the Group is the lessee**

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

As at 30 June 2016 and 31 December 2015, future minimum lease payments required under these operating lease contracts were as follows

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Not later than 1 year	16,548,654	15,346,783	5,574,260	4,869,200
Later than 1 year but not later than 5 years	51,391,624	50,525,145	6,817,280	7,460,300
Later than 5 years	199,125,813	198,841,131	-	-
	<u>267,066,091</u>	<u>264,713,059</u>	<u>12,391,540</u>	<u>12,329,500</u>

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

**17.3 Contracts and other commitments**

- a) 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.
- b) 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 the jointly controlled entity) for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the six-month period ended 30 June 2016 amounting to approximately Baht 2 million (30 June 2015: Baht 1 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- c) 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 96 million per annum (31 December 2015: Baht 106 million per annum) for the period of 10 years from the commercial operation dates.
- d) A jointly controlled entity has commitments in respect of the operation and maintenance agreements of seven power plants with a company, amounting to approximately Baht 5 million per annum (in proportionate of the Company's interest in the jointly controlled entity) for the period of 10 years from the commercial operation date.
- e) A jointly controlled entity has commitments in respect of monitoring the operation and maintenance agreements of ten power plants with a company, amounting to approximately Baht 1 million per annum (31 December 2015: Baht 1 million per annum) (in proportionate of the Company's interest in the jointly controlled entity) for the period of 7 years from the commercial operation dates.

**17 Commitments and contingencies (Cont'd)**

**17.4 Guarantees**

- a) The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 1,087 million (31 December 2015: Baht 690 million).
- b) As at 30 June 2016, there were outstanding bank guarantees of Baht 6 million (31 December 2015: Baht 9 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

**17.5 Litigation**

The Company was sued by a shareholder seeking damages amounting to Baht 1,000 million resulting from the Company's sale of that shareholder's shares in arrears by auction. The Bangkok South Civil Court dismissed the case on 6 August 2013. On 18 June 2014 the Court of Appeals ordered the Civil Court to 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. At present, this case is currently under the Supreme Court's proceedings.

**18 Dividends**

On 27 April 2016, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results for the year 2015 to shareholders at Baht 0.06 per share, totaling Baht 108.9 million. The dividends were paid on 25 May 2016.