

**THAI SOLAR ENERGY PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND SEPARATE  
FINANCIAL INFORMATION**

**30 SEPTEMBER 2017**

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

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

I have reviewed the interim consolidated financial information of Thai Solar Energy Public Company Limited and its subsidiaries, and the interim separate financial information of Thai Solar Energy Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2017, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

PricewaterhouseCoopers ABAS Ltd.

**Kajornkiet Aroonpirodkul**  
Certified Public Accountant (Thailand) No. 3445  
Bangkok  
14 November 2017

**Thai Solar Energy Public Company Limited**  
**Statement of Financial Position**  
**As at 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited) 30 September 2017 Baht Thousand	(Audited) 31 December 2016 Baht Thousand	(Unaudited) 30 September 2017 Baht Thousand	(Audited) 31 December 2016 Baht Thousand
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,913,423	977,037	40,784	497,008
Short-term restricted bank deposits	6	82,583	39,003	22,069	-
Short-term investments	7	30,739	1,764,966	30,739	1,764,966
Trade and other receivables	8	172,002	349,994	175,200	373,101
Short-term loans		13,339	20,000	-	-
Short-term loans to subsidiaries	16 c)	-	-	823,691	868,172
Refundable Value Added Tax		72,199	76,184	194	983
Short-term derivatives assets	16 c)	3,571	-	3,571	-
Other current assets		18,114	9,024	10,335	3,757
<b>Total current assets</b>		<b>2,305,970</b>	<b>3,236,208</b>	<b>1,106,583</b>	<b>3,507,987</b>
<b>Non-current assets</b>					
Long-term restricted bank deposits	6	65,850	1,050	64,050	1,050
Long-term loans to subsidiary	16 d)	-	-	1,044,319	-
Investments in subsidiaries	9.1	-	-	2,353,499	1,390,224
Investments in jointly controlled entities	10	1,729,191	1,615,092	350,000	350,000
General investments	9.3	1,306,613	-	624,827	-
Investment property		88,400	88,400	88,400	88,400
Property, plant and equipment	11	3,389,787	2,850,492	570,595	582,459
Intangible assets	12	500,417	485,542	5,082	4,155
Deferred tax assets		76,637	76,002	76,220	75,377
Long term derivatives assets	16 d)	26,673	-	26,673	-
Other non-current assets		25,764	22,084	4,291	1,860
<b>Total non-current assets</b>		<b>7,209,332</b>	<b>5,138,662</b>	<b>5,207,956</b>	<b>2,493,525</b>
<b>Total assets</b>		<b>9,515,302</b>	<b>8,374,870</b>	<b>6,314,539</b>	<b>6,001,512</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 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited) 30 September 2017 Baht Thousand	(Audited) 31 December 2016 Baht Thousand	(Unaudited) 30 September 2017 Baht Thousand	(Audited) 31 December 2016 Baht Thousand
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	14.1	-	488,997	-	488,997
Construction and other payables	13	188,253	450,851	69,920	199,184
Current portion of finance lease liabilities	14.2	86	3,828	86	3,828
Current portion of long-term borrowings	14.3	57,429	61,663	-	-
Income tax payable		661	929	-	-
Other current liabilities		8,489	3,782	1,316	2,196
<b>Total current liabilities</b>		<b>254,918</b>	<b>1,010,050</b>	<b>71,322</b>	<b>694,205</b>
<b>Non-current liabilities</b>					
Long-term borrowings	14.3	1,451,907	728,771	-	-
Long-term loans from subsidiary	16 e)	-	-	22,500	22,500
Debentures	14.5	2,994,579	2,044,875	2,994,579	2,044,875
Employee benefit obligations		4,952	5,683	4,952	5,683
Other non-current liabilities		72	72	72	72
<b>Total non-current liabilities</b>		<b>4,451,510</b>	<b>2,779,401</b>	<b>3,022,103</b>	<b>2,073,130</b>
<b>Total liabilities</b>		<b>4,706,428</b>	<b>3,789,451</b>	<b>3,093,425</b>	<b>2,767,335</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 1,815,000,000 shares of par Baht 1 each		1,815,000	1,815,000	1,815,000	1,815,000
Issued and paid-up share capital					
Ordinary shares, 1,815,000,000 shares of paid-up Baht 1 each		1,815,000	1,815,000	1,815,000	1,815,000
Premium on ordinary shares		727,554	727,554	727,554	727,554
Retained earnings					
Appropriated - legal reserve		46,826	46,826	40,026	40,026
Unappropriated		2,060,921	1,935,203	638,534	651,597
Other components of equity		(3,571)	37,992	-	-
Equity attributable to owners of the parent		4,646,730	4,562,575	3,221,114	3,234,177
Non-controlling interests		162,144	22,844	-	-
<b>Total equity</b>		<b>4,808,874</b>	<b>4,585,419</b>	<b>3,221,114</b>	<b>3,234,177</b>
<b>Total liabilities and equity</b>		<b>9,515,302</b>	<b>8,374,870</b>	<b>6,314,539</b>	<b>6,001,512</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 September 2017

	Consolidated financial information		Separate financial information		
	30 September 2017	30 September 2016	30 September 2017	30 September 2016	
	Notes	Baht Thousand	Baht Thousand	Baht Thousand	
Revenue from sales		49,962	42,268	-	21
Management service income		10,309	9,818	17,130	13,325
Cost of sales and services		(41,997)	(34,978)	(19,786)	(18,850)
<b>Gross profit (loss)</b>		18,274	17,108	(2,656)	(5,504)
Dividends income	16 a)	-	-	91,000	103,250
Other income	17	8,655	3,027	22,162	2,618
Administrative expenses		(36,321)	(32,457)	(35,277)	(24,384)
Finance costs		(34,725)	(11,825)	(32,353)	(4,588)
Share of profit from investments in jointly controlled entities		145,295	127,413	-	-
<b>Profit before income tax</b>		101,178	103,266	42,876	71,392
Income tax		(440)	(217)	(208)	81
<b>Profit for the period</b>		100,738	103,049	42,668	71,473
<b>Other comprehensive income (expense):</b>					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		(26,477)	4,971	-	-
<b>Total comprehensive income for the period</b>		74,261	108,020	42,668	71,473
<b>Profit attributable to:</b>					
Owners of the parent		100,620	103,515	42,668	71,473
Non-controlling interests		118	(466)	-	-
		100,738	103,049	42,668	71,473
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		74,739	106,055	42,668	71,473
Non-controlling interests		(478)	1,965	-	-
		74,261	108,020	42,668	71,473
<b>Basic earnings per share</b>					
Earnings per share (Baht)		0.06	0.06	0.02	0.04

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the nine-month period ended 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenue from sales		149,826	121,375	-	758
Subsidy for adders		-	925	-	925
Management service income		30,272	28,831	50,574	36,118
Cost of sales and services		(126,454)	(107,235)	(57,701)	(58,578)
<b>Gross profit (loss)</b>		53,644	43,896	(7,127)	(20,777)
Dividends income	16 a)	-	-	332,500	358,750
Other income	17	24,492	42,098	39,474	41,448
Administrative expenses		(107,594)	(91,304)	(92,215)	(63,233)
Other expenses		-	(400)	-	(400)
Finance costs		(93,060)	(31,439)	(86,890)	(8,717)
Share of profit from investments in jointly controlled entities	10	446,599	430,625	-	-
<b>Profit before income tax expense</b>		324,081	393,476	185,742	307,071
Income tax		297	(510)	843	244
<b>Profit for the period</b>		324,378	392,966	186,585	307,315
<b>Other comprehensive income (expense):</b>					
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		(42,500)	95,707	-	-
<b>Total comprehensive income for the period</b>		281,878	488,673	186,585	307,315
<b>Profit attributable to:</b>					
Owners of the parent		325,366	393,432	186,585	307,315
Non-controlling interests		(988)	(466)	-	-
		324,378	392,966	186,585	307,315
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		283,803	486,708	186,585	307,315
Non-controlling interests		(1,925)	1,965	-	-
		281,878	488,673	186,585	307,315
<b>Basic earnings per share</b>					
Earnings per share (Baht)		0.18	0.22	0.10	0.17

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the nine-month period ended 30 September 2017

Consolidated financial information								
Attribute to owner of the parent								
Note	Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		Other components of equity	Total owners of the parent Baht Thousand	Non-controlling interests Baht Thousand	Total Baht Thousand
			Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	Translation of financial statements Baht Thousand			
<b>Opening balance at 1 January 2016</b>	1,815,000	727,554	-	1,473,294	24,478	4,040,326	3	4,040,329
<b>Change in equity for the period</b>								
Dividends	19	-	-	(108,894)	-	(108,894)	-	(108,894)
Total comprehensive income for the period		-	-	393,432	93,276	486,708	1,965	488,673
Non-controlling interest invested in subsidiary		-	-	-	-	-	23,216	23,216
<b>Closing balance at 30 September 2016</b>	<u>1,815,000</u>	<u>727,554</u>	<u>-</u>	<u>1,757,832</u>	<u>117,754</u>	<u>4,418,140</u>	<u>25,184</u>	<u>4,443,324</u>
<b>Opening balance at 1 January 2017</b>	1,815,000	727,554	46,826	1,935,203	37,992	4,562,575	22,844	4,585,419
<b>Change in equity for the period</b>								
Dividends	19	-	-	(199,648)	-	(199,648)	-	(199,648)
Total comprehensive income for the period		-	-	325,366	(41,563)	283,803	(1,925)	281,878
Non-controlling interest invested in subsidiary		-	-	-	-	-	141,225	141,225
<b>Closing balance at 30 September 2017</b>	<u>1,815,000</u>	<u>727,554</u>	<u>46,826</u>	<u>2,060,921</u>	<u>(3,571)</u>	<u>4,646,730</u>	<u>162,144</u>	<u>4,808,874</u>

The accompanying notes form part of this interim financial information.

Thai Solar Energy Public Company Limited  
Statement of Changes in Equity (Unaudited) (Cont'd)  
For the nine-month period ended 30 September 2017

	Note	Separate financial information				Total Baht Thousand
		Issued and called-up share capital Baht Thousand	Premium on ordinary capital Baht Thousand	Retained earnings		
				Appropriated - legal reserve Baht Thousand	Unappropriated Baht Thousand	
<b>Opening balance at 1 January 2016</b>		1,815,000	727,554	-	325,391	2,867,945
<b>Change in equity for the period</b>						
Dividends	19	-	-	-	(108,894)	(108,894)
Total comprehensive income for the period		-	-	-	307,315	307,315
<b>Closing balance at 30 September 2016</b>		<u>1,815,000</u>	<u>727,554</u>	<u>-</u>	<u>523,812</u>	<u>3,066,366</u>
<b>Opening balance at 1 January 2017</b>		1,815,000	727,554	40,026	651,597	3,234,177
<b>Change in equity for the period</b>						
Dividends	19	-	-	-	(199,648)	(199,648)
Total comprehensive income for the period		-	-	-	186,585	186,585
<b>Closing balance at 30 September 2017</b>		<u>1,815,000</u>	<u>727,554</u>	<u>40,026</u>	<u>638,534</u>	<u>3,221,114</u>

The accompanying notes form part of this interim financial information.



**Thai Solar Energy Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2017**

	Consolidated financial information		Separate financial information		
	30 September 2017	30 September 2016	30 September 2017	30 September 2016	
	Notes	Baht Thousand	Baht Thousand	Baht Thousand	
<b>Cash flows from operating activities</b>					
Profit before income tax		324,081	393,476	185,742	307,071
Adjustments for:					
Depreciation	11	60,929	45,233	15,173	16,040
Amortisation	12	619	299	358	299
Share of profit from jointly controlled entities	10	(446,599)	(430,625)	-	-
Provision for employee benefits obligations		(731)	1,219	(731)	1,219
Loss from write-off of property, plant and equipment		1,404	-	1,389	-
Loss from write-off of intangible asset		-	1,677	-	1,677
Unrealised loss (gain) on exchange		8	-	47,094	(38,193)
Fair value loss on trading securities	7	852	400	852	400
Dividends income	16 a)	-	-	(332,500)	(358,750)
Interest income	17	(11,048)	(6,573)	(29,633)	(6,028)
Loss from write-off withholding tax		494	-	76	-
Finance cost		93,060	31,439	86,890	8,717
		23,069	36,545	(25,290)	(67,548)
Changes in operating assets and liabilities					
Trade and other receivables		192,740	(19,264)	222,623	(19,748)
Refundable value added tax		3,985	-	789	601
Other current assets		(2,993)	(13,171)	(73)	960
Other non-current assets		(3,686)	1,143	(2,437)	1,121
Other payables		(222,332)	12,365	9,421	12,287
Other current liabilities		4,705	(1,317)	(882)	(1,236)
Derivatives assets		(30,244)	-	(30,244)	-
Cash flows generated from (used in)					
operating activities		(34,756)	16,301	173,907	(73,563)
<u>Add</u> Income tax received		1,724	-	1,724	-
<u>Less</u> Income tax paid		(8,919)	(1,121)	(8,303)	(1,021)
Net cash generated from (used in)					
operating activities		(41,951)	15,180	167,328	(74,584)

The accompanying notes form part of this interim financial information.

**Thai Solar Energy Public Company Limited**  
**Statement of Cash Flows (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2017**

	Notes	Consolidated financial information		Separate financial information	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Cash flows from investing activities</b>					
Acquisition of subsidiary, net of cash acquired		-	(115,807)	-	-
Repayment to subscription payables	9.1, 13	(179,635)	-	(179,635)	-
Increase in restricted bank deposits		(45,380)	(245,710)	(22,069)	(236,367)
Purchase of short-term investments	7	(2,317,076)	(242,608)	(2,317,076)	(242,608)
Proceeds from disposals of					
short-term investments	7	3,987,451	809,015	3,987,451	809,015
Short-term loans made to third party		6,661	-	-	-
Short-term loans made to subsidiaries	16 c)	-	-	(487,185)	(676,758)
Short-term loans received from subsidiaries	16 c)	-	-	498,963	28,575
Long-term loans made to subsidiaries	16 d)	-	-	(1,058,702)	-
Long-term loans to third party		-	(170)	-	(170)
Acquisition of subsidiaries	9.1	-	-	(963,275)	(449,575)
Purchase of general investments	9.3	(1,306,613)	-	(624,827)	-
Purchase of property, plant and equipment		(491,156)	(903,796)	(8,988)	(1,107)
Proceeds from disposal of equipment		4,169	-	4,169	-
Purchase of intangible asset		(15,494)	(1,779)	(1,285)	(1,779)
Deposit for purchase of land		-	(1,789)	-	-
Interest received		8,550	7,363	12,710	7,222
Dividends received		320,250	255,500	324,700	255,500
Net cash used in investing activities		(28,273)	(439,781)	(835,049)	(508,052)
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from financial institutions		-	543,327	-	696,277
Repayment to short-term loans from financial institutions	14.1	(490,000)	-	(490,000)	-
Repayment to finance lease liabilities		(3,822)	(3,581)	(3,822)	(3,581)
Proceeds from short-term loan from subsidiary		-	-	-	45,000
Repayment to short-term loan from subsidiary		-	-	-	(22,500)
Proceeds from long-term borrowings, net of debt issuance cost		803,488	444,399	-	-
Repayment to long-term borrowings	14.3	(81,887)	(192,966)	-	(154,000)
Proceeds from issuance of debentures	14.5	947,862	-	947,862	-
Non-controlling interests invested in subsidiaries		141,225	3	-	-
Dividends payment		(199,611)	(108,894)	(199,611)	(108,894)
Interest expenses and financial service fee		(68,145)	(41,404)	(42,932)	(7,514)
Net cash generated from financing activities		1,049,110	640,884	211,497	444,788
<b>Net increase (decrease) in cash and cash equivalents</b>		978,886	216,283	(456,224)	(137,848)
Cash and cash equivalents at					
beginning of the period		977,037	337,426	497,008	241,191
Effect of exchange rate changes on translation of financial statements		(42,500)	95,707	-	-
<b>Cash and cash equivalents at end of the period</b>		<b>1,913,423</b>	<b>649,416</b>	<b>40,784</b>	<b>103,343</b>
<b>Non-cash transaction</b>					
Material non-cash transactions are as follows:					
Payable arising from purchase of investment in subsidiary		-	179,635	-	180,635
Payable arising from construction and purchase of equipment		100,030	267	451	572

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 listed on the Stock Exchange of Thailand and is incorporated and domiciled in 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 entities are referred to as “the Group”.

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass to government and private sector and investments in companies which generate and distribute electricity.

The interim consolidated and separate financial information was authorised for issue by the Board of Directors on 14 November 2017.

This interim consolidated and separate financial information has been reviewed, not audited.

## **2 Accounting policies**

### **2.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. 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 2016.

An English version of the interim consolidated and separate 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 2016.

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16. This standard has no impact to the Group.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. This standard has no impact to the Group.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. This standard has no impact to the Group.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture. 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method. 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)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. (Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements. This standard has no impact to the Group.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated. This standard has no impact to the Group.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. This standard has no impact to the Group.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. This standard has no impact to the Group.

b) There are 47 revised financial reporting standards and interpretations with minor changes and which do not have any impact to the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable

The above revised standards will not have a material impact on the Group except for disclosure.

**2 Accounting policies (Cont'd)**

**2.3 New accounting policy**

**Accounting policy for financial instruments**

The Company uses financial instruments to reduce risk from fluctuations of foreign currency and interest rates by establishing the rate which foreign currency asset and liability will be settled. Financial instruments comprise cross currency swap agreements and forward contracts which are recorded in the financial statements on the contract date. Foreign currency transactions are recorded as receivable and payable using average closing rate. Swap are recorded as swap receivable and payable on contract date using average closing date and translated at the end of the period. Unrealized gain or loss from translation is recognized in profit and loss, interest income or expenses from the agreement is recognized based on accrual basis.

**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 2016.

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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 nine-month period ended 30 September (Million Baht)</b>									
	<b>Domestic</b>		<b>International</b>		<b>Total</b>		<b>Elimination</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Revenue from operations	181.67	134.03	63.89	33.82	245.56	167.85	(40.97)	(7.29)	204.59	160.56
Dividends income	332.50	358.75	-	-	332.50	358.75	(332.50)	(358.75)	-	-
Cost of operations	(98.81)	(97.68)	(31.57)	(15.22)	(130.38)	(112.90)	3.93	5.67	(126.45)	(107.23)
Operating profit	415.36	395.10	32.32	18.60	447.68	413.70	(369.54)	(360.37)	78.14	53.33
Selling and administrative expenses	(82.32)	(74.31)	(6.45)	(16.25)	(88.77)	(90.56)	3.13	1.62	(85.64)	(88.94)
Profit (loss) before finance cost, taxes, depreciation and amortisation	333.04	320.79	25.87	2.35	358.91	323.14	(366.41)	(358.75)	(7.50)	(35.61)
Depreciation and amortisation	(3.37)	(2.76)	-	-	(3.37)	(2.76)	-	-	(3.37)	(2.76)
Finance cost	(102.99)	(24.57)	(19.87)	(6.87)	(122.86)	(31.44)	29.80	-	(93.06)	(31.44)
Profit (loss) from exchange rate	(18.07)	32.67	(0.51)	-	(18.58)	32.67	-	-	(18.58)	32.67
Share of profit from investments in jointly controlled entity	446.59	430.62	-	-	446.59	430.62	-	-	446.59	430.62
Operating results before taxes	655.20	756.75	5.49	(4.52)	660.69	752.23	(336.61)	(358.75)	324.08	393.48
Income tax	0.83	(0.04)	(0.53)	(0.47)	0.30	(0.51)	-	-	0.30	(0.51)
<b>Net profit (loss)</b>	<b>656.03</b>	<b>756.71</b>	<b>4.96</b>	<b>(4.99)</b>	<b>660.99</b>	<b>751.72</b>	<b>(336.61)</b>	<b>(358.75)</b>	<b>324.38</b>	<b>392.97</b>
<b>Total assets</b>									<b>9,515.30</b>	<b>6,328.15</b>
<b>Total liabilities</b>									<b>4,706.43</b>	<b>1,884.83</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).

The following table presents the group's financial assets that are measured and recognised at fair value at 30 September 2017.

	<b>Consolidated and Separate financial information</b>
	<b>Level 1</b>
	<b>Baht Thousand</b>
<b>Asset</b>	
Trading securities	30,212

## 6 Restricted bank deposits

Short-term restricted bank deposits comprise a reserve bank deposit of the Company which it has opened specifically for the repayments of principles and interests of debentures and pledged saving deposits, pledged deposits in current accounts of subsidiaries and the transfer of claims in the deposit accounts to the lender according to the specified expenditure conditions to secure the credit facilities.

The long-term restricted bank deposits consist of the pledged saving bank deposits of the Company to guarantee its electricity consumption, the pledged saving bank deposits of the subsidiaries for the specific purpose specified in the credit facility agreement, a fixed deposit of the Company pledged to the lender to guarantee the credit facilities of its two subsidiaries and a fixed deposit of one of the subsidiaries which the deposit is bound with a letter of guarantee in respect of certain performance bonds with Provincial Electricity Authority.

## 7 Short-term investments

	<b>Consolidated and Separate financial information</b>			
	<b>30 September 2017</b>		<b>31 December 2016</b>	
	<b>Cost Baht Thousand</b>	<b>Fair value Baht Thousand</b>	<b>Cost Baht Thousand</b>	<b>Fair value Baht Thousand</b>
Short-term investments comprise:				
1. Trading securities	30,098	30,212	520,000	520,966
2. Held-to-maturity investments	527	527	1,244,000	1,244,000
Total	30,625	30,739	1,764,000	1,764,966
<u>Less</u> Revaluation adjustments	-	-	-	-
Total short-term investments	30,625	30,739	1,764,000	1,764,966



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

During the nine-month period ended 30 September 2017, movements of short-term investments are as follows:

	<b>Consolidated and Separate financial information</b>		
	<b>Trading</b>	<b>Held-to-maturity</b>	<b>Total</b>
	<b>Baht Thousand</b>	<b>due within</b>	<b>Baht Thousand</b>
		<b>1 year</b>	
		<b>Baht Thousand</b>	<b>Baht Thousand</b>
Book value - beginning balance	520,966	1,244,000	1,764,966
Addition	2,310,000	7,076	2,317,076
Disposal	(2,799,902)	(1,187,549)	(3,987,451)
Transfers-out	-	(63,000)	(63,000)
Change in fair value	(852)	-	(852)
Book value - ending balance	<u>30,212</u>	<u>527</u>	<u>30,739</u>

**8 Trade and other receivables**

Trade and other receivables as at 30 September 2017 and 31 December 2016 comprise the following:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial information</b>		<b>financial information</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
	<b>Thousand</b>	<b>Thousand</b>	<b>Thousand</b>	<b>Thousand</b>
Trade receivables	25,205	16,060	-	-
<u>Less</u> Provision for impairment of trade receivables	-	-	-	-
Total trade receivables, net	<u>25,205</u>	<u>16,060</u>	<u>-</u>	<u>-</u>
Amounts due from and advances to related parties (Note 16 b)	3,677	225,262	56,833	226,164
Prepaid expenses	12,909	7,490	2,364	2,530
Dividends receivable (Note 16 b)	91,000	78,750	91,000	83,200
Other receivables	6,245	3,668	5,941	43,141
Advance payment	32,966	18,764	19,062	18,066
Total other receivables	<u>146,797</u>	<u>334,934</u>	<u>175,200</u>	<u>373,101</u>
<u>Less</u> Provision for impairment of other receivables	-	-	-	-
Total other receivables, net	<u>146,797</u>	<u>334,934</u>	<u>175,200</u>	<u>373,101</u>
Total trade and other receivables	<u>172,002</u>	<u>349,994</u>	<u>175,200</u>	<u>373,101</u>

All outstanding trade receivables are not yet due.

**9 Investments in subsidiaries**

**9.1 Movements of investments in subsidiaries**

	<b>Separate financial information Baht Thousand</b>
<b>For the nine-month period ended 30 September 2017</b>	
Opening net book amount	1,390,224
Increase in investments during the period	963,275
Closing net book amount	<u>2,353,499</u>

**Additional investments under Thai Solar Energy Plc.**

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

The Company made additional payments for the remaining called-up capital of TSE Group International Pte. Ltd. amounting to Baht 96.16 million during the first quarter of 2017 and Baht 123.40 million during the second quarter of 2017.

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

The Company made additional payments for the remaining called-up capital of Solar Assets Pte. Ltd. amounting to Baht 0.19 million during the first quarter of 2017.

**Investments in TSE Overseas Group Co., Ltd.**

On 20 March 2017, the Group has established TSE Overseas Group Co., Ltd. with the total investment of Baht 2.50 million for the purpose of supporting its international investment in renewable energy. The Company has the voting right of 100 percent in this company and has classified the investment in TSE Overseas Group Co., Ltd. as an investment in subsidiary.

In August 2017, the Company made a payment amounting to Baht 12.50 million to subscribe for the increase capital.

**Investments in Oscar Save The World Co., Ltd.**

On 15 May 2017, the Company made payments for the share subscription payable and the additional called-up during the second quarter of 2017 of Oscar Save The World Co., Ltd amounting to Baht 179.64 million and Baht 79.62 million respectively.

On 16 May 2017, Oscar Save The World Co., Ltd increased its share capital from Baht 225 million to Baht 582 million and the Company made a payment amounting to Baht 249.90 million during the period to subscribe for the increase capital.

**Investments in Bangsawan Green Co., Ltd.**

On 16 May 2017, Bangsawan Green Co., Ltd increased its share capital from Baht 165 million to Baht 174 million and the Company made a payment amounting to Baht 9 million on 12 June 2017 to subscribe for the increase capital.

**Investments in Onikoube Solar Power Pte. Ltd.**

On 15 August 2017, the Company made a payment for the capital of Onikoube Solar Power Pte. Ltd. amounting to Baht 390 million.

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

**Investments in Ishikawa Hanamizuki 1 GK**

The Group made additional investments in Ishikawa Hanamizuki 1 GK totaling Yen 320 million during the second quarter of 2017. The form of investment follows the Godo Kaisha Agreement (GK agreement).

**9 Investments in subsidiaries (Cont'd)**

**9.1 Movements of investments in subsidiaries (Cont'd)**

**Additional investments under TSE Overseas Group Co., Ltd.**

**Investments in Onikoube Solar Power Pte. Ltd.**

On 26 April 2017, the Group has established Onikoube Solar Power Pte. Ltd. for the purpose of supporting its investment in a solar power plant project in Japan and made a payment for the investment totalling Baht 4.89 million on 1 September 2017. The Group has the voting right of 100 percent in this company and classified the investment in Onikoube Solar Power Pte. Ltd. as subsidiary.

**Investments in Solar Mountain Pte. Ltd.**

On 26 April 2017, the Group has established Solar Mountain Pte. Ltd. for the purpose of supporting its investment in a solar power plant project in Japan and made a payment for the investment totalling Baht 4.89 million on 1 September 2017. The Group has the voting right of 100 percent in this company and classified the investment in Solar Mountain Pte. Ltd. as subsidiary.

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**9 Investments in subsidiaries (Cont'd)**

**9.2 Details of investments in subsidiaries**

Details of investments are as follows:

	Business	Country of incorporation	% Ownership interest	
			30 September 2017	31 December 2016
<b>Subsidiaries directly held by the Company</b>				
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100
Solar Visible 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
TSE Overseas Group Co., Ltd.	Investment	Thailand	100	-
The Solar Earth Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Clean Renewable Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	49	49
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	70	70
<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
World Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100
<b>Subsidiaries held by Solar Visible Co., Ltd</b>				
Thai Community Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100
Sun Future 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	97
<b>Subsidiaries held by Solar Assets Pte. Ltd.</b>				
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100
<b>Subsidiaries held by TSE Overseas Group Co., Ltd.</b>				
Onikoube Solar Power Pte. Ltd.	Investment	Singapore	100	-
Solar Mountain Pte. Ltd.	Investment	Singapore	100	-

9 Investments in subsidiaries (Cont'd)

9.3 General investment

The Company and its subsidiary made a down-payment of Baht 624.83 million and Baht 681.78 million respectively for a new investment in the solar power plant project in Japan. Due to the investment structure is not finalised, the Group currently classified this down-payment as a general investment.

On 8 August 2017, the Group agreed to the solar power plant project purchasing agreement with the electricity production capacity of 154.98 MW by acquiring 100 percent of ordinary shares of two companies which are registered in Japan to obtain certification to operate power plant granted by the Ministry of Economy, Trade and Industry of Japan (METI Certification), and a plot of land for operation of the solar power plant. The aforementioned down-payment will be used to offset with the purchase price.

Event after the reporting period

On 3 October 2017, the Group has paid for the last installment for acquiring ordinary shares of the 2 companies under the solar power plant project purchasing agreement as aforementioned amounting to JPY 9,503 million, equivalent to Baht 2,817 million and obtained the transfer of 100 percent of ordinary shares of the 2 companies according to the agreement.

10 Investments in jointly controlled entities

10.1 Movements of investments in jointly controlled entities

	<b>Consolidated financial information Baht Thousand</b>	<b>Separate financial information Baht Thousand</b>
<b>For the nine-month period ended 30 September 2017</b>		
Opening net book amount	1,615,092	350,000
Share of profit	446,599	-
Dividends received	(332,500)	-
Closing net book amount	<u>1,729,191</u>	<u>350,000</u>

As at 30 September 2017, Thai Solar Renewable Company Limited, its jointly controlled entity, 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 2016: 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 its land including constructions thereon and machinery with a total net book value of Baht 5,263 million (31 December 2016: Baht 5,436 million) and has pledged its bank deposits amounting to Baht 470 million (31 December 2016: Baht 461 million), as collateral for credit facilities granted by a commercial bank.

The Company has pledged all share certificates of its investments in jointly controlled entities with a lender as collateral for Siam Solar Energy 1 Company Limited's credit facilities received from the commercial bank.

Details of investments are as follows:

	<b>Business</b>	<b>Country of incorporation</b>	<b>% Ownership interest</b>	
			<b>30 September 2017</b>	<b>31 December 2016</b>
<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.

## 11 Property, plant and equipment

Property, plant and equipment for the nine-month period ended 30 September 2017 have the following movement:

	<b>Consolidated financial information Baht Thousand</b>	<b>Separate financial information Baht Thousand</b>
<b>For the nine-month period ended 30 September 2017</b>		
Opening net book amount	2,850,492	582,459
Currency translation differences	(53,641)	-
Additions	659,438	8,866
Disposals	(5,573)	(5,557)
Depreciation	(60,929)	(15,173)
Closing net book amount	<u>3,389,787</u>	<u>570,595</u>

Borrowing costs of Baht 18.54 million (2016: Baht 12.23 million) were capitalised during the period and are included in "Additions". The borrowing costs arising from specific borrowings for the construction of new power plants will be capitalised until the assets get ready for its intended use. The capitalisation rate is 1.25% to 6.00% per annum (2016: 2.91% to 6.00% per annum), representing the actual borrowing costs of the borrowings used to finance the projects.

### Capital commitments

Capital commitments as at the statement of financial position date which are not recognised in the financial statements are as follows:

	<b>Currency</b>	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
		<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
Power plant	Baht Thousand	1,096,557	367,177	-	-
Power plant	Yen Thousand	4,797,612	5,125,809	-	-
Power plant	USD Thousand	2,346	1,523	-	-
Machinery	Euro Thousand	52	52	52	52

As at 30 September 2017, the Company has vehicles under hire purchase agreements with net book value amounting to Baht 6.52 million (31 December 2016: Baht 13.38 million).

The Company's subsidiaries have pledged their assets with the net book value amounting to Baht 2,775 million (31 December 2016: Baht 1,574 million) as collateral for credit facilities received from the commercial bank.

## 12 Intangible assets

	<b>Consolidated financial information Baht Thousand</b>	<b>Separate financial information Baht Thousand</b>
<b>For the nine-month period ended 30 September 2017</b>		
Opening net book amount	485,542	4,155
Additions	15,494	1,285
Amortisation	(619)	(358)
Closing net book amount	<u>500,417</u>	<u>5,082</u>

**13 Construction and other payables**

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand
Amounts due to related parties (Note 16 b)	702	229,260	-	-
Construction payables and retention guarantee	100,030	2,788	451	573
Other payables	3,820	5,758	3,541	2,223
Subscription payables	-	179,635	-	179,635
Accrued expenses	26,864	17,946	9,562	1,420
Accrued interests	56,837	15,464	56,366	15,333
	<u>188,253</u>	<u>450,851</u>	<u>69,920</u>	<u>199,184</u>

**14 Borrowings**

**14.1 Short-term borrowings from financial institutions**

	Consolidated and Separate financial information	
	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand
Short-term borrowings from bank	-	488,997

Movements in short-term borrowings are analysed as follows:

	Consolidated and Separate financial information Baht Thousand
<b>For the nine-month for the period ended 30 September 2017</b>	
Opening amount as at 1 January	488,997
Repayment to borrowings	(490,000)
Amortisation of discount on note payables	1,003
Closing amount as at 30 September	-

**14.2 Finance lease liabilities**

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

	Consolidated and Separate financial information	
	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand
Not later than 1 year	86	3,828
Later than 1 year but not later than 5 years	-	-
Total	<u>86</u>	<u>3,828</u>

14 Borrowings (Cont'd)

14.3 Long-term borrowings from financial institutions

	<b>Consolidated financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht Thousand</b>	<b>Baht Thousand</b>
Current portion of long-term borrowings	57,429	61,663
Long-term borrowings repayable between 1 to 5 years	845,704	347,345
Long-term borrowings repayable more than 5 years	606,203	381,426
<b>Total</b>	<b>1,509,336</b>	<b>790,434</b>

The loans are secured by the pledge and the assignment of rights over the Group'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 Group 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.

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

	<b>Consolidated financial information Baht Thousand</b>
<b>For the nine-month period ended 30 September 2017</b>	
Opening book amount	790,434
Additions	842,454
Repayment of borrowings	(81,887)
Financial service fee	(42,603)
Amortisation of financial service fee	938
Closing book amount	<u>1,509,336</u>

The contractual interest rates of the long-term borrowings at the statement of financial position date are as follows:

	<b>Consolidated financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>%</b>	<b>%</b>
Long-term loans for the construction of solar power plants	MLR - 1.5 TIBOR + 2.85 TIBOR + 1.22	MLR - 1.5 MLR - 2 TIBOR + 2.85
Long-term loans for the construction of biomass power plants	4.75	-



## 14 Borrowings (Cont'd)

### 14.4 Borrowing Facilities

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

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
Floating rate					
Expiring beyond one year	Baht Thousand	1,572,606	-	-	-
Floating rate					
Expiring beyond one year	Yen Thousand	3,300,000	-	-	-
Fixed rate					
Expiring beyond one year	Baht Thousand	2,341,584	-	2,250,000	-

### 14.5 Debentures

	Consolidated and Separate financial information	
	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand
Current portion of debentures	-	-
Debentures payable between 1 to 5 years	2,994,579	2,044,875
Total	2,994,579	2,044,875

Movements in debentures are analysed as follows

	Consolidated and Separate financial information Baht Thousand
<b>For the nine-month period ended 30 September 2017</b>	
Opening amount as at 1 January	2,044,875
Issuance of debentures	950,000
Deferred issuance cost	(2,138)
Amortisation of debt issuance costs	1,842
Closing amount as at 30 September	2,994,579

#### 2017

On 5 April 2017, the Company issued name-registered certificate of unsubordinated and unsecured debentures totalling 950,000 units with the fixed interest of 4.50% per annum payable every 6 months. The issued debentures unit has the face value of Baht 1,000. The debentures will be redeemed within three years after the issuance date at the amount of Baht 950 million.

#### 2016

On 28 October 2016, the Company issued name-registered certificate of unsubordinated and unsecured debentures totalling 2,050,000 units with the fixed interest of 4.20% per annum payable every 6 months. The issued debentures unit has the face value of Baht 1,000. The debentures will be redeemed within three years after the issuance date at the amount of Baht 2,050 million.

**15 Promotional privileges and income tax**

**Promotional privileges**

The Group has received 29 certificates of promotional privileges from the Board of Investment for the production of electricity generated from solar power and biomass, 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).

The Company's, and its subsidiaries' operating revenue from sales and subsidy for adders as presented in the statements of comprehensive income for the nine-month periods ended 30 September 2017 and 2016 totally resulted from the promoted operations in Thailand according to the information of operating segments disclosed in Note 4.

**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%.

**16 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, Sino-Thai Engineering & Construction Public Company Limited and individual shareholders. 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		Separate	
	financial information		financial information	
	30 September 2017 Baht Thousand	30 September 2016 Baht Thousand	30 September 2017 Baht Thousand	30 September 2016 Baht Thousand
<b>Subsidiaries</b>				
Management service income	-	-	6,401	3,087
Operation and maintenance income	-	-	420	420
Other income	-	-	-	250
	<u>-</u>	<u>-</u>	<u>6,821</u>	<u>3,757</u>
<b>Jointly controlled entity</b>				
Management service income	10,309	9,818	10,309	9,818
Rental income	108	108	108	108
Dividends income	-	-	91,000	103,250
	<u>10,417</u>	<u>9,926</u>	<u>101,417</u>	<u>113,176</u>
<b>Related parties</b>				
Rental income	69	69	69	69
Service income	46	46	46	46
Other income	8	7	8	7
	<u>123</u>	<u>122</u>	<u>123</u>	<u>122</u>

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16 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 nine-month period ended	Consolidated financial information		Separate financial information	
	30 September 2017 Baht Thousand	30 September 2016 Baht Thousand	30 September 2017 Baht Thousand	30 September 2016 Baht Thousand
<b>Subsidiaries</b>				
Management service income	-	-	19,041	6,027
Operation and maintenance income	-	-	1,260	1,260
Other income	-	-	52	250
	-	-	20,353	7,537
<b>Jointly controlled entity</b>				
Management service income	30,272	28,831	30,272	28,831
Rental income	324	324	324	324
Dividends income	-	-	332,500	358,750
	30,596	29,155	363,096	387,905
<b>Related parties</b>				
Rental income	208	208	208	208
Service income	139	139	139	139
Other income	23	21	23	21
	370	368	370	368

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

	Consolidated financial information		Separate financial information	
	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand	30 September 2017 Baht Thousand	31 December 2016 Baht Thousand
<b>Amounts due from and advances to related parties (Note 8)</b>				
Subsidiaries	-	-	53,156	40,902
Jointly controlled entity	3,677	3,502	3,677	3,502
Related parties	-	221,760	-	221,760
	3,677	225,262	56,833	266,164
<b>Dividends receivable (Note 8)</b>				
Subsidiaries	-	-	-	4,450
Jointly controlled entity	91,000	78,750	91,000	78,750
	91,000	78,750	91,000	83,200
<b>Amounts due to related parties (Note 13)</b>				
Related parties	702	229,260	-	-
	702	229,260	-	-

16 Related party transactions (Cont'd)

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

c) Short-term loans to subsidiaries

	<u>Separate financial information</u>	
	<u>30 September 2017</u>	<u>31 December 2016</u>
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term loans to subsidiaries	823,691	868,172

Movements in short-term loans to subsidiaries are analysed as follows:

	<u>Separate financial information Baht Thousand</u>
<b>For the nine-month period ended 30 September 2017</b>	
Opening net book amount	868,172
Addition	487,185
Repayment received	(498,963)
Foreign currency translation differences	(32,703)
Closing net book amount	<u>823,691</u>

Short-term loans to a subsidiary are non-bearing interest promissory notes denominated in Thai Baht with maturity within July 2018.

Short-term loans to another subsidiary are in a form of loan agreements denominated in Singapore Dollar, Japanese Yen and US Dollar with no interest and due for repayment at call.

Short-term loans to another subsidiary are in a form of loan agreements denominated in Japanese Yen with the fixed interest of 4.75% per annum and have maturity within January 2018. The Company has entered into a cross currency and interest rate swap contract with a local commercial bank effective on 20 July 2017 to obtain Thai Baht on the loans maturity dates amounting to Baht 300 million with the fixed interest rate of 1.41% per annum. Short-term derivative assets of Baht 3.57 million was resulted from translation of swap contract payable applying average closing rate of Yen at the end of reporting period offsetting with Baht 300 million.

d) Long-term loans to subsidiaries

	<u>Separate financial information</u>	
	<u>30 September 2017</u>	<u>31 December 2016</u>
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term loans to subsidiaries	1,044,319	-

Movements in short-term loans to subsidiaries are analysed as follows:

	<u>Separate financial information Baht Thousand</u>
<b>For the nine-month period ended 30 September 2017</b>	
Opening net book amount	-
Addition	1,058,702
Foreign currency translation differences	(14,383)
Closing net book amount	<u>1,044,319</u>

Long-term loans to subsidiaries are in a form of loan agreements denominated in Japanese Yen with the fixed interest of 4.75% per annum and have maturity within June 2021. The Company has entered into a cross currency and interest rate swap contract with a local commercial bank effective on 4 July 2017 to obtain Thai Baht on the loans maturity dates amounting to Baht 1,071 million with the fixed interest rate of 1.69% per annum. Long-term derivative assets of Baht 26.67 million was resulted from translation of swap contract payable applying average closing rate of Yen at the end of reporting period offsetting with Baht 1,071 million.

16 Related party transactions (Cont'd)

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

e) Long-term loans from subsidiary

	<u>Separate financial information</u>	
	<u>30 September</u> 2017	<u>31 December</u> 2016
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Long-term loans from subsidiary	22,500	22,500

Long-term loans from subsidiary are repayable within September 2018 and there is no interest thereon.

f) Key management compensation

	<u>Consolidated and Separate</u> <u>financial information</u>	
<b>For the three-month period ended</b>	<u>30 September</u> 2017	<u>30 September</u> 2016
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term employee benefits	5,028	6,120
Post-employment benefits	211	262
	<u>5,239</u>	<u>6,382</u>

	<u>Consolidated and Separate</u> <u>financial information</u>	
<b>For the nine-month period ended</b>	<u>30 September</u> 2017	<u>30 September</u> 2016
	<u>Baht Thousand</u>	<u>Baht Thousand</u>
Short-term employee benefits	16,118	20,276
Post-employment benefits	-	863
	<u>16,118</u>	<u>21,139</u>

17 Other income

For the three-month period ended	Consolidated financial information		Separate financial information	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Rental income	303	303	303	303
Service income	60	310	60	310
Interest income	5,982	2,208	20,810	1,799
Fair value gain on trading securities	972	134	972	134
Other income	1,338	72	17	72
	<u>8,655</u>	<u>3,027</u>	<u>22,162</u>	<u>2,618</u>

  

For the nine-month period ended	Consolidated financial information		Separate financial information	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Rental income	909	907	907	907
Service income	180	430	180	430
Interest income	11,048	6,573	29,633	6,028
Realised gain on foreign exchange	-	32,678	-	32,659
Fair value gain on trading securities	8,473	778	8,473	778
Other income	3,882	732	281	646
	<u>24,492</u>	<u>42,098</u>	<u>39,474</u>	<u>41,448</u>

18 Commitments and contingencies

18.1 Power purchase agreements

**Domestic**

As at 30 September 2017, the Group has 29 power purchase agreements with the Provincial Electricity Authority ("PEA") and the Metropolitan Electricity Authority ("MEA") (31 December 2016: 29 agreements). Currently, the Group has commenced the production and distribution of electricity to the PEA and MEA as specified in 26 power purchase agreements.

The power purchase agreement of the Company and the 10 power purchase agreements of its jointly controlled entity 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 be automatically renewed every 5 years until the contract 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 - Baht 8 per kilowatt-hour (Separate financial information: Baht 8 per kilowatt-hour) for the period of 10 years commencing from the commercial operation date.

The 14 power purchase agreements require subsidiaries to sell electricity generated from solar rooftops to the PEA and the MEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from December 2013.

The power purchase agreement of another subsidiary requires the subsidiary to sell electricity generated from the solar farms to the PEA under the Feed-in Tariff system (FiT) granted for periods of 25 years starting from commercial operation dates (COD).

The 3 power purchase agreements require the subsidiaries to sell electricity generated from biomass to the PEA under the Feed-in Tariff system (FiT) granted for periods of 15 years 4 months and the Feed-in Tariff system (FiT) premium granted for periods of 8 years commencing from the commercial operation date. The biomass power plants under the contract during the construction.

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

**18.1 Power purchase agreements (Cont'd)**

**Overseas**

As at 30 September 2017, subsidiaries operating in Japan have 4 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 another 3 power purchase agreements for the projects which have not yet commenced generating and distributing the electricity.

The 7 power purchase agreements of the subsidiaries are conditioned to sell the electricity generated from solar energy under the Feed-in Tariff (FiT) for the periods of 20 years commencing August 2015.

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

The Company and its subsidiaries 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 to 26 years.

As at 30 September 2017 and 31 December 2016, future minimum lease payments required under these operating lease contracts were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial information</b>		<b>financial information</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>Baht Thousand</b>	<b>Baht Thousand</b>	<b>Baht Thousand</b>	<b>Baht Thousand</b>
Not later than 1 year	24,026	22,317	14,303	7,653
Later than 1 year but not later than 5 years	55,260	56,801	19,138	4,771
Later than 5 years	147,804	220,909	-	-
	<u>227,090</u>	<u>300,027</u>	<u>33,441</u>	<u>12,424</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.

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

**18.3 Contracts and other commitments**

- a) A jointly controlled entity has commitments in respect of a management service agreement with the other venturer amounting to approximately Baht 6 million per annum for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the nine-month period ended 30 September 2017 amounting to approximately Baht 2 million (30 September 2016: Baht 2 million) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- b) 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 9 million per annum for the period of 10 years from the commercial operation date. The fees for the nine-month period ended 30 September 2017 amounting to approximately Baht 3 million (30 September 2016: Baht 4 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 monitoring and maintenance agreements of ten power plants with a company since January 2013, amounting to approximately Baht 2 million per annum for the period of 7 years from the commercial operation dates.
- 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 8 million per annum for the period of 5 years from June 2017. The fees for the nine-month period ended 30 September 2017 amounting to approximately Baht 2 million (30 September 2016: nil) (in proportionate of the Company's interest in the jointly controlled entity) were recognised as expenses.
- e) A subsidiary has an obligation to pay management fee to its capital investor totalling Baht 8 million per annum since September 2016. The management fee will be increased annually according to the percentage specified in the contract. For the period of nine-month ended 30 September 2017, the subsidiary has recognised the total management expenses based on the specified contract as construction in progress during the period for the amount of Baht 6 million (30 September 2016: nil).
- f) A subsidiary has the commitment according to the operation monitoring and maintenance agreement of power plants with a company with the balance of USD 52,000 (31 December 2016: USD 98,800). The agreement has the period of 2 years from the commercial operation dates.
- g) A subsidiary has the commitment according to the operation monitoring and maintenance agreement of power plants with a company with the balance of USD 62,500 (31 December 2016: nil). The agreement has the period of 2 years from the commercial operation dates.

**18.4 Guarantees**

- a) The Company has provided guarantee for bank credit facilities of its subsidiaries amounting to Baht 63 million (31 December 2016: Baht 561 million).
- b) As at 30 September 2017, there were outstanding bank guarantees of Baht 9 million (31 December 2016: 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.



**19 Dividends**

**2017**

On 19 April 2017, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results for the year 2016 to shareholders at Baht 0.11 per share, totaling Baht 199.65 million. The dividends were paid on 17 May 2017.

**2016**

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 108.89 million. The dividends were paid on 25 May 2016.

**20 Events after the reporting period**

**20.1 Loans to subsidiaries**

On 3 October 2017 and 27 October 2017, the Company and its subsidiary have granted loans to its 2 subsidiaries in a form of loan agreement denominated in Japanese Yen equivalent to Baht 1,830 million. The Company has entered into a cross currency swap and an interest rate swap agreement with a local commercial bank effective on 4 October 2017 to receive Baht 891 million on the maturity date of loan, with the fixed interest rate of 0.90% per annum.

**20.2 Loan from a financial institution**

On 3 October 2017, the Company has received a loan from a local commercial bank for totaling Baht 2,250 million with a maturity of one year and the fixed interest rate of 4% per annum for the first 6 months and at a fixed interest rate of 5% per annum afterwards until its maturity.

**20.3 Solar power plant agreement**

On 3 October 2017, the Group obtained the transfer of shares in 2 companies under the solar power plant project purchase as detailed in Note 9.3