

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS

GLOW ENERGY PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Glow Energy Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Glow Energy Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Glow Energy Public Company Limited and its subsidiaries and of Glow Energy Public Company Limited as at December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Revenue recognition and measurement</p> <p>The revenue recognition and measurement of revenue from sales of power and steam of the Group is a significant risk of material misstatement because the selling prices per invoices are calculated from the complex formula of power and steam as conditions stipulated in the Power and Steam Purchase Agreements.</p> <p>The accounting policy on revenue recognition of the Group is disclosed in Note to the financial statements No. 4.9.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> - Evaluated the design, implementation and tested operating effectiveness of the relevant controls of selling price calculation. - Performed substantive analytical procedures as the following procedures: <ul style="list-style-type: none"> • Held meetings with the management to corroborate the significant changes and trends in revenue within the year. • Obtained the production report and tested the reliable of information. • Performed substantive analytical procedures of revenue based upon independent data (i.e. energy price, foreign exchange rate, natural gas price and coal price, etc.) which are the key drivers of revenue calculation of power and steam, then calculated the expected amount and compared with the recorded revenue amount. • Determined the threshold for material misstatements and compare the difference amount between the expected amount and the recorded revenue amounts to ensure that there is no significant difference amount.
<p>Corporate income tax refundable</p> <p>The corporate income tax refundable of a subsidiary is considered that it is a significant risk in respect of recognition of the corporate income tax refundable as it is estimated that it would be refundable which there is uncertainty depending on the result of case. Such subsidiary may not be entitled to receive the refund of corporate income tax from the Revenue Department.</p> <p>The accounting policy and details on corporate income tax refundable are disclosed in Notes to the financial statements No. 4.18 and No. 15.3.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Gained understanding on the nature of corporate income tax refundable to ensure that such amount is recorded appropriately. • Sent directly the legal communication under our control to the legal counsel and obtained the legal opinion on corporate income tax regarding the recognition of exchange gain/loss during the power plant construction period. • Discussed with the Company’s management and Legal Department to review the possibility to receive refund such amount from the Revenue Department.
<p>Assets impairment</p> <p>Assets impairment is a significant risk of material misstatement because certain Power Purchase Agreements of power plant phase 2 of the Company with Electricity Generating Authority of Thailand (“EGAT”) shall be expired in year 2017 which may result the carrying value of power plant phase 2 of the Company to be higher than recoverable amount and may cause the power plant phase 2 of the Company to incur assets impairment.</p> <p>The accounting policy on property, plant and equipment and assets impairment of the Company are disclosed in Notes to the financial statements No. 4.4 and No. 4.18.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Obtained the projected cash flow report generated on the power plant phase 2 approved by the management and met with key operational and finance management to understand the current status and future business plan of this power plant. • Challenged and performed testing of the management’s assumptions (i.e. customer database, capacity payment, energy payment and natural gas cost, etc.) in the projected cash flow report to ensure that the assumption used in the projected cash flow report is reasonable. • If the value in use is lower than the carrying value, considered to propose the adjustment of assets impairment to management.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK

February 20, 2017

Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

Unit : Baht

	Notes	Consolidated		The Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	7,251,991,389	8,702,713,870	2,384,166,713	3,652,857,335
Temporary investments	7	377,679,224	683,943,363	-	-
Trade and other receivables	8	8,267,114,279	9,701,861,397	2,568,723,231	3,036,320,557
Short-term loans to related parties	25	-	-	955,000,000	934,000,000
Inventories	9	5,472,906,543	4,727,032,417	902,183,874	752,652,181
Other current assets		191,277,893	809,263,747	19,210,737	593,045,843
Total Current Assets		<u>21,560,969,328</u>	<u>24,624,814,794</u>	<u>6,829,284,555</u>	<u>8,968,875,916</u>
NON-CURRENT ASSETS					
Finance lease receivable	10	3,495,125,167	4,003,351,751	-	-
Investments in subsidiaries	11	-	-	29,155,196,263	29,155,196,263
Investments in associates and joint venture	12	11,053,419	531,548	-	-
Other long-term investment		1,500,000	1,500,000	1,500,000	1,500,000
Long-term loan to a related party	25	-	-	2,772,600,000	2,772,600,000
Property, plant and equipment	13	80,741,759,975	84,024,268,442	25,478,078,450	26,684,058,381
Intangible assets	14	895,576,414	776,333,848	159,117,551	178,262,454
Deferred tax assets	21	557,656,165	510,124,940	50,434,592	21,711,050
Other non-current assets	15	2,812,312,631	2,923,229,476	54,087,390	137,019,767
Total Non-Current Assets		<u>88,514,983,771</u>	<u>92,239,340,005</u>	<u>57,671,014,246</u>	<u>58,950,347,915</u>
TOTAL ASSETS		<u><u>110,075,953,099</u></u>	<u><u>116,864,154,799</u></u>	<u><u>64,500,298,801</u></u>	<u><u>67,919,223,831</u></u>

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2016

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		As at	As at	As at	As at
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payables	16	4,759,333,340	5,501,383,463	2,196,006,375	2,370,840,657
Current portion of finance lease payables	17	4,489,274	8,538,981	672,400	1,721,116
Current portion of long-term borrowings from financial institutions	19	3,167,424,166	8,865,438,296	996,206,468	5,988,250,480
Current portion of debentures	20	4,599,304,238	-	4,599,304,238	-
Short-term borrowings from related parties	25	-	-	2,291,984,243	3,334,372,535
Short-term borrowings	18	1,432,900,000	1,432,900,000	-	-
Current income tax payable		364,591,983	284,481,021	100,566,653	84,332,655
Value-added-tax payable		312,298,911	480,613,488	93,762,866	134,142,589
Other current liabilities		402,661,467	221,468,377	222,259,457	31,017,526
Total Current Liabilities		15,043,003,379	16,794,823,626	10,500,762,700	11,944,677,558
NON-CURRENT LIABILITIES					
Finance lease payables	17	-	4,489,521	-	672,645
Long-term borrowings from financial institutions	19	16,263,625,029	20,624,430,976	-	991,654,229
Debentures	20	19,933,372,043	21,530,562,367	19,933,372,043	21,530,562,367
Deferred tax liabilities	21	1,269,290,480	1,152,018,545	381,422,632	361,144,924
Employee benefit obligations	22	174,284,674	154,229,584	21,009,111	18,860,519
Other non-current liabilities		621,295,934	645,255,648	505,315,092	523,088,146
Total Non-Current Liabilities		38,261,868,160	44,110,986,641	20,841,118,878	23,425,982,830
TOTAL LIABILITIES		53,304,871,539	60,905,810,267	31,341,881,578	35,370,660,388
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,482,865,035 ordinary shares of Baht 10 each		14,828,650,350	14,828,650,350	14,828,650,350	14,828,650,350
Issued and paid-up share capital					
1,462,865,035 ordinary shares of Baht 10 each		14,628,650,350	14,628,650,350	14,628,650,350	14,628,650,350
PREMIUM ON ORDINARY SHARES		2,935,427,353	2,935,427,353	4,786,986,727	4,786,986,727
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	1,598,287,193	1,598,287,193	1,598,287,193	1,598,287,193
Unappropriated		30,198,375,099	29,759,118,162	12,143,461,563	11,533,602,651
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(389,455,861)	(383,801,499)	1,031,390	1,036,522
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		48,971,284,134	48,537,681,559	33,158,417,223	32,548,563,443
NON-CONTROLLING INTERESTS		7,799,797,426	7,420,662,973	-	-
TOTAL SHAREHOLDERS' EQUITY		56,771,081,560	55,958,344,532	33,158,417,223	32,548,563,443
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		110,075,953,099	116,864,154,799	64,500,298,801	67,919,223,831

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Baht

	Notes	Consolidated		The Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Revenues from sales		51,901,872,624	63,431,376,391	21,781,715,725	24,846,843,934
Interest earned from finance lease		665,364,652	793,514,640	-	-
Cost of sales		(38,479,103,510)	(49,370,901,498)	(16,413,661,665)	(19,636,675,466)
Gross profit		14,088,133,766	14,853,989,533	5,368,054,060	5,210,168,468
Exchange gain, net		83,639,099	-	-	-
Interest income		59,253,592	44,144,163	198,813,277	234,240,770
Dividend income		4,800,000	4,800,000	5,514,999,014	3,121,359,643
Compensation on construction postponement	27.2	17,173,489	729,837,928	-	-
Claims from insurers	27.3	12,560,964	316,610,745	12,197,926	316,610,745
Warranty claim from contractor	27.4	89,841,000	-	-	-
Other income		257,627,795	49,041,405	118,036,743	69,841,524
Administrative expenses		(954,459,047)	(775,607,278)	(462,018,847)	(433,395,906)
Directors' remuneration		(13,855,044)	(8,650,947)	(13,855,044)	(8,650,947)
Exchange loss, net		-	(1,202,366,138)	(3,577,775)	(12,359,880)
Finance costs		(2,599,094,517)	(3,243,590,287)	(1,325,315,304)	(1,890,833,902)
Share of loss of investments in associates and joint venture		(1,264,005)	(91,414)	-	-
Profit before income tax expense		11,044,357,092	10,768,117,710	9,407,334,050	6,606,980,515
Income tax expense	21	(981,664,116)	(1,093,472,935)	(283,600,634)	(301,274,540)
PROFIT FOR THE YEAR		10,062,692,976	9,674,644,775	9,123,733,416	6,305,705,975
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(8,400,342)	161,820,428	-	-
Item that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plans		(5,132)	(4,732)	(5,132)	(4,732)
OTHER COMPREHENSIVE INCOME (LOSS)					
FOR THE YEAR, NET OF TAX		(8,405,474)	161,815,696	(5,132)	(4,732)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		10,054,287,502	9,836,460,471	9,123,728,284	6,305,701,243
PROFIT ATTRIBUTABLE TO					
Owners of the parent		8,953,131,441	8,355,416,010	9,123,733,416	6,305,705,975
Non-controlling interests		1,109,561,535	1,319,228,765	-	-
		<u>10,062,692,976</u>	<u>9,674,644,775</u>	<u>9,123,733,416</u>	<u>6,305,705,975</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of the parent		8,947,477,079	8,464,235,516	9,123,728,284	6,305,701,243
Non-controlling interests		1,106,810,423	1,372,224,955	-	-
		<u>10,054,287,502</u>	<u>9,836,460,471</u>	<u>9,123,728,284</u>	<u>6,305,701,243</u>
BASIC EARNINGS PER SHARE	BAHT	6.12	5.71	6.24	4.31
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	1,462,865,035	1,462,865,035	1,462,865,035	1,462,865,035

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Baht

Consolidated financial statements											
Other components of shareholders' equity											
Other comprehensive											
income (loss)											
Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Premium on business combination under common control	Exchange differences on translating financial statements	Actuarial gain (loss) on defined employee benefit plans	Total other components of shareholders' equity	Total attributions to owners of the parent	Non- controlling interests	Total shareholders' equity
			Appropriated Legal reserve	Unappropriated							
BALANCE AS AT JANUARY 1, 2015	14,628,650,350	2,935,427,353	1,598,287,193	26,659,776,225	(369,521,136)	(124,141,123)	1,041,254	(492,621,005)	45,329,520,116	7,241,139,239	52,570,659,355
Dividends paid to non-controller of subsidiaries	-	-	-	-	-	-	-	-	-	(1,123,810,121)	(1,123,810,121)
Capital reduction of non-controller of a subsidiary	11	-	-	-	-	-	-	-	-	(68,891,100)	(68,891,100)
Dividends paid	-	-	-	(5,256,074,073)	-	-	-	-	(5,256,074,073)	-	(5,256,074,073)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	8,355,416,010	-	108,824,238	(4,732)	108,819,506	8,464,235,516	1,372,224,955	9,836,460,471
BALANCE AS AT DECEMBER 31, 2015	14,628,650,350	2,935,427,353	1,598,287,193	29,759,118,162	(369,521,136)	(15,316,885)	1,036,522	(383,801,499)	48,537,681,559	7,420,662,973	55,958,344,532
BALANCE AS AT JANUARY 1, 2016	14,628,650,350	2,935,427,353	1,598,287,193	29,759,118,162	(369,521,136)	(15,316,885)	1,036,522	(383,801,499)	48,537,681,559	7,420,662,973	55,958,344,532
Dividends paid to non-controller of subsidiaries	-	-	-	-	-	-	-	-	-	(673,851,590)	(673,851,590)
Capital reduction of non-controller of a subsidiary	11	-	-	-	-	-	-	-	-	(53,824,380)	(53,824,380)
Dividends paid	24	-	-	(8,513,874,504)	-	-	-	-	(8,513,874,504)	-	(8,513,874,504)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	8,953,131,441	-	(5,649,230)	(5,132)	(5,654,362)	8,947,477,079	1,106,810,423	10,054,287,502
BALANCE AS AT DECEMBER 31, 2016	14,628,650,350	2,935,427,353	1,598,287,193	30,198,375,099	(369,521,136)	(20,966,115)	1,031,390	(389,455,861)	48,971,284,134	7,799,797,426	56,771,081,560

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Baht

The Separate financial statements								
Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			
			Legal reserve	Unappropriated	Other comprehensive income (loss)		Total shareholders' equity	Total shareholders' equity
					Actuarial gain (loss) on defined employee benefit plans	Total other components of shareholders' equity		
BALANCE AS AT JANUARY 1, 2015	14,628,650,350	4,786,986,727	1,598,287,193	10,483,970,749	1,041,254	1,041,254	31,498,936,273	
Dividends paid	-	-	-	(5,256,074,073)	-	-	(5,256,074,073)	
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	6,305,705,975	(4,732)	(4,732)	6,305,701,243	
BALANCE AS AT DECEMBER 31, 2015	<u>14,628,650,350</u>	<u>4,786,986,727</u>	<u>1,598,287,193</u>	<u>11,533,602,651</u>	<u>1,036,522</u>	<u>1,036,522</u>	<u>32,548,563,443</u>	
BALANCE AS AT JANUARY 1, 2016	14,628,650,350	4,786,986,727	1,598,287,193	11,533,602,651	1,036,522	1,036,522	32,548,563,443	
Dividends paid	-	-	-	(8,513,874,504)	-	-	(8,513,874,504)	
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	9,123,733,416	(5,132)	(5,132)	9,123,728,284	
BALANCE AS AT DECEMBER 31, 2016	<u>14,628,650,350</u>	<u>4,786,986,727</u>	<u>1,598,287,193</u>	<u>12,143,461,563</u>	<u>1,031,390</u>	<u>1,031,390</u>	<u>33,158,417,223</u>	

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Baht

	Consolidated		The Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	11,044,357,092	10,768,117,710	9,407,334,050	6,606,980,515
Adjustments for:				
Dividends received	(4,800,000)	(4,800,000)	(5,514,999,014)	(3,121,359,643)
Share of loss of investments in associates and joint venture	1,264,005	91,414	-	-
Depreciation	4,021,139,253	4,011,960,293	1,505,270,020	1,521,584,170
Amortization of intangible assets/ other non-current assets	304,474,019	261,893,065	86,875,314	35,005,982
Amortization of deferred financing fee	31,828,036	37,538,705	5,643,186	11,717,916
Amortization of deferred bond issue expenses	6,265,064	5,753,833	6,265,064	5,753,833
Employee benefit obligations	13,313,419	12,589,608	1,350,901	1,270,155
Provision for obsolescence	-	30,000,000	-	7,000,000
Write-off assets	-	1,969,585	-	75,400
Write-off deferred financial service fee	-	38,116,465	-	-
Gain from sale of investment in joint venture	(240,871)	-	-	-
Loss (gain) on disposals of fixed assets	223,971,744	(1,719,029)	17,072,141	(2,564,806)
Recognition of advance received for long-term right to grant of assets	(30,225,442)	(28,725,790)	(24,042,470)	(23,032,103)
Unrealized exchange loss (gain)	16,749,946	1,176,138,047	(569,654)	112,782
Realized exchange loss (gain) from long-term borrowings repayment	(61,620,656)	1,408,496	-	-
Interest income/ interest earned from finance lease	(724,618,244)	(837,658,803)	(198,813,277)	(234,240,770)
Interest expense	2,482,052,558	2,924,975,320	1,302,455,046	1,637,471,731
Profit from operations before changes in operating assets and liabilities	17,323,909,923	18,397,648,919	6,593,841,307	6,445,775,162
Operating assets (increase) decrease				
Trade and other receivables	1,630,509,304	4,367,715,223	481,507,301	262,302,266
Inventories	(700,385,064)	30,089,895	(149,531,693)	28,384,579
Other current assets	161,311,459	79,021,960	91,361,679	(209,901)
Other non-current assets	1,425,860	(2,887,635)	201,966	(248,997)
Operating liabilities increase (decrease)				
Trade and other payables	(572,516,329)	(1,490,643,209)	(172,052,835)	43,003,719
Value-added tax payable	(168,314,577)	193,750,053	(40,379,723)	43,037,729
Other current liabilities	192,795,417	728,290	192,320,573	16,550,034
Other non-current liabilities	(34,308,694)	53,960,961	(1,328,510)	3,692,255
Cash received from operations	17,834,427,299	21,629,384,457	6,995,940,065	6,842,286,846
Cash received from interest	799,526,051	889,985,852	199,903,302	218,313,657
Cash paid for interest	(2,480,649,930)	(2,959,210,621)	(1,348,614,795)	(1,638,129,153)
Cash paid for income tax	(858,056,931)	(1,176,937,545)	(275,817,602)	(270,398,929)
Net cash provided by operating activities	15,295,246,489	18,383,222,143	5,571,410,970	5,152,072,421

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit : Baht

	Notes	Consolidated		The Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in Debt Service/ Maintenance Accrual Accounts		223,143,019	638,837,345	-	-
Decrease in temporary investments		-	141,709,925	-	-
Cash paid for loans granted to subsidiaries		-	-	(43,600,000)	(188,200,000)
Cash received from subsidiaries for loans repayment		-	-	22,600,000	1,686,924,400
Dividends received from subsidiaries/ other company		4,800,000	4,800,000	5,514,999,014	3,121,359,643
Cash paid for investment in an associate		(11,936,669)	-	-	-
Proceeds from sale of investment in joint venture		391,664	-	-	-
Cash paid for purchase of property, plant and equipment		(1,139,623,898)	(1,975,131,519)	(266,525,471)	(194,195,788)
Proceeds from sale of fixed assets		5,975,664	8,449,362	1,431,585	3,010,781
Cash paid for purchase of computer software		(1,594,400)	(22,649,766)	-	-
Cash paid for maintenance cost of finance lease asset		(135,155,792)	(1,338,803,221)	-	-
Cash paid for advance payment of shares purchase		-	(15,000,000)	-	(15,000,000)
Cash paid for long-term right to use of assets		-	(52,856,531)	-	(1,843,531)
Proceeds from long-term right to grant of assets		-	11,722,397	-	141,200
Net cash provided by (used in) investing activities		(1,054,000,412)	(2,598,922,008)	5,228,905,128	4,412,196,705
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of short-term borrowings from financial institutions		-	5,450,000,000	-	5,450,000,000
Repayment of short-term borrowings from financial institutions		-	(5,800,000,000)	-	(5,800,000,000)
Receipts of short-term borrowings from related parties		-	-	1,384,611,708	4,361,601,655
Repayment of short-term borrowings from related parties		-	-	(2,427,000,000)	(3,650,000,000)
Repayment of finance lease payables		(8,539,228)	(7,677,675)	(1,721,361)	(2,436,825)
Receipts of long-term borrowings from financial institutions		-	2,771,769,232	-	-
Payment of financial service fee		-	(70,720,085)	-	-
Repayment of long-term borrowings from financial institutions		(9,451,627,745)	(8,310,890,978)	(5,506,868,000)	(4,000,015,470)
Repayment of long-term borrowings from a related party		-	(1,555,501,787)	-	-
Cash received from the issue of new debentures		3,000,000,000	4,000,000,000	3,000,000,000	4,000,000,000
Payment of debentures issue expenses		(4,151,150)	(7,993,936)	(4,151,150)	(7,993,936)
Repayment of debentures		-	(1,500,000,000)	-	(1,500,000,000)
Capital reduction paid to non-controller of subsidiaries		(36,720,001)	(55,112,880)	-	-
Dividends paid		(8,513,874,504)	(5,256,074,073)	(8,513,874,504)	(5,256,074,073)
Dividends paid to non-controller of subsidiaries		(673,851,590)	(1,123,810,121)	-	-
Net cash used in financing activities		(15,688,764,218)	(11,466,012,303)	(12,069,003,307)	(6,404,918,649)
Unrealized exchange gain (loss) of cash and cash equivalents		(3,204,340)	20,241,709	(3,413)	40,625
Net increase (decrease) in cash and cash equivalents		(1,450,722,481)	4,338,529,541	(1,268,690,622)	3,159,391,102
Cash and cash equivalents as at January 1,		8,702,713,870	4,364,184,329	3,652,857,335	493,466,233
Cash and cash equivalents as at December 31,	6	7,251,991,389	8,702,713,870	2,384,166,713	3,652,857,335

Notes to the financial statements form an integral part of these statements

GLOW ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

1.1 The Company's general information

Glow Energy Public Company Limited (“the Company”) registered as a public limited company under Thai laws on September 1, 1995, and was listed on the Stock Exchange of Thailand in February 1996 until August 2002 and listed again on April 21, 2005. The Company operates in Thailand and principally engages in the generation and supply of electricity, steam and water for industrial use. The Company's office is located at 1 Empire Tower, 38th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok.

As at December 31, 2016, the Company's major shareholders are ENGIE Holding (Thailand) Company Limited (formerly “GDF SUEZ Energy (Thailand) Company Limited”), holding 48.1 percent (2015: 45.2 percent) of the Company's share capital and ENGIE Global Developments B.V. (formerly “GDF SUEZ Energy International Global Developments B.V.”), holding 21.0 percent (2015: 23.9 percent) of the Company's share capital. ENGIE Global Developments B.V. (formerly “GDF SUEZ Energy International Global Developments B.V.”) also wholly holds ENGIE Holding (Thailand) Company Limited (formerly “GDF SUEZ Energy (Thailand) Company Limited”). The Company's ultimate shareholder is ENGIE S.A., which is incorporated in France.

1.2 Subsidiaries

Houay Ho Power Company Limited (“HHPC”) was incorporated in the Lao People's Democratic Republic (the “Lao PDR”). Under the Build Operate and Transfer Agreement (“BOT”) dated December 18, 2001, HHPC has developed, constructed and operated a 150 MW hydroelectric power plant for a non-renewable term of 30 years. Such agreement will be expired in December 2031.

Incorporation of new subsidiary

ENGIE Myanmar Company Limited, 100% owned by Glow Company Limited, was incorporated in The Republic of the Union of Myanmar on October 11, 2016 with USD 50,000 registered capital. As at December 31, 2016, the registration process was completed, but the capital has not been injected to ENGIE Myanmar Company Limited.

The information of the subsidiaries is as follows:

<u>Company's name</u>	<u>Country of incorporation and principal place of business</u>	<u>Registered date</u>	<u>Main business objective</u>	<u>Registered office</u>
1) Glow Company Limited ("GCO")	Thailand	March 12, 1997	Provide management services, consultant services and management advisory for related companies	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
2) Glow SPP 1 Company Limited ("GSPP1")	Thailand	December 6, 1994	Generate and supply electricity, steam and water for industrial use	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
3) Glow SPP 2 Company Limited ("GSPP2")	Thailand	September 19, 1994	Generate and supply electricity and steam for industrial use	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
4) Glow SPP 3 Company Limited ("GSPP3")	Thailand	August 9, 1991	Generate and supply electricity, steam and water for industrial use	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
5) Glow SPP 11 Company Limited ("GSPP11")	Thailand	December 8, 1997	Generate and supply electricity and water for industrial use	60/19 Moo 3, Siam Eastern Industrial Park, Mabyangporn, Pluakdaeng, Rayong
6) Glow IPP 3 Company Limited ("GIPP3")	Thailand	June 14, 2005	Develop power generation projects	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
7) Glow IPP 2 Holding Company Limited ("GIPP2")	Thailand	October 16, 2007	Invest in other companies	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
8) Houay Ho Thai Company Limited ("HHTC")	Thailand	August 30, 2001	Invest in other companies	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
9) Glow IPP Company Limited ("GIPP")	Thailand	March 12, 1997	Generate and supply electricity to EGAT	1 Empire Tower, 38 th Floor - Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok
10) GHECO-One Company Limited ("GHECO1")	Thailand	April 27, 2007	Generate and supply electricity to EGAT	11 I - 5 Road, Maptaphut, Muang Rayong, Rayong
11) Houay Ho Power Company Limited ("HHPC")	Lao PDR	May 20, 1996	Generate and supply electricity to EGAT and Electricity du Lao ("EDL")	502A Vieng Vang Tower, 5 th Floor, Boulichan Road, Dongpalan Thong Village, Sisattanak, Vientiane
12) ENGIE Myanmar Company Limited	Myanmar	October 11, 2016	Provide technical and consultancy services for power sector	346/354 Pyay Road, Sanchaung Township, Yangon

1.3 Composition of the Group

Information about the composition of the Group as at December 31, is as follows:

<u>Principal activities</u>	<u>Number of wholly owned subsidiaries</u>	
	<u>2016</u>	<u>2015</u>
Generate and supply electricity, steam and water for industrial use	4	4
Develop power generation projects	1	1
Provide consultancy and management services	2	1
Invest in other companies	1	1
	<u>8</u>	<u>7</u>

<u>Principal activities</u>	<u>Number of non-wholly owned subsidiaries</u>	
	<u>2016</u>	<u>2015</u>
Generate and supply electricity to EGAT	2	2
Generate and supply electricity to EGAT and EDL	1	1
Invest in other companies	1	1
	<u>4</u>	<u>4</u>

1.4 Information of non-wholly owned subsidiaries

Information of non-wholly owned subsidiaries as at December 31, are as follows:

Unit : Baht

<u>Company's name</u>	<u>Proportion of ownership interests and voting rights held by non-controlling interests (%)</u>		<u>Total comprehensive income (loss) attributable to non-controlling interests</u>		<u>Accumulated non-controlling interests</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
GHECO-One Company Limited	35	35	1,018,980,030	1,195,312,640	6,592,351,281	6,224,722,091
Houay Ho Power Company Limited	32.75	32.75	62,831,259	104,266,701	564,527,488	501,696,229
Glow IPP Company Limited	5	5	25,065,066	29,631,967	464,967,435	462,403,119
Houay Ho Thai Company Limited ⁽¹⁾	51	51	(65,932)	43,013,647	177,951,222	231,841,534
			<u>1,106,810,423</u>	<u>1,372,224,955</u>	<u>7,799,797,426</u>	<u>7,420,662,973</u>

⁽¹⁾ The Group owned 49% of ordinary shares of HHTC; however, the Board of Directors of the Group concludes that the Group has control over HHTC and HHTC is consolidated in these financial statements.

The summarised financial information before intragroup eliminations of each non-wholly owned subsidiary that has material non-controlling interests is as follow:

	GHECOI		HHPC	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
Current assets	7,234,490,479	7,327,130,089	574,831,861	373,093,655
Non-current assets	33,335,833,363	34,243,014,870	3,655,038,540	3,933,736,212
Current liabilities	7,204,247,978	7,282,720,356	407,251,069	379,179,284
Non-current liabilities	14,525,961,669	16,497,679,525	2,031,117,619	2,328,000,042
Total attributions to owners of the parent	12,247,762,914	11,565,022,987	1,226,974,225	1,097,954,312
Non-controlling interests	6,592,351,281	6,224,722,091	564,527,488	501,696,229
	For the years ended December 31,		For the years ended December 31,	
	2016	2015	2016	2015
Revenues	11,964,389,955	14,173,535,325	712,697,365	716,044,253
Expenses	(9,053,018,438)	(10,758,356,354)	(512,445,850)	(559,493,074)
Profit for the years	<u>2,911,371,517</u>	<u>3,415,178,971</u>	<u>200,251,515</u>	<u>156,551,179</u>
Profit attributable to				
Owners of the parent	1,892,391,487	2,219,866,331	134,669,144	105,280,668
Non-controlling interests	<u>1,018,980,030</u>	<u>1,195,312,640</u>	<u>65,582,371</u>	<u>51,270,511</u>
	<u>2,911,371,517</u>	<u>3,415,178,971</u>	<u>200,251,515</u>	<u>156,551,179</u>
Total comprehensive income attributable to				
Owners of the parent	1,892,391,487	2,219,866,331	129,019,914	214,104,906
Non-controlling interests	<u>1,018,980,030</u>	<u>1,195,312,640</u>	<u>62,831,259</u>	<u>104,266,701</u>
	<u>2,911,371,517</u>	<u>3,415,178,971</u>	<u>191,851,173</u>	<u>318,371,607</u>
Dividends paid to non-controller	651,350,840	1,018,727,360	-	64,176,232
Capital reduction of non-controller	-	-	-	68,891,100
Net cash inflow from operating activities	4,459,212,372	6,729,939,314	454,892,075	469,542,782
Net cash inflow (outflow) from investing activities	(125,264,600)	(1,116,122,595)	(5,175,611)	125,411,173
Net cash inflow (outflow) from financing activities	(3,853,817,061)	(4,985,129,737)	(263,096,597)	(893,604,859)
Net cash inflow (outflow)	<u>480,130,711</u>	<u>628,686,982</u>	<u>186,619,867</u>	<u>(298,650,904)</u>

1.5 Associates and joint venture

Investment in an associate represents the investment in Eastern Seaboard Clean Energy Company Limited (“ESCE”), 33.33% owned by Glow IPP3 Company Limited (“GIPP3”) which was registered as a limited company in Thailand on August 2, 2016. The main objective is to carry on the business of studying, generating and supply electricity for industrial use including generating electricity from renewable energy. As at December 31, 2016, ESCE has registered share capital of Baht 40 million and paid-up share capital of Baht 38.3 million.

Investment in joint venture represents the investment in Glow Hemaraj Wind Company Limited (“GHW”), 49% jointly controlled by GCO, which was registered as a limited company in Thailand on July 4, 2011 with Baht 10 million registered capital and Baht 2.5 million paid-up capital. GHW is under research in the business of generation and distribution of electricity.

On September 5, 2016, GCO sold its shares of GHW to ESCE (see Note 12).

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The consolidated and the separate financial statements have been prepared in Thai Baht currency and in accordance with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand. The financial statement presentation is compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554” and Thai Accounting Standard No. 1 (Revised 2015) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2016 onward, and the Regulation of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.
- 2.2 The consolidated financial statements included the accounts of the Company and its subsidiaries, after elimination of intercompany transactions, of which the percentage of shareholding as at December 31, is as follows:

	<u>% of Shareholding</u>	
	<u>2016</u>	<u>2015</u>
<u>Owned by the Company</u>		
Glow Company Limited	100	100
Glow SPP 2 Company Limited	100	100
Glow SPP 3 Company Limited	100	100
Glow IPP 2 Holding Company Limited	100	100
Glow SPP 11 Company Limited	100	100
<u>Owned by Glow Company Limited</u>		
Glow SPP 1 Company Limited	100	100
Glow IPP Company Limited	95	95
Houay Ho Power Company Limited	55	55
Houay Ho Thai Company Limited	49	49
<u>Owned by Glow IPP 2 Holding Company Limited</u>		
GHECO-One Company Limited	65	65
Glow IPP 3 Company Limited	100	100
<u>Owned by Houay Ho Thai Company Limited</u>		
Houay Ho Power Company Limited	25	25

- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 The Federation of Accounting Professions issued the Notifications regarding the Guideline on accounting, which are announced in the Royal Gazette and effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards for the Guideline on accounting regarding Derecognition of Financial Assets and Liabilities.

The Company and its subsidiaries’ management is currently assessing the full impact of this Guideline on accounting on the Company’s and its subsidiaries’ financial statements in the period of initial application.

- 2.5 The Federation of Accounting Professions has issued the Notifications regarding the revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Accounting Standard Interpretations (“TSIC”) and Thai Financial Reporting Interpretations (“TFRIC”) applicable to the Company and its subsidiaries which are effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 12 (Revised 2016)	Income taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investment in Associates and Joint Ventures
TAS 33 (Revised 2016)	Earnings Per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (“TSIC”)

TSIC 15 (Revised 2016)	Operating Leases - Incentives
TSIC 25 (Revised 2016)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (Revised 2016)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment

The Company and its subsidiaries’ management will adopt the above relevant TAS, TFRS, TSIC and TFRIC in the preparation of the financial statements when they become effective. The management is currently assessing the full impact on the Company’s and its subsidiaries’ financial statements in the period of initial application.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2016, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions which are effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards. This adoption does not have significant impact on the Company's consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of the Company and subsidiaries are summarized below:

4.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with original maturities within three months from the date of acquisition.

4.2 Trade receivables and allowance for doubtful accounts

Trade receivables are carried at invoiced value less provision for contract discount and allowance for doubtful accounts (if any).

Allowance for doubtful accounts are based on estimated uncollectible debts of each customer.

4.3 Inventories

Inventories consisting of raw materials, consumable spare parts, and supplies for machines are valued at the lower of cost and net realizable value. Cost is determined by weighted average method.

Provision is made for obsolete and slow-moving of consumable spare parts and supplies for machines based on the items that are expected not to be used.

4.4 Property, plant and equipment

Land is stated at cost net of provision of impairment (if any).

Plant and equipment are stated at cost net of accumulated depreciation and provision of impairment (if any). The costs of plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located.

Depreciation is calculated by reference to cost of assets on a straight-line basis over the following estimated useful lives:

	Years
Power and water plants	3 - 40
Building and leasehold improvement	5 - 30
Machinery, tools and equipment	3 - 25
Furniture, fixtures and office equipment	3, 5, 10
Motor vehicles	5

Depreciation of power plant of Houay Ho Power Company Limited is calculated by a units-of-production method.

In case impairment in value of property, plant and equipment has occurred, the resultant loss on impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Construction in progress includes construction, borrowing costs that are directly attributable to loans for construction and other related costs directly to constructing the asset or bringing it to working condition.

4.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and provision of impairment (if any).

Amortization is calculated on a straight-line basis over the term of the relevant agreements as follows:

	Years
Deferred right to use grid system	22 - 24
Deferred right to use transmission line	25
Deferred land leasehold right	16 - 30
Deferred right to use pipe rack	8 - 16
Deferred right of way	20 - 31
Deferred right of use gas pipeline	13 - 25
Deferred right to use dedicated berth	14
Computer software	3 - 10

4.6 Other non-current assets

Other non-current assets are stated at cost less accumulated amortization and provision of impairment (if any).

Amortization is calculated on a straight-line basis as follows:

	Years
Deferred repair and maintenance expense	3 - 6
Deferred financial service fee	3 - 23
Advance for long term service agreement	9

4.7 Long-term investments

Investments in subsidiaries are accounted for using the cost method in the separate financial statements.

Business combination under common control is accounted for using a method similar to the pooling of interest method and in accordance with the guideline on accounting regarding the business combination under common control. The difference amount between the acquisition cost of business combination under common control and the interests of acquirer per the acquiree's book value is presented as premium on business combination under common control.

Investments in associates and joint venture are accounted for using the equity method in the consolidated financial statements.

Other long-term investment is a non-marketable equity security, which is recorded at cost.

The Company recognizes loss on impairment of investments in the statement of profit or loss and other comprehensive income in the period in which it incurs (if any).

4.8 Employee benefit obligations

The Company and its subsidiaries have accounted for post-employment benefit obligations under the Thai Labor Protection Act based on actuarial assumptions using Projected Unit Credit Method at the end of reporting period.

4.9 Recognition of revenues

Revenues from sales are recognized when products are delivered to the customers, which represent the invoiced value, excluding value added tax, of products supplied after deducting discounts, which is calculated based on annual purchase volumes of each customer by the percentage of net sales as specified in the agreement.

Revenues from rendering of services are recognized when services are rendered.

Dividend income is recognized as income when the dividend is declared.

Interest income is recognized on a time basis, based on the principle outstanding and the applicable interest rate.

Other income is recognized on an accrual basis.

4.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

As lessor

The Power Purchase Agreement between Glow IPP Company Limited and Electricity Generating Authority of Thailand met the criteria of a lease contract under Thai Financial Reporting Standard Interpretation No. 4 and classified as a finance lease under TAS 17 and Glow IPP Company Limited acted as lessor.

- Finance lease receivable

Finance lease receivable is stated at the amount of the net investment in the lease.

- Recognition of revenues

Interest earned from finance lease is recognized by effective interest rate method over the term of Power Purchase Agreement.

Interest earned from finance lease recognized but not yet billed is presented as "Accrued interest from finance lease".

Interest earned from finance lease not yet recognized but billed is presented as "Unearned interest from finance lease".

As lessee

- Operating lease

Leases in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. The Company and its subsidiaries recognizes rentals applicable to such operating leases in the statement of profit or loss and other comprehensive income. The operating leases that are attributable to construction are capitalized as part of construction in progress.

- Finance lease

Leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Company and its subsidiaries are accounted for as finance leases. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

4.11 Foreign currency transactions

Transactions denominated in foreign currencies are converted into Baht at rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies and forward foreign exchange contracts at the end of the year are converted into Baht at the reference exchange rates established by the Bank of Thailand at the end of the year.

Both realized and unrealized foreign exchange gains or losses are recognized as revenues or expenses in the statements of profit or loss and other comprehensive income.

The Company translates assets and liabilities of foreign subsidiary into Baht using the closing rate at the date of the statement of financial position, whereas the statement of profit or loss and other comprehensive income is translated using the average rate during the year. Differences arising from currency translations have been shown as “Exchange differences on translating financial statements” in the statement of profit or loss and other comprehensive income and included under “Other components of shareholders’ equity” in the statement of financial position.

4.12 Financial instruments

Income and expense from interest rate swap agreements used to manage interest rate exposures are recognized as adjustments to interest income or interest expense in the statement of profit or loss and other comprehensive income. Such adjustments that are attributable to construction are capitalized as part of construction in progress.

Gains and losses on forward foreign exchange contracts and currency swap agreements designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of profit or loss and other comprehensive income.

Gains and losses on forward foreign exchange contracts designated as hedges that are attributable to construction are capitalized as part of construction in progress.

Amounts to be paid and received are offset in the statement of financial position.

Premiums or discounts on forward foreign exchange contracts are amortized to revenues or expenses over the contract period.

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any derivative financial instruments.

4.13 Fair value measurement for disclosure purpose

The Company and its subsidiaries regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company and its subsidiaries assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4.14 Provident fund

The Company, the subsidiaries and their employees jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The funds are contributed by the employees, the Company and its subsidiaries, and will be paid to the employees upon termination in accordance with the rules of the provident fund.

Contributions for employees by the Company, under the provident fund scheme, are recorded as expenses when incurred.

4.15 Income taxes

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current income tax payable is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of a deferred tax assets is reviewed at the end of each reporting period. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the end of reporting period.

4.16 Basic earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of the parent for the year by the weighted average number of ordinary shares outstanding during the year.

4.17 Operating segments

The Company and its subsidiaries (the “Group”) presented the operating segments on the basis of internal reports that are regularly reviewed by the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing the performance of the operating segments. The operating segments are presented by classifying based on Small Power Producer Business (“SPP”) and Independent Power Producer Business (“IPP”).

4.18 Use of management judgments

The preparation of financial statements in accordance with Thai Financial Reporting Standards also requires the Group’s management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the accounting period. Although, these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

Significant judgments of the management in applying accounting policies are as follows:

Impairment of property, plant and equipment

Determining whether power plant phase 2 of the Company is impaired requires judgments for an estimation of recoverable amount of power plant phase 2. The recoverable amount calculation requires the Company’s management to estimate the future cash flows expected to arise from power plant phase 2. Where the actual future cash flows are less than net book value, a material impairment loss of the power plant may arise.

Corporate income tax refundable

The management exercised judgments to estimate the result of case and believes that GHECO-One Company Limited (“GHECO1”) would be refundable of corporate income tax relating to the recognition of the exchange gain/loss during construction of power plant. As at December 31, 2016, GHECO1 recorded the corporate income tax refundable including in other non-current assets (see Note 15.3).

5. SUPPLEMENTARY CASH FLOWS INFORMATION

5.1 Accounts payable - acquisition of fixed assets for the years ended December 31, are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounts payable - acquisition of fixed assets brought forward	323,902,820	1,948,113,920	21,772,461	27,323,221
<u>Add</u> Purchase of fixed assets	990,928,303	834,013,117	317,793,815	188,645,028
Unrealized exchange loss (gain)	(184,758)	860,202	(231,074)	-
<u>Less</u> Cash payment	(1,139,623,898)	(1,975,131,519)	(266,525,471)	(194,195,788)
Contract price adjustment ⁽¹⁾	-	(483,952,900)	-	-
Accounts payable - acquisition of fixed assets carried forward	<u>175,022,467</u>	<u>323,902,820</u>	<u>72,809,731</u>	<u>21,772,461</u>

(1) On January 19, 2015, GHECO-One Company Limited (“GHECO1”) entered into the Final Contract Price Adjustment Agreements with the power plant construction company in order to reduce the construction contract price by USD 7.0 million (equivalent to Baht 222.6 million) and Baht 261.4 million, totaling Baht 484 million. Therefore, GHECO1 reduced the amount of property, plant and equipment and accounts payable - acquisition of fixed assets of Baht 484 million in the consolidated statement of financial position as at December 31, 2015.

5.2 There were non-cash transactions resulting from the remaining amounts to be paid to non-controller as a result of the capital reduction of HHTC and HHPC totaling Baht 31.4 million as at December 31, 2016 and HHPC of Baht 14.4 million as at December 31, 2015, which were recorded as payable to shareholders in the consolidated financial statements (see Note 11).

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	1,119,794	1,231,076	65,000	55,000
Bank deposits in current accounts	5,763,008	7,407,011	709,907	907,827
Bank deposits in savings accounts	7,095,108,587	8,694,075,783	2,333,391,806	3,651,894,508
Deposit receipts	150,000,000	-	50,000,000	-
	<u>7,251,991,389</u>	<u>8,702,713,870</u>	<u>2,384,166,713</u>	<u>3,652,857,335</u>

As at December 31, 2016 and 2015, most of bank accounts of GHECO-One Company Limited, Glow IPP Company Limited and Houay Ho Power Company Limited totaling Baht 4,104.1 million and Baht 3,762.6 million, respectively, are pledged as collateral to secure credit facilities obtained from financial institutions. However, the pledged accounts can be withdrawn in accordance with the objective and conditions stipulated in the loan agreements for use as working capital required in the normal course of their business. Glow IPP Company Limited is currently in the process of releasing the collateral as its loans were fully prepaid on December 15, 2016 (see Note 19).

7. TEMPORARY INVESTMENTS

As at December 31, 2016 and 2015, deposits in savings accounts of Glow IPP Company Limited of Baht 377.7 million and Baht 683.9 million, respectively, are pledged as collateral to secure credit facilities obtained from financial institutions and are restricted for repayment of current portion of long-term borrowings and payment of major maintenance. However, Glow IPP Company Limited is currently in the process of releasing the collateral as its loans were fully prepaid on December 15, 2016 (see Note 19).

8. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, consist of:

		<u>Consolidated</u>		<u>The Separate</u>	
	<u>Notes</u>	<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables, other companies		7,258,534,517	8,354,106,081	2,234,869,480	2,549,297,797
<u>Less</u> Provision for contract discount		<u>(73,520,729)</u>	<u>(76,488,224)</u>	<u>(73,520,729)</u>	<u>(76,488,224)</u>
Net		7,185,013,788	8,277,617,857	2,161,348,751	2,472,809,573
Trade receivables from related parties	25	-	-	285,171,877	469,090,418
Total trade receivables		7,185,013,788	8,277,617,857	2,446,520,628	2,941,899,991
Current portion of finance lease receivable	10	508,226,584	692,120,992	-	-
Unearned interest from finance lease	10	(99,200,815)	(23,801,034)	-	-
Other receivables		33,859,510	905,754	567,877	400,991
Advance to related parties	25	749,950	3,196,746	750,815	250,316
Interest receivables from related parties	25	-	-	23,038,506	24,219,838
Interest receivables		665,891	173,917	92,623	1,316
Prepaid expenses		208,609,339	112,796,212	47,963,093	21,730,132
Advance payment		429,190,032	638,850,953	49,789,689	47,817,973
		<u>8,267,114,279</u>	<u>9,701,861,397</u>	<u>2,568,723,231</u>	<u>3,036,320,557</u>

Trade receivables as at December 31, are classified by aging as follows:

		<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables, other companies					
Current		7,177,344,876	8,263,387,240	2,208,318,513	2,499,434,732
Past due					
Less than 3 months		14,136,355	42,249,492	3,606,445	42,084,589
3 - 6 months		6,577,612	4,759,541	3,159,721	4,759,541
6 - 12 months		7,459,093	3,018,935	7,459,093	3,018,935
More than 12 months		53,016,581 ⁽¹⁾	40,690,873 ⁽¹⁾	12,325,708	-
		<u>7,258,534,517</u>	<u>8,354,106,081</u>	<u>2,234,869,480</u>	<u>2,549,297,797</u>
<u>Less</u> Provision for contract discount		<u>(73,520,729)</u>	<u>(76,488,224)</u>	<u>(73,520,729)</u>	<u>(76,488,224)</u>
		7,185,013,788	8,277,617,857	2,161,348,751	2,472,809,573
Trade receivables from related parties					
Current		-	-	285,171,877	469,090,418
Total trade receivables		<u>7,185,013,788</u>	<u>8,277,617,857</u>	<u>2,446,520,628</u>	<u>2,941,899,991</u>

- (1) The above trade receivables outstanding more than 12 months, presented in the consolidated financial statements, is due from Electricity Generating Authority of Thailand ("EGAT") of Baht 40.6 million which Glow IPP Company Limited has received a letter from the Arbitral Tribunal for winning the arbitration case. However, up to the date of the financial statements, EGAT has not paid the amount and brought this case to the Central Administrative Court. At present, the case is being in consideration by the Central Administrative Court.

9. INVENTORIES

Inventories as at December 31, consist of:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Raw material - coal	1,071,692,614	1,024,255,822	-	-
Raw material - oil	174,178,620	211,986,615	-	-
Spare parts and supplies for machines	4,281,067,610	3,544,822,281	909,183,874	759,652,181
Total	5,526,938,844	4,781,064,718	909,183,874	759,652,181
<u>Less</u> Provision for obsolescence	(54,032,301)	(54,032,301)	(7,000,000)	(7,000,000)
Total inventories	<u>5,472,906,543</u>	<u>4,727,032,417</u>	<u>902,183,874</u>	<u>752,652,181</u>

10. FINANCE LEASE RECEIVABLE

The present value of minimum lease payment of receivable under Thai Financial Reporting Standard Interpretation No.4 (“TFRIC 4”) as at December 31, are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Not later than one year	976,314,493	1,333,684,610	-	-
Later than one year and not later than five years	3,105,016,816	3,449,841,508	-	-
Later than five years	3,089,769,380	3,820,459,996	-	-
	7,171,100,689	8,603,986,114	-	-
<u>Less</u> Deferred interest receivable	(3,266,949,753)	(3,932,314,405)	-	-
Present value of minimum lease payment of receivable	3,904,150,936	4,671,671,709	-	-
<u>Less</u> Current portion of finance lease receivable	(508,226,584)	(692,120,992)	-	-
<u>Less</u> Unearned interest from finance lease ⁽¹⁾	99,200,815	23,801,034	-	-
	<u>3,495,125,167</u>	<u>4,003,351,751</u>	<u>-</u>	<u>-</u>

(1) Supplementary disclosure for accrued (unearned) interest from finance lease as at December 31, consists of:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accrued (unearned) interest from finance lease brought forward	(23,801,034)	27,944,292	-	-
<u>Add</u> Interest earned from finance lease	665,364,652	793,514,640	-	-
<u>Less</u> Contract billings only part of interest income	(740,764,433)	(845,259,966)	-	-
Unearned interest from finance lease carried forward	<u>(99,200,815)</u>	<u>(23,801,034)</u>	<u>-</u>	<u>-</u>

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements which use the cost method as at December 31, are as follows:

<u>Company's name</u>	<u>Paid-up share capital</u>	<u>Portion of investment (%)</u>	<u>Unit : Baht</u>	
			<u>2016</u>	<u>2015</u>
Glow Company Limited	4,401,668,111	100	7,114,824,414	7,114,824,414
Glow SPP 2 Company Limited	4,941,534,880	100	4,941,534,824	4,941,534,824
Glow SPP 3 Company Limited	7,373,389,550	100	7,379,374,525	7,379,374,525
Glow IPP 2 Holding Company Limited	7,565,000,000	100	7,565,000,000	7,565,000,000
Glow SPP 11 Company Limited	1,520,000,000	100	2,154,462,500	2,154,462,500
Total			<u>29,155,196,263</u>	<u>29,155,196,263</u>

Capital reduction of subsidiaries

On February 1, 2016, the Extraordinary General Meeting of Shareholders of Houay Ho Thai Company Limited ("HHTC") passed a resolution to reduce the registered capital of Baht 105.5 million from Baht 527.7 million to Baht 422.2 million through the reduction of the par value of the shares from Baht 10 per share to Baht 8 per share. HHTC registered the capital reduction with the Department of Business Development on March 4, 2016. On March 29, 2016, the capital reduction amounting to Baht 72.0 million was paid to its shareholders. The remaining amount to be paid to non-controller of Baht 17.1 million was recorded as payable to a shareholder in the consolidated financial statements.

On March 9, 2015, the Annual General Meeting of Shareholders of Houay Ho Power Company Limited ("HHPC") passed a resolution to reduce the registered capital from USD 50 million to USD 40 million through the reduction of the par value from USD 100 to USD 80. The capital reduction was approved by the Investment Promotion Department of the Lao People's Democratic Republic on December 10, 2015. The capital reduction amounting to USD 8 million was paid to its shareholders on December 18, 2015. The remaining amount to be paid to non-controller of USD 0.4 million (equivalents to Baht 14.4 million) was recorded as payable to a shareholder in the consolidated financial statements.

Dividends payment of subsidiaries

Interim dividends payment

The Board of Directors' meetings of the subsidiaries passed resolutions to distribute interim dividends for the year 2016 as follows:

<u>Company's name</u>	<u>BODs' meeting date</u>	<u>Baht per share</u>	<u>Amount (Million Baht)</u>	<u>Dividend payment date</u>
GHECO-One Company Limited	May 10, 2016	1.601	1,861.0	June 10, 2016
Glow Company Limited	August 10, 2016	0.568	250.0	September 8, 2016
Glow SPP 1 Company Limited	August 10, 2016	1.163	250.0	September 7, 2016
Glow SPP 2 Company Limited	August 10, 2016	0.405	200.1	September 7, 2016
Glow SPP 3 Company Limited	August 10, 2016	0.949	699.7	September 7, 2016
Glow SPP 11 Company Limited	August 10, 2016	1.974	300.0	September 7, 2016
Glow IPP Company Limited	August 10, 2016	0.351	100.0	September 7, 2016
Glow IPP 2 Holding Company Limited	August 10, 2016	16.946	1,282.0	September 6, 2016

Annual dividends payment

On April 26, 2016, the Annual General Meeting of Shareholders of the subsidiaries passed a resolution to distribute annual dividend for the year 2015. The dividends consist of interim dividends which were already paid following the resolutions of the Board of Directors' meeting and the remaining dividends payment as follows:

Company's name	BODs' / Shareholders' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
GHECO-One Company Limited	May 11, 2015	0.906	1,053.1	June 19, 2015
GHECO-One Company Limited	November 10, 2015	1.598	1,857.5	December 17, 2015
Glow Company Limited	August 10, 2015	0.503	221.4	September 17, 2015
Glow Company Limited	August 10, 2015	0.142	62.5	October 2, 2015
Glow Company Limited	April 26, 2016*	1.627	716.2	April 29, 2016
Glow SPP 1 Company Limited	August 10, 2015	1.162	249.8	September 17, 2015
Glow SPP 1 Company Limited	April 26, 2016*	0.693	149.0	April 28, 2016
Glow SPP 2 Company Limited	April 26, 2016*	0.096	47.4	April 28, 2016
Glow SPP 3 Company Limited	August 10, 2015	1.220	899.6	September 17, 2015
Glow SPP 3 Company Limited	April 26, 2016*	0.597	440.2	April 28, 2016
Glow SPP 11 Company Limited	April 26, 2016*	2.622	398.5	April 28, 2016
Glow IPP Company Limited	April 26, 2016*	1.228	350.0	April 28, 2016
Glow IPP 2 Holding Company Limited	April 26, 2016*	15.545	1,176.0	April 29, 2016
Houay Ho Thai Company Limited	September 28, 2015	0.690	36.4	October 2, 2015

* Shareholders' meeting date

Company's name	BODs' meeting date	Amount (Million USD)	Dividend payment date
Houay Ho Power Company Limited	August 10, 2015	4.0	September 25, 2015

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Investments in associates and joint venture as at December 31, are as follows:

Company's name	Paid-up share capital	Portion of investment (%)	Unit : Baht			
			2016 Cost method	2016 Equity method	2015 Cost method	2015 Equity method
Investment in an associate						
Eastern Seaboard Clean Energy Company Limited ("ESCE")	38,310,005	33.33	12,770,002	11,053,419	-	-
Investment in a joint venture						
Glow Hemaraj Wind Company Limited ("GHW")	2,500,000	49.01	-	-	1,224,998	531,548
Total			<u>12,770,002</u>	<u>11,053,419</u>	<u>1,224,998</u>	<u>531,548</u>

Restructuring of investments in Glow Group

On September 5, 2016, Glow Company limited sold its shares of GHW to ESCE in the amount of Baht 1.2 million. Gain on sale of investment of Baht 0.2 million was recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016.

On August 26, 2016, GIPP3 sold all shares of Rayong Clean Energy Company Limited ("RCE") to ESCE in the amount of Baht 5 million. RCE, previously 100% owned by GIPP3, was registered as a limited company in Thailand on June 23, 2016 with Baht 20 million registered share capital and Baht 5 million paid-up share capital.

As a result of above transactions, GHW and RCE became subsidiaries of ESCE and indirect associate of the Company.

Unit : Baht

The Separate financial statements								
	Land	Power and water plants	Building and leasehold improvement	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
Cost								
January 1, 2015	81,250,000	39,194,290,453	330,932,167	238,794,853	89,737,200	23,609,400	59,518,685	40,018,132,758
Purchases	-	-	-	10,332,218	432,305	-	177,880,505	188,645,028
Transfer to spare parts	-	(1,342,645)	-	-	-	-	-	(1,342,645)
Transfer in (out)	-	191,548,435	-	-	-	-	(191,548,435)	-
Disposals	-	-	-	(95,000)	(822,542)	(11,464,000)	-	(12,381,542)
December 31, 2015	81,250,000	39,384,496,243	330,932,167	249,032,071	89,346,963	12,145,400	45,850,755	40,193,053,599
Purchases	-	-	-	10,780,949	1,593,825	-	305,419,041	317,793,815
Transfer in (out)	-	285,423,939	-	-	-	-	(285,423,939)	-
Disposals	-	(44,399,894)	-	(771,800)	(156,649)	(4,344,000)	-	(49,672,343)
December 31, 2016	81,250,000	39,625,520,288	330,932,167	259,041,220	90,784,139	7,801,400	65,845,857	40,461,175,071
Accumulated depreciation								
January 1, 2015	-	11,581,131,819	87,452,055	232,320,262	79,419,758	19,022,720	-	11,999,346,614
Depreciation for the year	-	1,493,777,098	16,707,213	4,460,700	4,624,240	2,014,919	-	1,521,584,170
Depreciation - disposals	-	-	-	(94,990)	(376,587)	(11,463,989)	-	(11,935,566)
December 31, 2015	-	13,074,908,917	104,159,268	236,685,972	83,667,411	9,573,650	-	13,508,995,218
Depreciation for the year	-	1,478,917,540	16,707,213	5,255,807	2,886,300	1,503,160	-	1,505,270,020
Depreciation - disposals	-	(25,896,202)	-	(771,793)	(156,623)	(4,343,999)	-	(31,168,617)
December 31, 2016	-	14,527,930,255	120,866,481	241,169,986	86,397,088	6,732,811	-	14,983,096,621
Net book value								
December 31, 2015	81,250,000	26,309,587,326	226,772,899	12,346,099	5,679,552	2,571,750	45,850,755	26,684,058,381
December 31, 2016	81,250,000	25,097,590,033	210,065,686	17,871,234	4,387,051	1,068,589	65,845,857	25,478,078,450
Depreciation for the years ended December 31,								
2015								1,521,584,170
2016								1,505,270,020

- (1) During 2015, GHECO-One Company Limited adjusted to reduce the amount of power plant of Baht 484 million according to the Final Contract Price Adjustment Agreements (see Note 5).
- (2) On February 1, 2015, Glow SPP 11 Company Limited handed over and transferred the ownership of gas pipeline having net book value of Baht 21.8 million to PTT Public Company Limited to comply with the gas supply agreement dated March 23, 2010 and recorded such amount as deferred right to use gas pipeline (see Note 14).
- (3) On December 6, 2016, Glow SPP 3 Company Limited transferred the ownership of the dedicated berth having net book value of Baht 198.8 million to IEAT following the condition as stipulated in the joint operation agreement (see Note 32.1.6.2).

As at December 31, 2016 and 2015, costs of power plant and equipment in the consolidated financial statements that were fully depreciated but still in use were Baht 3,021.7 million and Baht 2,955.8 million, respectively.

As at December 31, 2016 and 2015, costs of power plant and equipment in the separate financial statements that were fully depreciated but still in use were Baht 611.4 million and Baht 563.9 million, respectively.

All of the land, construction, machinery and equipment of the power plants of Glow IPP Company Limited, Houay Ho Power Company Limited and GHECO-One Company Limited have been mortgaged and pledged to secure their credit facilities obtained from financial institutions. Glow IPP Company Limited is currently in the process of releasing the collateral as its loans were fully prepaid on December 15, 2016 (see Note 19).

Glow SPP 11 Company Limited is obliged under the raw water supply agreement dated December 17, 1998 to transfer its raw water pipeline to raw water supplier after 15 years from the pipeline construction completion date. The transfer date is agreed to be within October 1, 2020. As at December 31, 2016, net book value of the raw water pipeline is Baht 40.1 million.

Glow IPP Company Limited is obliged to transfer its gas pipeline to PTT according to the conditions as stipulated in the gas supply agreement (see Note 32.1.3). As at December 31, 2016, net book value of the gas pipeline is Baht 89.1 million.

As at December 31, motor vehicles under finance lease agreements included above which the Company and its subsidiaries are lessee are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	18,789,280	31,808,980	2,310,000	5,703,300
<u>Less</u> Accumulated depreciation	<u>(14,624,418)</u>	<u>(19,583,181)</u>	<u>(1,694,550)</u>	<u>(3,496,595)</u>
Net book value	<u>4,164,862</u>	<u>12,225,799</u>	<u>615,450</u>	<u>2,206,705</u>

14. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of:

	Notes	Unit : Baht			
		<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred right to use grid system	14.1	259,493,270	259,493,270	-	-
<u>Less</u> Accumulated amortization		<u>(193,986,370)</u>	<u>(183,048,603)</u>	<u>-</u>	<u>-</u>
		<u>65,506,900</u>	<u>76,444,667</u>	<u>-</u>	<u>-</u>
Deferred right to use transmission line	14.2	301,310,983	301,310,983	55,000,000	55,000,000
<u>Less</u> Accumulated amortization		<u>(115,403,512)</u>	<u>(105,001,090)</u>	<u>(11,497,481)</u>	<u>(9,293,145)</u>
		<u>185,907,471</u>	<u>196,309,893</u>	<u>43,502,519</u>	<u>45,706,855</u>
Deferred land leasehold right	14.3	321,517,042	321,517,042	37,260,553	37,260,553
<u>Less</u> Accumulated amortization		<u>(146,765,118)</u>	<u>(134,661,486)</u>	<u>(11,225,236)</u>	<u>(9,980,724)</u>
		<u>174,751,924</u>	<u>186,855,556</u>	<u>26,035,317</u>	<u>27,279,829</u>
Deferred right to use pipe rack	14.4	107,146,137	107,146,137	200,898,372	200,898,372
<u>Less</u> Accumulated amortization		<u>(90,645,604)</u>	<u>(79,870,130)</u>	<u>(112,898,827)</u>	<u>(97,511,226)</u>
		<u>16,500,533</u>	<u>27,276,007</u>	<u>87,999,545</u>	<u>103,387,146</u>
Deferred right of way	14.5	310,449,231	310,449,231	3,838,775	3,838,775
<u>Less</u> Accumulated amortization		<u>(184,445,133)</u>	<u>(169,047,541)</u>	<u>(2,952,205)</u>	<u>(2,768,306)</u>
		<u>126,004,098</u>	<u>141,401,690</u>	<u>886,570</u>	<u>1,070,469</u>
Deferred right to use gas pipeline	14.6	90,411,142	90,411,142	-	-
<u>Less</u> Accumulated amortization		<u>(42,226,775)</u>	<u>(38,272,204)</u>	<u>-</u>	<u>-</u>
		<u>48,184,367</u>	<u>52,138,938</u>	<u>-</u>	<u>-</u>
Deferred right to use dedicated berth	14.7	198,806,808	-	-	-
<u>Less</u> Accumulated amortization		<u>(995,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>197,810,981</u>	<u>-</u>	<u>-</u>	<u>-</u>
Computer software		231,291,475	229,624,111	7,501,282	7,501,282
<u>Less</u> Accumulated amortization		<u>(150,381,335)</u>	<u>(133,717,014)</u>	<u>(6,807,682)</u>	<u>(6,683,127)</u>
		<u>80,910,140</u>	<u>95,907,097</u>	<u>693,600</u>	<u>818,155</u>
Total intangible assets		<u>895,576,414</u>	<u>776,333,848</u>	<u>159,117,551</u>	<u>178,262,454</u>
Amortization for the years ended December 31,		<u>81,231,606</u>	<u>79,246,318</u>	<u>19,144,903</u>	<u>19,065,800</u>

- 14.1 Deferred right to use grid system represents right to use grid system of Glow SPP 2 Company Limited (“GSPP2”) and Glow SPP 3 Company Limited (“GSPP3”), whereby on September 27, 2000, both subsidiaries handed over and transferred the ownership of certain parts of the grid system to Electricity Generating Authority of Thailand (“EGAT”) to comply with the power purchase agreement, under the regulation of purchasing electricity from small power producers.
- 14.2 Deferred right to use transmission line mainly represents the costs paid by Glow IPP Company Limited (“GIPP”) for construction of transmission line in order to comply with the power purchase agreement, under the regulation of purchasing electricity from independent power producers. According to the condition in such agreement, the ownership of the transmission line belongs to EGAT and GIPP has the right to use the transmission line over the period of the power purchase agreement of 25 years.
- 14.3 Deferred land leasehold right represents fees paid by the Company, GSPP2, GSPP3 and GHECO1 in relation to the leasehold right of land under the land lease agreements made with Industrial Estate Authority of Thailand (“IEAT”).
- 14.4 Deferred right to use pipe rack mainly represents the fee paid by the Company for the right to lay the Company’s pipelines within Asia Industrial Estate under the Piperack Agreement dated August 31, 2009 and the fee paid for the right to lay the Company’s pipelines in GSPP3’s area under the Piperack Agreement dated September 1, 2012 and Amendment dated December 11, 2012.
- 14.5 Deferred right of way of Baht 300 million represents the right under the Memorandum of Understanding dated May 13, 1998 and Amendment dated May 11, 2005 of Glow SPP 11 Company Limited (“GSPP11”) to use easement and right of way within the Siam Eastern Industrial Park (“SEIP”) for the construction, operation and maintenance of gas pipeline and network for the distribution of electricity, steam and other services over the period GSPP11 own land in SEIP.
- 14.6 Deferred right to use gas pipeline represents the costs of gas pipeline and all related facilities that was transferred to PTT Public Company Limited by GSPP2 and GSPP11 in exchange for the right to use such assets throughout the term of the gas supply agreements.
- 14.7 Deferred right to use dedicated berth represents the costs of the dedicated berth that was transferred to IEAT by GSPP3 according to the condition as stipulated in the joint operation agreement and GSPP3 has the right to use the dedicated berth over the remaining term of the agreement for the period of 14 years (see Note 32.1.6.2).

15. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consist of:

	<u>Notes</u>	<u>Consolidated</u>		<u>Unit : Baht</u>	
		<u>financial statements</u>		<u>The Separate</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred repair and maintenance expense	15.1	6,591,045,396	6,455,889,604	-	-
<u>Less</u> Accumulated amortization		<u>(4,473,746,853)</u>	<u>(4,316,946,183)</u>	-	-
		<u>2,117,298,543</u>	<u>2,138,943,421</u>	-	-
Advance for long term service agreement	15.2	123,740,135	123,740,135	123,740,135	123,740,135
<u>Less</u> Accumulated amortization		<u>(123,740,135)</u>	<u>(58,219,583)</u>	<u>(123,740,135)</u>	<u>(58,219,583)</u>
		-	65,520,552	-	65,520,552
Deferred financial service fee		5,600,000	5,600,000	117,989	117,989
<u>Less</u> Accumulated amortization		<u>(3,607,820)</u>	<u>(3,335,055)</u>	<u>(111,028)</u>	<u>(102,634)</u>
		1,992,180	2,264,945	6,961	15,355
Deferred expenses - others		6,701,772	6,701,772	57,640,259	57,640,259
<u>Less</u> Accumulated amortization		<u>(4,162,687)</u>	<u>(3,600,494)</u>	<u>(11,203,000)</u>	<u>(9,001,535)</u>
		2,539,085	3,101,278	46,437,259	48,638,724
Corporate income tax refundable	15.3	627,903,105	627,903,105	-	-
Advance payment for shares purchase	32.1.13	-	15,000,000	-	15,000,000
Refundable deposits		33,284,954	32,517,056	7,432,146	7,247,363
Others		29,294,764	37,979,119	211,024	597,773
Total other non-current assets		<u>2,812,312,631</u>	<u>2,923,229,476</u>	<u>54,087,390</u>	<u>137,019,767</u>
Amortization for the years ended December 31,		<u>223,242,413</u>	<u>182,646,747</u>	<u>67,730,411</u>	<u>15,940,182</u>

15.1 Deferred repair and maintenance expense represents the cost of major overhaul of Glow IPP Company Limited's power plant.

15.2 Advance for Long Term Service Agreement ("LTSA") represents advance payment made under the LTSA as described in Note 32.1.9.5.

15.3 In 2012, Rayong Area Revenue Office raised the tax issue in GHECO-One Company Limited ("GHECO1")'s corporate income tax payment of the years 2008 - 2011 regarding the exchange gains/losses arising during the power plant construction period, GHECO1 prepared the consultation letter for such tax issues and, subsequently in the year 2013, GHECO1 was informed by the Revenue Department that during the construction period, exchange gains must be treated as income and subject to the corporate income tax whereas exchange losses shall be capitalized as the cost of asset.

GHECO1's opinion was different from the Revenue Department's opinion. However, GHECO1 decided to pay the corporate income tax and surcharge amounting to Baht 627.9 million in order to stop an additional surcharge that it may arise before the settlement process being end. GHECO1 requested to refund the corporate income tax and surcharge for the whole amount due to GHECO1 disagreed with the Revenue Department's opinion.

Subsequently, GHECO1 was informed by the Fifth Regional Office of the Revenue Department rejecting to refund the corporate income tax. In the years 2013 and 2014, GHECO1 filed the 2 lawsuits against the Central Tax Court for the corporate income tax refund years 2008 - 2009 and 2010 and the Central Tax Court rendered the judgement on the corporate income tax refund claims as below.

- For the corporate income tax years 2008 and 2009, the Central Tax Court rendered judgment for the aforementioned on September 30, 2014 with total tax and surcharge dispute amount of Baht 129.56 million by dismiss the plaint on the ground that GHECO1 had already filed an administrative appeal pursuant to Administrative Procedure Act B.E. 2539 and that, on the submission date of the plaint, the 90-day period granted to the governmental body to render the administrative appeal decision had not yet been expired. As such, there has not yet been a dispute arising to entitle GHECO1 to submit the plaint. Subsequently, GHECO1 resubmitted the lawsuit to the Central Tax Court on May 26, 2016 and the Central Tax Court ordered the plaintiffs and defendants to attend a hearing of witnesses during March 7 - 10, 2017.
- For the corporate income tax year 2010, the Central Tax Court rendered judgment for the aforementioned on October 12, 2015. The verdict asked the Revenue Department to refund the corporate income tax and surcharges totaling Baht 466.19 million with interest. On March 8, 2016, the Revenue Department submitted the tax appeal against the verdict of Central Tax Court. On June 10, 2016, the Central Tax Court submitted all docket to the Supreme Court. This case is currently being in judicial processes.

For the corporate income tax year 2011, GHECO1 filed the lawsuit against the Central Tax Court for the corporate income tax refund on July 22, 2016 with total tax and surcharge dispute amount of Baht 32.15 million and the Central Tax Court ordered the plaintiffs and defendants to attend a hearing of witnesses during May 23 - 26, 2017.

16. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consist of:

	<u>Notes</u>	Unit : Baht			
		<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables, other companies		2,811,222,303	3,133,832,180	995,280,150	1,288,494,024
Trade payables to related parties	25	-	-	347,486,432	217,837,897
Advance from related parties	25	40,517,385	33,096,920	53,338,450	74,728,933
Advance received		208,187,793	145,984,417	162,534,234	60,862,817
Accounts payable - acquisition of fixed assets	5.1	175,022,467	323,902,820	72,809,731	21,772,461
Other payables		245,705,754	176,593,152	81,668,779	65,081,646
Accrued interest expense		472,234,577	495,947,460	259,590,926	310,576,947
Interest payables to related parties	25	-	-	12,578,357	15,069,060
Accrued expenses		806,443,061	1,192,026,514	210,662,261	316,364,617
Unearned income from a related party	25	-	-	57,055	52,255
		<u>4,759,333,340</u>	<u>5,501,383,463</u>	<u>2,196,006,375</u>	<u>2,370,840,657</u>

17. FINANCE LEASE PAYABLES

The Company and its subsidiaries entered into finance lease agreements for motor vehicles, which the balances of minimum lease payments and present value of minimum lease payments as at December 31, are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Not later than one year	4,541,385	9,039,054	685,900	1,809,807
Later than one year and not later than five years	-	4,541,632	-	686,144
Total minimum lease payments	4,541,385	13,580,686	685,900	2,495,951
<u>Less</u> Deferred interest expense	(52,111)	(552,184)	(13,500)	(102,190)
Present value of minimum lease payments	<u>4,489,274</u>	<u>13,028,502</u>	<u>672,400</u>	<u>2,393,761</u>
Present value of minimum lease payments				
- Current portion of finance lease payables	4,489,274	8,538,981	672,400	1,721,116
- Finance lease payables	-	4,489,521	-	672,645
	<u>4,489,274</u>	<u>13,028,502</u>	<u>672,400</u>	<u>2,393,761</u>

18. SHORT-TERM BORROWINGS

This represents short-term borrowings of GHECO-One Company Limited (“GHECO1”) obtained from a shareholder under the Equity Subscription and Retention Agreement dated October 9, 2008. The borrowings carry interest at MLR per annum and are repayable at call. Subsequently, GHECO1 entered to the Novation Agreement dated May 30, 2016 to novate the rights to a new shareholder, which is a result of changing of shareholder.

19. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions of the Company and its subsidiaries as at December 31, consist of:

	<u>Interest rate</u>	<u>Repayment date of principal</u>	<u>Currency</u>	<u>Facility</u>	<u>USD</u>	<u>2016</u>		<u>2015</u>	
						<u>Baht</u>	<u>USD</u>	<u>Baht</u>	
<u>The Company</u>									
1) Loan under Facility Agreement dated February 23, 2012	A certain percentage p.a.	November 1, 2016 and November 1, 2017	Baht	2,500,000,000	-	1,000,000,000	-	2,500,000,000	
2) Loan under Facility Agreement dated June 28, 2011	LIBOR + a certain percentage p.a.	December 15, 2014 and December 15, 2016	USD	99,465,000	-	-	33,340,000	1,208,701,692	
3) Loan under Facility Agreement dated January 31, 2011	LIBOR + a certain percentage p.a.	February 8, 2016	USD	46,357,616	-	-	46,357,616	1,680,639,735	
4) Loan under Facility Agreement dated December 24, 2010	THBFIX + a certain percentage p.a.	February 8, 2016	Baht	1,600,000,000	-	-	-	1,600,000,000	
Total long-term borrowings from financial institutions in the separate financial statements						1,000,000,000		6,989,341,427	
<u>Less</u> Deferred financing fee						(3,793,532)		(9,436,718)	
						996,206,468		6,979,904,709	
<u>Less</u> Current portion of long-term borrowings from financial institutions in the separate financial statements						(996,206,468)		(5,988,250,480)	
						-		991,654,229	
Amortization of deferred financing fee in the separate financial statements for the years ended December 31,							5,643,186		11,717,916

	<u>Interest rate</u>	<u>Repayment date of principal</u>	<u>Currency</u>	<u>Facility</u>	<u>2016</u>		<u>2015</u>	
					<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>
<u>Subsidiaries</u>								
<u>GHECO-One Company Limited</u>								
5) Loan under Facility Agreement dated October 9, 2008								
- Baht loan	THBFIX + a certain percentage p.a.	October 31, 2012 - October 31, 2028	Baht	9,960,000,000	-	5,933,189,250	-	6,663,298,950
- USD loan	LIBOR + a certain percentage p.a.	October 31, 2012 - October 31, 2028	USD	460,000,000	288,920,520	10,401,861,022	324,473,688	11,763,404,190
<u>Glow IPP Company Limited</u>								
6) Loan from overseas commercial banks	LIBOR + a certain percentage p.a.	June 15, 2006 - June 15, 2018	USD	217,666,655	-	-	47,560,164	1,724,236,675
<u>Houay Ho Power Company Limited</u>								
7) Loan under Credit Facility Agreement dated January 15, 2015	LIBOR + a certain percentage p.a.	June 15, 2015 - December 15, 2023	USD	82,000,000	66,089,891	2,368,043,747	73,543,820	2,654,089,843
Total long-term borrowings from financial institutions of subsidiaries						18,703,094,019		22,805,029,658
<u>Less</u> Deferred financing fee						(268,251,292)		(295,065,095)
						<u>18,434,842,727</u>		<u>22,509,964,563</u>
Total long-term borrowings from financial institutions in the consolidated financial statements						19,431,049,195		29,489,869,272
<u>Less</u> Current portion of long-term borrowings from financial institutions in the consolidated financial statements						(3,167,424,166)		(8,865,438,296)
						<u>16,263,625,029</u>		<u>20,624,430,976</u>
Amortization of deferred financing fee in the consolidated financial statements for the years ended December 31,							31,828,036	37,538,705

The Company's borrowings

All borrowings of the Company are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited. The Facility Agreements stipulate certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio.

All the USD loans of the Company were swapped into Baht loans under the Cross Currency Interest Rate Swap Agreements. During 2016, all USD loans were paid on the repayment date.

The subsidiaries' borrowings

GHECO-One Company Limited ("GHECO1")

All borrowings and working capital facility agreements of GHECO1 are secured by the mortgage of all of the construction and pledge of machinery, most of bank accounts and all shares of GHECO1 and the assignment of all rights and obligations under various agreements relating to the power plant project.

In addition, the repayment of USD term loan facility and Thai Baht term loan facility according to the Debt Service Reserve Account are guaranteed and undertaken by the Company, of which the guarantee facility amount shall not exceed 65 percent of the borrowings on the repayment date.

The Facility Agreement contains normal covenants related to various matters, such as the maintenance of debt service coverage ratio, the Project Commercial Operation Date and the maintenance of coal stockpile.

GHECO1 entered into interest rate swap agreements for all loans (see Note 30.3).

Glow IPP Company Limited ("GIPP")

All borrowings and working capital facility agreement of GIPP are secured by the mortgage of all of the land and construction and pledge of machinery and equipment (see Note 13), the pledge of most of bank accounts and temporary investments (see Notes 6 and 7) and the assignment of all rights and obligations under various agreements relating to the power plant projects. In addition, the borrowings are secured by the pledge of all shares of GIPP, of which 95 percent are owned by Glow Company Limited and 5 percent by other shareholders.

The loans agreements contain normal covenants related to various matters, such as the maintenance of certain debt to equity ratio, the maintenance of certain debt service coverage ratio, and the power plant project completion period.

In addition, the Company entered into a Dollar Debt Service Reserve Guarantee Agreement date March 1, 2006 with an Offshore Collateral Agent, as agent for the lenders, of GIPP to guarantee and undertake to the agent for the payments of Accrual Scheduled Debt Service when due, of which the guarantee facility amount shall not exceed 50 percent of the amount required for the Relevant Debt Service Reserve Account of GIPP on the repayment date.

On December 15, 2016, GIPP made prepayment of all outstanding USD loan of USD 39.1 million. There was no fee paid to the lenders in respect of the prepayment. In this regard, as at December 31, 2016, GIPP is currently in the process of releasing the collateral.

GIPP entered into interest rate swap agreements for all loans. In consequence of the loan prepayment, GIPP cancelled all interest rate swap agreements and paid the cancellation fee of USD 1.3 million (equivalent to Baht 44.8 million) which was included in finance costs in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016.

Houay Ho Power Company Limited ("HHPC")

All borrowings and working capital facility agreement of HHPC are secured by the mortgage of all of the construction and pledge of machinery, equipment, most of bank accounts, all shares of HHPC owned by Glow Company Limited, Houay Ho Thai Company Limited and EDL Generation Public Company and the assignment of all rights and obligations under various agreements relating to the power plant project.

The Credit Facility Agreement contains normal covenants related to various matters including the maintenance of certain debt service coverage ratio.

HHPC entered into interest rate swap agreements for all loans (see Note 30.3).

20. DEBENTURES

Debentures as at December 31, consist of:

	Unit : Baht	
	<u>Consolidated and the Separate</u>	
	<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>
Debentures No. 1/2559	3,000,000,000	-
<u>Less</u> Deferred debentures issue expenses	(3,892,058)	-
Debentures No. 1/2558	4,000,000,000	4,000,000,000
<u>Less</u> Deferred debentures issue expenses	(6,930,703)	(7,731,409)
Debentures No. 1/2555	1,500,000,000	1,500,000,000
<u>Less</u> Deferred debentures issue expenses	(1,510,914)	(2,319,385)
Debentures No. 1/2554	5,555,000,000	5,555,000,000
<u>Less</u> Deferred debentures issue expenses	(6,355,961)	(7,721,150)
Debentures No. 1/2553	1,000,000,000	1,000,000,000
<u>Less</u> Deferred debentures issue expenses	(67,389)	(341,438)
Debentures No. 2/2553	5,000,000,000	5,000,000,000
<u>Less</u> Deferred debentures issue expenses	(2,089,633)	(3,224,397)
Debentures No. 1/2551	2,500,000,000	2,500,000,000
<u>Less</u> Deferred debentures issue expenses	(1,167,983)	(1,988,487)
Debentures No. 1/2550	2,000,000,000	2,000,000,000
<u>Less</u> Deferred debentures issue expenses	(309,078)	(1,111,367)
	<u>24,532,676,281</u>	<u>21,530,562,367</u>
<u>Less</u> Current portion of debentures	<u>(4,599,304,238)</u>	<u>-</u>
	<u>19,933,372,043</u>	<u>21,530,562,367</u>
Amortization of deferred bond issue expenses for the years ended December 31,	6,265,064	5,753,833

All the above debentures are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited and stipulate certain covenants such as the maintenance of tangible net worth, net debt to equity ratio and debt service coverage ratio.

Debentures No. 1/2559

On May 18, 2016, the Company issued 3,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 3,000 million. The debentures have a 10-year term and will be due for redemption on May 18, 2026. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing November 18, 2016.

Debentures No. 1/2558

On September 3, 2015, the Company issued 4,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 4,000 million. The debentures have a 10-year term and will be due for redemption on September 3, 2025. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing March 3, 2016.

Debentures No. 1/2555

On November 15, 2012, the Company issued 1,500,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 1,500 million. The debentures have a 6-year term and will be due for redemption on November 15, 2018. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing May 15, 2013.

Debentures No. 1/2554

On August 31, 2011, the Company issued 5,555,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 5,555 million. The debentures have a 10-year term and will be due for redemption on August 31, 2021. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing February 29, 2012.

Debentures No. 1/2553 and No. 2/2553

On March 31, 2010, the Company issued 1,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 1,000 million (Debentures No. 1/2553). The debentures have a 7-year term and will be due for redemption on March 31, 2017. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing September 30, 2010.

On April 8, 2010, the Company issued 8,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 8,000 million (Debentures No. 2/2553). The debentures have coupon rates at certain percentages per annum, payable semi-annually commencing October 8, 2010. The terms of the debentures are as follows:

<u>Debentures No. 2/2553</u>	<u>Amount</u> <u>(Thousand Baht)</u>	<u>Redemption date</u>
Series 1	3,000,000	December 8, 2012 (Redeemed)
Series 2	1,600,000	October 8, 2017
Series 3	2,000,000	April 8, 2019
Series 4	1,400,000	October 8, 2019

Debentures No. 1/2551

On June 5, 2008, the Company issued 4,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 4,000 million. These were offered exclusively to institutional and high net-worth investors. The debentures consist of:

- 1,500,000 units of Tranche 1, with 7-year term, due for redemption on June 5, 2015 and bearing coupon rate at a certain percentage per annum, payable semi-annually commencing December 5, 2008 (Redeemed).
- 2,500,000 units of Tranche 2, with 10-year term, due for redemption on June 5, 2018 and bearing coupon rate at a certain percentage per annum, payable semi-annually commencing December 5, 2008.

Debentures No. 1/2550

On May 21, 2007, the Company issued 2,000,000 units of unsubordinated and guaranteed debentures with a debenture holders' representative in the named-registered certificate at the face value of Baht 1,000 each, totaling Baht 2,000 million. These were offered exclusively to institutional and high net-worth investors. The debentures have a 10-year term and will be due for redemption on May 21, 2017. The debentures have a coupon rate at a certain percentage per annum, payable semi-annually commencing November 21, 2007.

21. DEFERRED INCOME TAX/ INCOME TAX EXPENSE

The movements of deferred tax assets and liabilities during the years are as follows:

	Consolidated financial statements				Unit : Baht
	Balance as at January 1, 2016	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2016
		Addition	Utilized		
Deferred tax assets					
Finance lease receivable	230,907,250	85,509,443	-	-	316,416,693
Difference of depreciation	152,018,659	5,675,162	(58,912,440)	-	98,781,381
Provisions	109,743,225	42,408,505	(16,386,031)	(5,132)	135,760,567
Assets under finance lease	6,946,049	-	(248,525)	-	6,697,524
Taxable loss carried forward	10,509,757	-	(10,509,757)	-	-
Total	510,124,940	133,593,110	(86,056,753)	(5,132)	557,656,165
Deferred tax liabilities					
Difference of depreciation	1,125,842,158	118,609,467	-	(86,041) ⁽¹⁾	1,244,365,584
Deferred expenses	26,176,387	743,006	(1,994,497)	-	24,924,896
Total	1,152,018,545	119,352,473	(1,994,497)	(86,041)	1,269,290,480

	Consolidated financial statements				Unit : Baht
	Balance as at January 1, 2015	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2015
		Addition	Utilized		
Deferred tax assets					
Finance lease receivable	112,420,054	118,487,196	-	-	230,907,250
Difference of depreciation	210,451,559	11,381,733	(69,814,633)	-	152,018,659
Provisions	80,892,879	35,099,946	(6,244,868)	(4,732)	109,743,225
Assets under finance lease	7,081,205	-	(135,156)	-	6,946,049
Taxable loss carried forward	10,509,757	-	-	-	10,509,757
Total	421,355,454	164,968,875	(76,194,657)	(4,732)	510,124,940
Deferred tax liabilities					
Difference of depreciation	1,016,957,112	108,685,108	-	199,938 ⁽¹⁾	1,125,842,158
Deferred expenses	27,672,130	1,398,163	(2,893,906)	-	26,176,387
Total	1,044,629,242	110,083,271	(2,893,906)	199,938	1,152,018,545

⁽¹⁾ During 2016 and 2015, there were effects from translation difference of deferred tax liabilities of Baht 86,041 and Baht 199,938, respectively, which were recognized in other comprehensive income (loss).

Unit : Baht

	<u>The Separate financial statements</u>				<u>Balance as at December 31, 2016</u>
	<u>Balance as at January 1, 2016</u>	<u>Transactions recognized in profit and loss</u>		<u>Transactions recognized in other</u>	
		<u>Addition</u>	<u>Utilized</u>	<u>comprehensive income (loss)</u>	
Deferred tax assets					
Provisions	21,711,050	30,109,246	(1,380,572)	(5,132)	50,434,592
Total	<u>21,711,050</u>	<u>30,109,246</u>	<u>(1,380,572)</u>	<u>(5,132)</u>	<u>50,434,592</u>
Deferred tax liabilities					
Difference of depreciation	355,217,512	21,529,199	-	-	376,746,711
Deferred expenses	5,927,412	743,006	(1,994,497)	-	4,675,921
Total	<u>361,144,924</u>	<u>22,272,205</u>	<u>(1,994,497)</u>	<u>-</u>	<u>381,422,632</u>

Unit : Baht

	<u>The Separate financial statements</u>				<u>Balance as at December 31, 2015</u>
	<u>Balance as at January 1, 2015</u>	<u>Transactions recognized in profit and loss</u>		<u>Transactions recognized in other</u>	
		<u>Addition</u>	<u>Utilized</u>	<u>comprehensive income (loss)</u>	
Deferred tax assets					
Provisions	17,502,998	4,446,622	(233,838)	(4,732)	21,711,050
Total	<u>17,502,998</u>	<u>4,446,622</u>	<u>(233,838)</u>	<u>(4,732)</u>	<u>21,711,050</u>
Deferred tax liabilities					
Difference of depreciation	334,597,196	21,744,622	(1,124,306)	-	355,217,512
Deferred expenses	7,423,154	1,398,164	(2,893,906)	-	5,927,412
Total	<u>342,020,350</u>	<u>23,142,786</u>	<u>(4,018,212)</u>	<u>-</u>	<u>361,144,924</u>

Reconciliations of income tax expense for the years ended December 31, are as follows:

	Unit : Baht	
	<u>Consolidated financial statements</u>	
	<u>2016</u>	<u>2015</u>
Accounting profit before income tax	11,044,357,092	10,768,117,710
Permanent differences	(94,505,109)	166,424,142
Temporary differences	(43,457,344)	55,052,308
Utilization of taxable loss carried forward	(182,920,212)	(199,586,700)
Income that is exempt from taxation	<u>(6,140,452,550)</u>	<u>(5,419,773,160)</u>
Taxable profit	<u>4,583,021,877</u>	<u>5,370,234,300</u>
Tax currently payable		
- Local tax rate (20%)	865,129,200	1,046,554,769
- Overseas tax rate (15%)	38,606,382	20,619,067
Tax effects of :		
Temporary differences		
Finance lease receivable	(85,509,443)	(118,487,196)
Difference of depreciation	171,846,745	167,118,008
Provisions	(26,022,474)	(28,855,078)
Assets under finance lease	248,525	135,156
Taxable loss carried forward	10,509,757	-
Deferred expenses	<u>(1,251,491)</u>	<u>(1,495,743)</u>
	69,821,619	18,415,147
Adjustment of prior year income tax	<u>8,106,915</u>	<u>7,883,952</u>
Income tax expense	<u>981,664,116</u>	<u>1,093,472,935</u>
Effective tax rate	8.9%	10.2%

	Unit : Baht	
	<u>The Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>
Accounting profit before income tax	9,407,334,050	6,606,980,515
Permanent differences	(5,496,399,263)	(3,082,076,201)
Temporary differences	117,511,879	18,653,197
Income that is exempt from taxation	<u>(2,607,909,744)</u>	<u>(2,118,304,332)</u>
Taxable profit	<u>1,420,536,922</u>	<u>1,425,253,179</u>
Tax currently payable (tax rate : 20%)	284,107,385	285,050,636
Tax effects of :		
Temporary differences		
Provisions	(28,728,674)	(4,212,784)
Difference of depreciation	21,529,199	20,620,316
Deferred expenses	<u>(1,251,491)</u>	<u>(1,495,742)</u>
	(8,450,966)	14,911,790
Adjustment of prior year income tax	<u>7,944,215</u>	<u>1,312,114</u>
Income tax expense	<u>283,600,634</u>	<u>301,274,540</u>
Effective tax rate	3.0%	4.6%

In accordance with the Supplemental Agreement of the Build Operate and Transfer Agreement (“BOT”) dated December 18, 2001 entered into with the Government of Lao PDR, Houay Ho Power Company Limited is granted tax exemption privilege starting from the fiscal year of the date of Commercial Operation on September 3, 1999 as follows:

Periods	Percentage of tax applied on net income
- First five fiscal years (September 3, 1999 - December 31, 2003)	0
- Next seven fiscal years (January 1, 2004 - December 31, 2010)	3.5
- Next two fiscal years (January 1, 2011 - December 31, 2012)	6.5
- Thereafter January 1, 2013	15

22. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries operate post-employment benefit plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the employee benefit obligations for the years ended December 31, are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current service cost	13,313,419	12,589,608	1,350,901	1,270,155
Interest cost	6,741,671	5,926,944	797,691	710,544
Total	<u>20,055,090</u>	<u>18,516,552</u>	<u>2,148,592</u>	<u>1,980,699</u>

Movements in the present value of the employee benefit obligations for the years ended December 31, are as follows:

	Unit : Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Beginning present value of employee benefit obligations	154,229,584	135,713,032	18,860,519	16,879,820
Current service cost	13,313,419	12,589,608	1,350,901	1,270,155
Interest cost	6,741,671	5,926,944	797,691	710,544
Ending present value of employee benefit obligations	<u>174,284,674</u>	<u>154,229,584</u>	<u>21,009,111</u>	<u>18,860,519</u>

The principle actuarial assumptions used to calculate the above employee benefit obligations are as follows:

	<u>Consolidated and the Separate</u>	
	<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>
Discount rate	4.4%	4.4%
Salary increase rates	6.0 - 7.5%	6.0 - 7.5%
Turnover rates	0.0 - 8.0%	0.0 - 8.0%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, 2016 are as follows:

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Discount rate</u>				
Discount rate, decrease of 1 percent	23.8	22.4	3.3	3.2
Discount rate, increase of 1 percent	(20.1)	(18.9)	(2.8)	(2.6)
<u>Salary growth rates</u>				
Salary growth rates, decrease of 1 percent	(24.3)	(21.3)	(3.3)	(2.9)
Salary growth rates, increase of 1 percent	28.7	25.1	3.9	3.5
<u>Turnover rates</u>				
Turnover rates, decrease of 20 percent	9.1	7.9	1.3	1.1
Turnover rates, increase of 20 percent	(8.5)	(7.4)	(1.2)	(1.1)

As at December 31, 2016 and 2015, the Company and its subsidiaries analyze the maturity of long-term employee benefit payments, which most of maturity period is over than 10 years.

23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of annual net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital and the reserve is not available for distribution as dividends.

As at December 31, 2016 and 2015, the Company had already appropriated for legal reserve in full amount.

24. DIVIDEND PAYMENT

On April 26, 2016, the Annual General Meeting of Shareholders of the Company passed a resolution to distribute an annual dividend for the year 2015 at Baht 5.75 per share totaling Baht 8,411.5 million. The dividend consists of interim dividend at Baht 1.388 per share totaling Baht 2,030.5 million which was paid on September 10, 2015 and the remaining dividend at Baht 4.362 per share totaling Baht 6,381.0 million which was paid on May 26, 2016.

On August 10, 2016, the Board of Directors' Meeting of the Company passed a resolution to distribute an interim dividend from profit for the six-month period ended June 30, 2016 at Baht 1.458 per share totaling Baht 2,132.9 million. The dividend was paid on September 9, 2016.

25. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with its related parties which have the same group of shareholders or directors. Those transactions occurred in the normal course of business based on the basis determined by the Company and its related parties.

Significant balances and transactions between the Company and its related parties are as follows:

		Unit : Baht			
		<u>As at December 31,</u>			
<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	73,479,842	123,317,934
Glow SPP 2 Company Limited	Subsidiary	-	-	172,298,386	260,448,004
Glow SPP 3 Company Limited	Subsidiary	-	-	36,164,866	83,077,157
GHECO-One Company Limited	Subsidiary	-	-	3,228,783	2,247,323
		-	-	285,171,877	469,090,418
Advances to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	55,187	19,591
Glow SPP 2 Company Limited	Subsidiary	-	-	101,173	-
Glow SPP 3 Company Limited	Subsidiary	-	-	477,252	148,150
GHECO-One Company Limited	Subsidiary	-	-	104,834	82,575
Glow SPP 11 Company Limited	Subsidiary	-	-	12,369	-
ENGIE Asia-Pacific Company Limited (formerly "GDF SUEZ Energy Asia Company Limited")	Related company	-	394,500	-	-
International Power Ltd.	Related company	625,280	1,669,065	-	-
Meenakshi Energy Pvt. Ltd.	Related company	124,670	124,670	-	-
GDF SUEZ Energy Turkey	Related company	-	1,008,511	-	-
		749,950	3,196,746	750,815	250,316

Unit : Baht

<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>As at December 31,</u>			
		<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest receivables from related parties					
Glow SPP 11 Company Limited	Subsidiary	-	-	22,874,292	24,219,838
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	164,214	-
		<u>-</u>	<u>-</u>	<u>23,038,506</u>	<u>24,219,838</u>
Short-term loans to related parties					
Glow SPP 11 Company Limited	Subsidiary	-	-	934,000,000	934,000,000
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	21,000,000	-
		<u>-</u>	<u>-</u>	<u>955,000,000</u>	<u>934,000,000</u>
Long-term loan to a related party					
Glow SPP 11 Company Limited	Subsidiary	-	-	2,772,600,000	2,772,600,000
		<u>-</u>	<u>-</u>	<u>2,772,600,000</u>	<u>2,772,600,000</u>
Deferred right to use pipe rack (recorded as a part of intangible assets)					
Glow SPP 3 Company Limited	Subsidiary	-	-	71,701,665	76,363,738
		<u>-</u>	<u>-</u>	<u>71,701,665</u>	<u>76,363,738</u>
Deferred expenses - others (recorded as a part of other non-current assets)					
Glow SPP 3 Company Limited	Subsidiary	-	-	30,551,554	31,948,066
GHECO-One Company Limited	Subsidiary	-	-	15,885,706	16,690,658
		<u>-</u>	<u>-</u>	<u>46,437,260</u>	<u>48,638,724</u>
Trade payables to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	-	2,637,853
Glow SPP 2 Company Limited	Subsidiary	-	-	115,381,447	18,764,751
Glow SPP 3 Company Limited	Subsidiary	-	-	232,104,985	196,435,293
		<u>-</u>	<u>-</u>	<u>347,486,432</u>	<u>217,837,897</u>
Advance from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	17,047	18,688
Glow SPP 2 Company Limited	Subsidiary	-	-	1,402,493	1,422,475
Glow SPP 3 Company Limited	Subsidiary	-	-	2,784,823	1,123,270
Glow Company Limited	Subsidiary	-	-	24,120,388	54,944,807
Glow SPP 11 Company Limited	Subsidiary	-	-	18,529	19,858
GHECO-One Company Limited	Subsidiary	-	-	2,606	54,677
International Power S.A.	Related company	20,220,528	20,774,293	5,864,863	6,120,658
ENGIE Global Developments B.V. (formerly "GDF SUEZ Energy International Global Developments B.V.")	Related company	18,240,100	11,024,500	18,240,100	11,024,500
Tractebel Engineering S.A.	Related company	2,019,555	1,298,127	850,399	-
Tractebel Engineering Limited	Related company	37,202	-	37,202	-
		<u>40,517,385</u>	<u>33,096,920</u>	<u>53,338,450</u>	<u>74,728,933</u>

Unit : Baht

As at December 31,

<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest payables to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	575,272	653,644
Glow SPP 2 Company Limited	Subsidiary	-	-	10,362,495	10,629,383
Glow SPP 3 Company Limited	Subsidiary	-	-	807,729	1,105,763
Glow SPP 11 Company Limited	Subsidiary	-	-	832,861	535,858
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	-	2,144,412
		<u>-</u>	<u>-</u>	<u>12,578,357</u>	<u>15,069,060</u>
Unearned income from a related party					
Houay Ho Power Company Limited	Subsidiary	-	-	57,055	52,255
		<u>-</u>	<u>-</u>	<u>57,055</u>	<u>52,255</u>
Short-term borrowings from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	281,963,932	386,516,560
Glow SPP 2 Company Limited	Subsidiary	-	-	1,093,911,575	961,215,458
Glow SPP 3 Company Limited	Subsidiary	-	-	466,113,289	676,912,762
Glow SPP 11 Company Limited	Subsidiary	-	-	449,995,447	152,727,755
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	-	1,157,000,000
		<u>-</u>	<u>-</u>	<u>2,291,984,243</u>	<u>3,334,372,535</u>
Advance received from a related party (recorded as a part of other non-current liabilities)					
GHECO-One Company Limited	Subsidiary	-	-	194,271,575	204,087,063
		<u>-</u>	<u>-</u>	<u>194,271,575</u>	<u>204,087,063</u>

Unit : Baht

For the years ended December 31,

<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from sales					
Glow SPP 1 Company Limited	Subsidiary	-	-	375,249,111	406,422,731
Glow SPP 2 Company Limited	Subsidiary	-	-	684,006,183	694,489,717
Glow SPP 3 Company Limited	Subsidiary	-	-	321,222,498	358,286,645
GHECO-One Company Limited	Subsidiary	-	-	23,777,213	25,894,308
		<u>-</u>	<u>-</u>	<u>1,404,255,005</u>	<u>1,485,093,401</u>
Interest income					
Glow SPP 11 Company Limited	Subsidiary	-	-	161,237,100	185,209,842
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	334,148	22,274,385
Glow Company Limited	Subsidiary	-	-	838	805,645
Glow IPP 3 Company Limited	Subsidiary	-	-	24,452	-
		<u>-</u>	<u>-</u>	<u>161,596,538</u>	<u>208,289,872</u>
Dividend income					
Glow Company Limited	Subsidiary	-	-	966,166,140	904,542,787
Glow SPP 2 Company Limited	Subsidiary	-	-	247,570,895	-
Glow SPP 3 Company Limited	Subsidiary	-	-	1,139,926,019	2,212,016,856
Glow SPP 11 Company Limited	Subsidiary	-	-	698,591,972	-
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	2,457,943,988	-
		<u>-</u>	<u>-</u>	<u>5,510,199,014</u>	<u>3,116,559,643</u>

Unit : Baht

<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>For the years ended December 31,</u>			
		<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Other income					
<u>Service income</u>					
GHECO-One Company Limited	Subsidiary	-	-	25,653,438	32,212,214
Houay Ho Power Company Limited	Subsidiary	-	-	647,769	543,782
		<u>-</u>	<u>-</u>	<u>26,301,207</u>	<u>32,755,996</u>
<u>Sale of spare parts</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	1,370,653	1,174,436
Glow SPP 2 Company Limited	Subsidiary	-	-	7,541,244	1,822,190
Glow SPP 3 Company Limited	Subsidiary	-	-	5,903,860	7,299,303
Glow IPP Company Limited	Subsidiary	-	-	10,710	10,506
GHECO-One Company Limited	Subsidiary	-	-	198,450	254,483
Glow SPP 11 Company Limited	Subsidiary	-	-	803,901	911,740
		<u>-</u>	<u>-</u>	<u>15,828,818</u>	<u>11,472,658</u>
Cost of sales					
<u>Purchases</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	1,511,596	13,336,332
Glow SPP 2 Company Limited	Subsidiary	-	-	390,721,089	467,124,328
Glow SPP 3 Company Limited	Subsidiary	-	-	530,497,318	322,273,517
		<u>-</u>	<u>-</u>	<u>922,730,003</u>	<u>802,734,177</u>
<u>Purchase of spare parts</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	376,754	966,540
Glow SPP 2 Company Limited	Subsidiary	-	-	1,535,872	5,796,184
Glow SPP 3 Company Limited	Subsidiary	-	-	10,104,398	7,135,441
Glow SPP 11 Company Limited	Subsidiary	-	-	504,203	194,437
Glow IPP Company Limited	Subsidiary	-	-	341,167	46,900
GHECO-One Company Limited	Subsidiary	-	-	1,987,395	2,002,704
		<u>-</u>	<u>-</u>	<u>14,849,789</u>	<u>16,142,206</u>
<u>Service expenses</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	188,568	185,217
Glow SPP 2 Company Limited	Subsidiary	-	-	10,491,830	10,267,595
Glow SPP 3 Company Limited	Subsidiary	-	-	37,198,077	40,098,176
GHECO-One Company Limited	Subsidiary	-	-	804,952	802,753
Tractebel Engineering S.A.	Related company	1,043,090	1,231,910	-	-
International Power S.A.	Related company	-	864,122	-	-
ENGIE Energy Management S.C.R.L. (formerly "GDF SUEZ Energy Management Trading S.C.R.L.")	Related company	-	765,930	-	-
		<u>1,043,900</u>	<u>2,861,962</u>	<u>48,683,427</u>	<u>51,353,741</u>

		Unit : Baht			
		<u>For the years ended December 31,</u>			
<u>Account name/ Company's name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Administrative expenses					
<u>Management fee</u>					
Glow Company Limited	Subsidiary	-	-	308,408,000	337,611,000
		-	-	308,408,000	337,611,000
<u>Service expenses</u>					
International Power Limited	Related company	2,277,868	3,498,659	-	1,603,582
ENGIE Global Developments B.V. (formerly "GDF SUEZ Energy International Global Developments B.V.")	Related company	7,215,600	2,670,000	7,215,600	2,670,000
Tractebel Engineering Limited	Related company	3,206,092	4,751,152	3,206,092	4,751,152
Tractebel Engineering S.A.	Related company	2,854,574	-	2,854,574	-
ENGIE Asia-Pacific Company Limited (formerly "GDF SUEZ Energy Asia Company Limited")	Related company	403,200	81,598	-	-
ENGIE CC S.C.R.L. (formerly "GDF SUEZ CC S.C.R.L.")	Related company	-	285,899	-	285,899
		<u>15,957,334</u>	<u>11,287,308</u>	<u>13,276,266</u>	<u>9,310,633</u>
<u>Management benefit expenses</u>					
Management benefit expenses (Short-term employee benefits)	Management	264,603,929	252,513,949	-	-
		<u>264,603,929</u>	<u>252,513,949</u>	<u>-</u>	<u>-</u>
Finance costs					
<u>Interest expense</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	3,353,202	11,599,603
Glow SPP 2 Company Limited	Subsidiary	-	-	27,164,661	19,141,727
Glow SPP 3 Company Limited	Subsidiary	-	-	5,592,044	30,502,320
Glow SPP 11 Company Limited	Subsidiary	-	-	3,482,761	2,512,192
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	30,056,108	2,144,412
International Power S.A.	Related company	-	15,036,517	-	-
		-	15,036,517	69,648,776	65,900,254
Purchase of coal					
Glow SPP 3 Company Limited	Subsidiary	-	-	839,651,513	859,720,271
ENGIE Energy Management S.C.R.L. (formerly "GDF SUEZ Energy Management Trading S.C.R.L.")	Related company	-	216,514,474	-	-
		-	216,514,474	839,651,513	859,720,271

Cash management agreement

On January 31, 2014, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and Glow SPP 11 Company Limited participated into cash management agreement (cash pooling) with the Company and a bank. According to such agreement, the bank provides cash management services between the Company and such subsidiaries. The intercompany loans incurred under cash pooling carries interest at MLR minus a certain percentage per annum.

Pricing policies

Interest income and interest expense are determined based on MLR minus a certain percentage per annum.

No interest is charged on advances with related parties.

The Company and the related companies have determined prices of sales and purchases of electricity, steam and water to and from related companies based on average selling price charged to industrial customers of the Company and related companies.

Service income and service expenses are determined based on the amounts stipulated in the agreements.

Prices of purchase and sale of spare parts and coal within the group company are determined based on cost plus a certain margin.

Prices of purchase of coal from related company are determined based on the amounts stipulated in the agreements.

Management fees are determined based on the actual cost related to rendering of services plus a certain margin.

All managements of the group company are under Glow Company Limited and the management benefit expenses have been included in the management fee charged to each company.

Short-term and long-term loans to Glow SPP 11 Company Limited (“GSPP11”)

The Company entered into a loan agreement dated April 30, 2012 and Amendment No. 1 dated November 22, 2013 with GSPP11 to provide loans up to Baht 7,200 million. The loans are subject to interest at MLR minus a certain percentage per annum, and the balances as at December 31, are as follows:

	<u>Repayment Date</u>	<u>Facility</u>	<u>2016</u>	<u>Unit : Baht</u> <u>2015</u>
<u>Short-term loan</u>				
Tranche B	As mutually agreed	1,200,000,000	934,000,000	934,000,000
<u>Long-term loan</u>				
Tranche A	August 31, 2021	<u>6,000,000,000</u>	<u>2,772,600,000</u>	<u>2,772,600,000</u>
		<u>7,200,000,000</u>	<u>3,706,600,000</u>	<u>3,706,600,000</u>

Short-term loans to Glow IPP 2 Holding Company Limited (“GIPP2”)

The Company entered into a short-term loan agreement dated April 20, 2012 and amendments dated June 20, 2012, October 16, 2012 and July 1, 2013 with GIPP2 to provide loans in the amount not exceeding Baht 3,500 million. The loans carry interest at MLR minus a certain percentage per annum and are repayable at call.

On August 29, 2016, GIPP2 drew down loan amounting to Baht 21 million.

Short-term borrowings from related parties

As at December 31, 2016 and 2015, the outstanding balance of Baht 1,792.0 million and Baht 1,677.4 million, respectively, represented the amount of short-term borrowings under the cash management agreement (cash pooling).

The Company repaid the loan amounting to Baht 1,157 million to GIPP2 on April 29, 2016, subsequently drew down the loan amounting to Baht 1,270 million on June 10, 2016 and repaid the whole amount on September 6, 2016.

Advance received from a related party

Shared Facilities Agreements

GSPP2, GSPP3 and the Company entered into Shared Facilities Agreements with GHECO-One Company Limited (“GHECO1”) to provide and allow GHECO1 to use their facilities in operating its power plant for a period of 25 years. On December 4, 2008, shared facilities fees totaling Baht 1,253.8 million were paid by GHECO1 detailed as follows:

<u>Company’s name</u>	<u>Agreement Date</u>	<u>Fees (Baht)</u>	<u>Commencement date of the shared facilities agreement</u>
The Company	March 14, 2008	163,072,795	October 2, 2010
Glow SPP 2 Company Limited	March 14, 2008	28,955,184	March 4, 2011
Glow SPP 3 Company Limited	January 21, 2008	1,061,750,682	March 4, 2011
		<u>1,253,778,661</u>	

The fees are recorded as advance received in the statement of financial position and are recognized as income over the agreement period.

In addition, GHECO1 pays the annual fees to the Company, GSPP2 and GSPP3 in the amount stipulated in the agreements.

Emission Credit Assignment Agreements

In 2008, GSPP3, GHECO1 and the Company entered into the Emission Credit Assignment Agreements, whereby the fees for the emission reduction equipment were paid and recorded as advance received in the statement of financial position and are recognized as income over agreement period. The details of the agreements are as follows:

<u>Counterparty</u>	<u>Agreement Date</u>	<u>Fees (USD)</u>
The Company and GHECO1	August 20, 2008	2,500,000
GSPP3 and GHECO1	August 20, 2008	7,500,000
GSPP3 and the Company	April 1, 2008	860,000

In addition, GHECO1 and the Company pay the annual fees in the amount stipulated in the agreements.

26. CAPITAL MANAGEMENT

The Company and its subsidiaries' ("Group Company") objectives in respect of managing capital are as follows:

- To safeguard the Group Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and,
- In order to provide adequate returns to shareholders, the projects invested by the Group Company shall be prudently considered on the appropriate risk level.

The Group Company undertakes the capital management by setting a target to maintain the credit rating of the Group Company by not less than A minus following the principle of Credit Rating performed by TRIS. The Group Company manages its capital in relation to the proportional risk and manages the capital structure by separate funding to each type of project. The funding of the Independent Power Producer Project ("IPP") is separately managed from other projects in term of Project Financing. For the Cogeneration project, Group Company's source of fund shall pass through Glow Energy Public Company Limited by raising fund and grants the loans to the companies in the group for their projects.

Monitoring the capital of the Cogeneration project is considered based on the financial ratios of Group Company's performance excluding IPP's operating result. The financial ratios comprise Debt to Equity Ratio, Debt Service Coverage Ratio and Interest Coverage Ratio.

Monitoring the capital of the IPP is in accordance with the covenant on financial ratios stipulated in a loan agreement of each project.

27. SUPPLEMENTARY INCOME AND EXPENSES DISCLOSURE

27.1 Expenses by nature

Significant expenses by nature for the years ended December 31, are as follows:

	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Fuel costs	29,094,516,880	39,289,515,384	12,379,860,462	15,490,532,671
Repair and maintenance expenses	2,198,865,884	2,530,019,894	705,148,509	743,523,736
Employee benefits expense	1,197,065,411	1,302,212,042	148,734,236	155,398,077
Depreciation and amortization	4,325,613,272	4,273,853,358	1,592,145,334	1,556,590,152

27.2 Compensation on construction postponement

The compensation on construction postponement of Baht 729.8 million in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015 represents the compensation amounting to USD 22.48 million which GHECO-One Company Limited ("GHECO1") received from the power plant construction contractor under the Settlement Agreements dated February 9, 2015 for liquidated damages as the power plant construction has been delayed according to the construction contract.

27.3 Claims from insurers

The claims from insurers of Baht 316.6 million in the consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2015 represent the business interruption claims received from insurers as the power plant equipment of the Company was damaged, which caused the power plants were not able to operate in the normal course.

27.4 Warranty claim from contractor

The warranty claim from contractor of Baht 89.8 million in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016 represents the settlement amount of warranty claim of USD 2.5 million that GHECO1 received from the power plant construction contractor under the Agreement on Final Acceptance dated October 20, 2016 for costs and expenses incurred and paid by GHECO1 in rectifying defects under the EPC contracts. The claim was received on November 23, 2016.

28. PROVIDENT FUND EXPENSE

Provident fund contributions made by the Company and its subsidiaries for their employees and recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, are as follows:

<u>Company's name</u>	<u>Unit : Million Baht</u>			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
The Company	5.4	5.2	5.4	5.2
Glow SPP 1 Company Limited	1.9	1.6	-	-
Glow SPP 2 Company Limited	2.5	2.2	-	-
Glow SPP 3 Company Limited	1.0	0.9	-	-
Glow IPP Company Limited	1.9	2.0	-	-
Glow Company Limited	21.7	21.6	-	-
GHECO-One Company Limited	2.7	2.4	-	-
Glow SPP 11 Company Limited	1.7	1.7	-	-
Houay Ho Power Company Limited	1.5	1.0	-	-

29. PROMOTIONAL PRIVILEGES

The Company and its subsidiaries have been granted the promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under each promotion certificate as follows:

Company's name	Certificates		1 st Income Date	Privileges
	No.	Dated		
The Company	1413/2537	July 11, 1994	May 1995	a) to g)
	1392/2538	June 23, 1995	January 1996	a) to g)
	1206(2)/2547	March 9, 2004	July 2004	a) to g)
	1635(2)/2547	August 9, 2004	September 2005	a) to g)
	1609(2)/2550	June 18, 2007	January 2010	a) to g)
	2155/0./2550*	November 16, 2007	-	a) to b)
	1187(2)/2552	February 26, 2009	March 2011	a) to g)
	2144(1)/2555	August 21, 2012	August 2012	b) to g)
Glow Company Limited	1479/2546	September 4, 2003	-	a)
Glow SPP 1 Company Limited	1032/2539	January 22, 1996	September 1997	a) to g)
	1532/2539	July 24, 1996	July 1998	a) to g)
	1854/0./2552**	November 4, 2009	May 20, 1999	a) to g)
	1855(2)/0./2552**	November 4, 2009	July 11, 2006	a) to g)
Glow SPP 2 Company Limited	1744/2539	November 6, 1996	August 1997	a) to g)
Glow SPP 3 Company Limited	1552/2540	August 22, 1997	August 1999	a) to g)
Glow IPP Company Limited	1526/2542	November 30, 1999	January 2003	a) to d)
GHECO-One Company Limited	1969(2)/2551	July 25, 2008	July 26, 2012	b) to g)
Glow SPP 11 Company Limited	1079/2542	March 12, 1999	September 1, 2000	a) to g)
	2061(2)/0./2556***	July 31, 2013	November 27, 2012	b) to g)
	2060(2)/00./2556***	July 31, 2013	October 11, 2006	b) to g)
	2060(2)/2557	September 1, 2014	April 1, 2015	b) to g)

Subject to certain imposed conditions, the privileges include the following:

- a) Permission to own land in order to carry on the promoted activities as the Board may deem appropriate.
- b) Exemption of import duty on machinery, materials or supplies imported for production for domestic sales as approved by the Board.
- c) Exemption of corporate income tax on net profit of the promoted operations for a period of eight years commencing from the date of earning operating income. In cases where the business incurs a loss during that period of exemption, the loss incurred in such period can be taken as a deduction from net profit for the years after the period of exemption, not exceeding five years.
- d) Shareholders receive exemption of income tax on dividends paid from the profit of the promoted operation over the above corporate income tax exemption period.
- e) An allowance of fifty percent of the normal rate of corporate income tax on net profit for a period of five years after the expiry date of the corporate income tax exemption period as described in c) above.
- f) Permission to deduct double the cost of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing from the date of earning operating income.
- g) Permission to deduct the cost of installation or construction of public utilities at the rate of twenty-five percent of investment in addition to normal depreciation charges.

- * The privileges under the promotion certificate No. 2155/๐./2550 of the Company were transferred from the remaining privileges under the promotion certificate No. 1222/2536 dated November 5, 1993 of Glow SPP 3 Company Limited as a consequence of selling its Phase 1 water plant to the Company in June 2007.
- ** The privileges under the promotion certificates No. 1854/๐./2552 and No. 1855(2)/๐./2552 of Glow SPP 1 Company Limited were transferred from the remaining privileges under the promotion certificates No. 1213/2542 dated May 21, 1999 and No. 1235(2)/2549 dated March 2, 2006, respectively, of Glow Demin Water Company Limited as a consequence of the entire business transfer of Glow Demin Water Company Limited to Glow SPP 1 Company Limited on August 1, 2009.
- *** The privileges under the promotion certificates No. 2061(2)/๐./2556 and No. 2060(2)/๐๐./2556 of Glow SPP 11 Company Limited were transferred from the remaining privileges under the promotion certificates No. 1764(2)/2553 dated July 16, 2010 of Glow SPP 12 Company Limited and No. 2086(2)/๐./2549 dated November 13, 2006 of Glow SPP 13 Company Limited, respectively, as a consequence of the entire business transfer of Glow SPP 12 Company Limited and Glow SPP 13 Company Limited to Glow SPP 11 Company Limited on May 31, 2013.

The Company has to comply with certain terms and conditions as stipulated in the investment promotion certificates.

To comply with the announcement of the Board of Investment No. Por. 14/2541 dated December 30, 1998 regarding the revenues reporting of a promoted industry, for the years ended December 31, 2016 and 2015, the Company's total revenues from sales are domestic sales, which are allocated to promoted and non-promoted activities as follows:

Unit : Baht

	The Separate financial statements					
	2016			2015		
	Promoted activities	Non-promoted activities	Total	Promoted activities	Non-promoted activities	Total
Revenues from sales	19,582,810,091	2,198,905,634	21,781,715,725	22,614,246,175	2,232,597,759	24,846,843,934

30. DISCLOSURE OF FINANCIAL INSTRUMENTS INFORMATION

30.1 Credit risk

The Company and its subsidiaries are subject to significant concentrations of credit risk, as almost all sales are made to EGAT and companies in the petrochemical industry, the Company and its subsidiaries do not expect to incur material credit losses on their risk management or other financial instruments.

As at December 31, 2016, the maximum exposure to credit risk of the Company and its subsidiaries is the carrying amount of the financial assets as stated in the statement of financial position.

30.2 Foreign currency risk

The exposure to foreign currency risk relates primarily to purchases of equipment, repairs and maintenance of power plants and borrowings denominated in foreign currencies. The Company and its subsidiaries entered into currency swap agreements and forward foreign exchange contracts in order to hedge the foreign currency risks, of which the details are as follows:

As at December 31, 2016, the Company and its subsidiaries have outstanding forward foreign exchange contracts with financial institutions as follows:

Description	Value date	Unit : Million		
		EUR	USD	Baht
Long-term parts and repair agreements				
Glow IPP Company Limited				
Long-term parts and repair agreements	January 31, 2018	23.2	30.3	-
Glow SPP 1 Company Limited				
Long-term parts and repair agreements	January 31, 2017 - September 20, 2018	3.1	4.0	-
Long-term service agreement				
The Company				
Fixed fee	January 31, 2017 - November 30, 2020	1.5	-	61.4
Variable fee	January 31, 2017 - November 30, 2020	10.7	-	443.2

Some of the forward foreign exchange contracts of Glow IPP Company Limited are guaranteed by the Company.

Some of the forward foreign exchange contracts of the Company are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited.

As at December 31, 2016, the Company and its subsidiaries have current liabilities in foreign currencies which are not hedged against foreign exchange rate risk of approximately USD 21.6 million, EUR 1.9 million and JPY 0.8 million.

30.3 Interest rate risk

Interest rate risk is the risk whereby future movements in market interest rates will have an effect on the operating results and cash flows of the Company and its subsidiaries. Financial instruments of the Company and its subsidiaries with floating interest rates comprise deposits at financial institutions and long-term borrowings. In order to hedge interest rate risks of long-term borrowings, the Company and its subsidiaries entered into interest rate swap agreements with financial institutions. As at December 31, 2016, the Company and its subsidiaries have outstanding interest rate swap agreements as follows:

Agreement date	For	Notional amount	Swap interest		Term
			From	To	
The Company					
May 16, 2008 and novation agreement dated May 24, 2012	Debentures No. 1/2550	800.0	A certain percentage per annum	Different certain percentages per annum, per term	May 21, 2008 - May 21, 2010 and May 21, 2010 - May 21, 2017
January 6, 2011 and Amendments dated March 19, 2012 and December 15, 2015	Debentures No. 1/2550, 1/2551, 1/2553, 2/2553 series 3 and series 4	6,510.0	Certain percentages per annum	Different certain percentages per annum	January 5, 2011 - October 8, 2019
August 30, 2011 and novation agreement dated May 24, 2012 and Amendment dated December 15, 2015	Debentures No. 1/2554	2,000.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
August 31, 2011 and Amendments dated March 26, 2012 and December 15, 2015	Debentures No. 1/2554	1,555.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
September 1, 2011 and novation agreement dated May 24, 2012 and Amendment dated December 15, 2015	Debentures No. 1/2554	2,000.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
GHECO-One Company Limited ("GHECO1")					
November 2008 and novation agreement dated December 30, 2016	USD loan	173.3	LIBOR	A certain percentage per annum	November 2008 - October 2028
November 2008	Baht loan	3,754.8	THBFIX	A certain percentage per annum	November 2008 - October 2021
November 2009 - January 2010 and novation agreement dated December 30, 2016	USD loan	86.7	LIBOR	A certain percentage per annum	October 2011 - January 2027
June 2010	USD loan	28.9	LIBOR	A certain percentage per annum	October 2011 - January 2027
August 2010 - July 2012 and Amendment dated October 8, 2013	Baht loan	2,178.4	THBFIX	A certain percentage per annum	October 2011 - January 2027

Unit : Million

Unit : Million

Agreement date	For	Notional amount	Swap interest		Term
			From	To	
Houay Ho Power Company Limited (“HHPC”)					
January 16, 2015	USD loan	14.1	LIBOR	A certain percentage per annum	January 30, 2015 - December 15, 2019
February 4, 2015	USD loan	38.8	LIBOR	A certain percentage per annum	June 15, 2015 - December 15, 2023

All the interest rate swap agreements of the Company are guaranteed by Glow SPP 1 Company Limited, Glow SPP 2 Company Limited and Glow SPP 3 Company Limited.

On December 30, 2016, GHECO1 entered into the Novation Agreement to novate the existing interest rate swap agreements with a financial institution to another financial institution.

On December 15, 2015, the Company entered into the Amendment Agreements with the financial institutions to amend the interest rate for the year 2016 to another certain percentage per annum. A settlement amount of Baht 219.1 million which was paid was included in finance costs in the statements of profit or loss and other comprehensive income for the year ended December 31, 2015.

30.4 Commodity price risk

30.4.1 As at December 31, 2016, Glow SPP 3 Company Limited (“GSPP3”) has some outstanding Commodity Swap Agreements with a financial institution and the remaining Commodity Swap Agreements with ENGIE Global Markets, which is a related company, to hedge the coal price from Global Coal Newcastle Index to certain prices stipulated in the agreements as follows:

Trade date	Coal (metric tonnes)	Effective date	Settlement date
November 2, 2016	39,200	December 1, 2016 - February 28, 2017	March 14, 2017
November 16, 2016	39,200	June 1, 2017 - June 30, 2017	July 14, 2017
November 2, 2016	39,200	June 1, 2017 - August 31, 2017	September 14, 2017
October 18, 2016	39,200	July 1, 2017 - September 30, 2017	October 14, 2017
September 12, 2016	39,200	October 2, 2017 - October 31, 2017	November 14, 2017
October 7, 2016	39,200	September 1, 2017 - November 30, 2017	December 14, 2017

30.4.2 On December 30, 2016, GSPP3 entered into an amendment to the coal supply agreement with a local company dated August 15, 2012 to exercise the option of coal price from market price to fix price for 2 shipments delivered to GSPP3 in the year 2017.

30.5 Fair value measurement

30.5.1 The financial instruments of the Group are measured at fair values as at the end of reporting period. The following table gives information about the fair values of these financial instruments are determined.

Unit : Million

As at December 31, 2016

Financial instruments	Currency	Gain (Loss) on fair value of financial instruments		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
		Consolidated financial statements	The Separate financial statements		
Interest rate swap agreements				Level 2	Discounted cash flow
- Baht	Baht	(1,056.5)	(572.5)		
- USD	USD	(32.0)	-		
Forward foreign exchange contracts				Level 2	Discounted cash flow
- EUR / Baht	EUR	(0.6)	(0.6)		
- EUR / USD	EUR	(5.4)	-		
Commodity swap agreements				Level 2	Discounted cash flow
- USD	USD	1.0	-		

As at December 31, 2015

Financial instruments	Currency	Gain (Loss) on fair value of financial instruments		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
		Consolidated financial statements	The Separate financial statements		
Interest rate swap agreements				Level 2	Discounted cash flow
- Baht	Baht	(1,174.6)	(600.5)		
- USD	USD	(45.0)	-		
Cross currency interest rate swap agreements				Level 2	Discounted cash flow
- USD loans	Baht	453.9	453.9		
Forward foreign exchange contracts				Level 2	Discounted cash flow
- EUR / Baht	EUR	(0.1)	(0.1)		
- EUR / USD	EUR	(3.5)	-		

For the discounted cash flow method, future cash flows are estimated based on relevant market price of hedged position, i.e. interest rate, foreign exchange rate, coal price, discounted at a rate that reflects the credit risk of various counterparties.

- 30.5.2 Cash and cash equivalents, temporary investments, trade receivables, other receivables, advance to related parties, interest receivables from related parties, interest receivables, short-term loans to related parties, long-term loan to a related party with floating interest rate, trade and other payables, short-term borrowings from related parties, short-term borrowings, current income tax payable, value-added tax payable, other current liabilities and long-term borrowings from financial institutions with floating interest rate; the fair values approximate their carrying values.

The transactions disclosed in the following table, are considered that the carrying amounts of financial liabilities recognized in the consolidated and separate financial statements are different from their fair values.

	<u>Carrying amount</u>	<u>Fair value</u>	<u>Unit : Baht</u> <u>Fair value</u> <u>hierarchy</u>
<u>As at December 31, 2016</u>			
<u>Consolidated financial statements</u>			
Financial liabilities			
Long-term borrowing from a financial institution	996,206,468	1,006,124,790	Level 2
Debentures	24,532,676,281	25,784,843,649	Level 2
<u>The Separate financial statements</u>			
Financial liabilities			
Long-term borrowing from a financial institution	996,206,468	1,006,124,790	Level 2
Debentures	24,532,676,281	25,784,843,649	Level 2
<u>As at December 31, 2015</u>			
<u>Consolidated financial statements</u>			
Financial liabilities			
Long-term borrowing from a financial institution	2,491,654,229	2,518,892,970	Level 2
Debentures	21,530,562,367	22,970,901,641	Level 2
<u>The Separate financial statements</u>			
Financial liabilities			
Long-term borrowing from a financial institution	2,491,654,229	2,518,892,970	Level 2
Debentures	21,530,562,367	22,970,901,641	Level 2

Fair value of long-term borrowing from a financial institution bearing fixed interest rate are calculated by discounted cash flows method. Future cash flows are estimated based on relevant market price discounting the weighted average cost of capital of Glow group.

The fair value of debentures is determined by the last bid price on the Thai Bond Market Association on the last business day of the year.

31. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries (the “Group”) presented the segment financial information in respect of the Group under management approach. Operating segment is based on the Group’s management, the management structure and internal reporting. The Group classified the operating segments based on their core business as follows:

Small Power Producer Business (“SPP”)

SPP operates in the generation and supply of electricity, steam and water for industrial use to the state enterprises and industrial customers in Thailand.

Independent Power Producer Business (“IPP”)

IPP operates in the generation and supply of electricity to the state enterprises both domestic and abroad.

Financial information by reportable segments

	<u>SPP Business</u>	<u>IPP Business</u>	Unit : Baht <u>Consolidated</u> <u>financial statements</u>
<u>Statements of profit or loss and other comprehensive income</u>			
<u>For the year ended December 31, 2016</u>			
Revenues from sales	37,537,772,784	14,364,099,840	51,901,872,624
Interest earned from finance lease	-	665,364,652	665,364,652
Cost of sales	<u>(29,151,089,427)</u>	<u>(9,328,014,083)</u>	<u>(38,479,103,510)</u>
Gross profit	8,386,683,357	5,701,450,409	14,088,133,766
Exchange gain, net	5,194,708	78,444,391	83,639,099
Interest income and other income	327,981,624	113,275,216	441,256,840
Administrative expenses	(530,790,147)	(423,668,900)	(954,459,047)
Directors’ remuneration	(13,855,044)	-	(13,855,044)
Finance costs	(1,272,114,980)	(1,326,979,537)	(2,599,094,517)
Share of loss of investments in associates and joint venture	<u>(1,264,005)</u>	<u>-</u>	<u>(1,264,005)</u>
Profit before income tax expense	6,901,835,513	4,142,521,579	11,044,357,092
Income tax expense	<u>(820,695,804)</u>	<u>(160,968,312)</u>	<u>(981,664,116)</u>
Profit for the year	6,081,139,709	3,981,553,267	10,062,692,976
Other comprehensive income (loss)	<u>(5,132)</u>	<u>(8,400,342)</u>	<u>(8,405,474)</u>
Total comprehensive income for the year	<u>6,081,134,577</u>	<u>3,973,152,925</u>	<u>10,054,287,502</u>
<u>For the year ended December 31, 2015</u>			
Revenues from sales	42,663,324,389	20,768,052,002	63,431,376,391
Interest earned from finance lease	-	793,514,640	793,514,640
Cost of sales	<u>(34,809,323,946)</u>	<u>(14,561,577,552)</u>	<u>(49,370,901,498)</u>
Gross profit	7,854,000,443	6,999,989,090	14,853,989,533
Exchange gain (loss), net	3,273,840	(1,205,639,978)	(1,202,366,138)
Interest income and other income	393,361,435	751,072,806	1,144,434,241
Administrative expenses	(508,460,166)	(267,147,112)	(775,607,278)
Directors’ remuneration	(8,650,947)	-	(8,650,947)
Finance costs	(1,852,251,846)	(1,391,338,441)	(3,243,590,287)
Share of loss of investment in joint venture	<u>(91,414)</u>	<u>-</u>	<u>(91,414)</u>
Profit before income tax expense	5,881,181,345	4,886,936,365	10,768,117,710
Income tax expense	<u>(762,494,868)</u>	<u>(330,978,067)</u>	<u>(1,093,472,935)</u>
Profit for the year	5,118,686,477	4,555,958,298	9,674,644,775
Other comprehensive income (loss)	<u>(4,732)</u>	<u>161,820,428</u>	<u>161,815,696</u>
Total comprehensive income for the year	<u>5,118,681,745</u>	<u>4,717,778,726</u>	<u>9,836,460,471</u>

	<u>SPP Business</u>	<u>IPP Business</u>	<u>Unit : Baht</u> <u>Consolidated</u> <u>financial statements</u>
<u>Statements of financial position</u>			
<u>As at December 31, 2016</u>			
Segment assets	57,223,842,877	52,852,110,222	110,075,953,099
Segment liabilities	31,571,752,093	21,733,119,446	53,304,871,539
<u>As at December 31, 2015</u>			
Segment assets	61,181,117,418	55,683,037,381	116,864,154,799
Segment liabilities	34,884,553,545	26,021,256,722	60,905,810,267

Geographic Area Information

Financial information by geographic area is as follows:

	<u>Thailand</u>	<u>The Lao PDR</u>	<u>Unit : Baht</u> <u>Consolidated</u> <u>financial statements</u>
<u>Revenue</u>			
<u>For the year ended December 31, 2016</u>			
Revenue from external customers	51,855,193,899	712,043,377	52,567,237,276
<u>Segment assets</u>			
<u>As at December 31, 2016</u>			
Non-current assets	84,799,373,277	3,715,610,494	88,514,983,771
<u>Revenue</u>			
<u>For the year ended December 31, 2015</u>			
Revenue from external customers	63,510,894,567	713,996,464	64,224,891,031
<u>Segment assets</u>			
<u>As at December 31, 2015</u>			
Non-current assets	88,305,603,793	3,933,736,212	92,239,340,005

Major Customers Information

For the years ended December 31, 2016 and 2015, the Group earns revenue from a single customer from both SPP and IPP businesses totaling approximately Baht 30,153.5 million and Baht 39,006.8 million, respectively, of the Group's total revenue.

32. COMMITMENTS AND LETTERS OF GUARANTEE

The Company and its subsidiaries have commitments and letters of guarantee as follows:

32.1 Commitments

32.1.1 Significant power purchase agreements

The Company and its subsidiaries entered into Power Purchase Agreements (“PPAs”) with the Electricity Generating Authority of Thailand (“EGAT”). Each of the agreement is effective commencing from the commercial operation date. The details of the PPAs are as below:

Company’s name	Agreement date	Number of agreements	Agreement term (Years)
The Company (Project 1)	November 14, 1994	1	21
The Company (Project 2)	June 22, 1995	1	21
The Company (Project 3)	December 3, 2009	1	25
Glow SPP 1 Company Limited	February 1, 1996	2	23
Glow SPP 2 Company Limited	December 23, 1997	2	25
Glow SPP 3 Company Limited	December 23, 1997	2	25
Glow IPP Company Limited	November 19, 1997	1	25
GHECO-One Company Limited	September 10, 2008	1	25
Houay Ho Power Company Limited	June 24, 1997	1	30
Glow SPP 11 Company Limited	January 5, 1998	1	25
Glow SPP 11 Company Limited	January 7, 2010	1	25

32.1.2 Power, steam and water supply agreements among the group of companies

On December 25, 2006, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company jointly entered into Back-up Agreements for supply of electricity, steam, clarified water and demineralized water among them. Such agreements are effective for the period of 25 years starting from January 1, 2004.

32.1.3 Gas supply agreements

The Company and its subsidiaries entered into Gas Supply Agreements (“GSAs”) with PTT Public Company Limited (“PTT”) to purchase gas at a specified quantity and price detailed as follows:

Company’s name	Agreement date	Gas Commercial Utilization Date	Term/ Renew (Years)
The Company			
- Phase 1 ⁽¹⁾	October 26, 2011	November 1, 2011	4
- Phase 2	November 22, 1999	January 18, 1996	21/ 4
- Phase 4	February 19, 2008	February 1, 2008	15/4
- Phase 5	February 19, 2008	September 1, 2011	10
Glow SPP 1 Company Limited	October 1, 1998	February 3, 1998	21/ 4
Glow SPP 2 Company Limited	September 28, 1999	September 28, 1999	21/ 4
Glow IPP Company Limited ⁽²⁾	December 12, 1997	January 31, 2003	25
Glow SPP 11 Company Limited	January 8, 1999	May 22, 2000	21/4
Glow SPP 11 Company Limited	March 23, 2010	December 12, 2012	25
Glow SPP 11 Company Limited	September 9, 2005	October 11, 2006	15

⁽¹⁾ As it is in the process of signing new agreement, PTT agreed to extend the term of the existing agreement to be March 31, 2017.

⁽²⁾ Glow IPP Company Limited is obliged to transfer gas pipeline to PTT according to the conditions as stipulated in the GSA.

32.1.4 Coal supply agreements

The subsidiaries entered into coal supply agreements to purchase coal at a specified quantity and price detailed as follows:

Company's name	Agreement date	Counterparty	Term of delivery
Glow SPP 3 Company Limited	December 17, 1997 (amendments dated April 8, 1999, September 6, 2002, December 15, 2006, and September 18, 2014)	A local company	Until December 31, 2019, renewable for another 5 years
Glow SPP 3 Company Limited	August 15, 2012	A local company	January 1, 2013 - December 31, 2017
Glow SPP 3 Company Limited	December 12, 2013	An overseas company	March 18, 2014 - December 31, 2018
Glow SPP 3 Company Limited	November 20, 2014	An overseas company	February 28, 2015 - December 31, 2017
GHECO-One Company Limited	June 30, 2016	An overseas company	July 1, 2016 - December 31, 2021
GHECO-One Company Limited	June 30, 2016	An overseas company	July 1, 2016 - December 31, 2021

32.1.5 Back-up power purchase agreements

Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company entered into Back-up Power Purchase Agreements with EGAT to purchase back-up power at the quantity and price as stipulated in the agreements. The agreements are for a period of 1 year, renewable every year and are detailed as follows:

Company's name	Agreement date	Effective date	Number of agreement
The Company	February 2, 2004	October 1, 2003	2
Glow SPP 2 Company Limited	March 22, 2002	January 1, 2001	2
Glow SPP 3 Company Limited	February 2, 2004	October 1, 2003	2

On February 2, 2005, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and the Company made amendments to the Back-up Power Purchase Agreements with EGAT to revise the quantity of back-up power and to purchase the back-up power over the periods as follows:

Company's name	Project	Period up to
The Company	1	March 31, 2017
	2	September 30, 2017
Glow SPP 2 Company Limited	1	March 28, 2024
	2	April 25, 2024
Glow SPP 3 Company Limited	1	August 31, 2024
	2	March 19, 2025

In the event the PPAs with EGAT are terminated before the above date, the back-up power purchase agreements will be consequently terminated.

32.1.6 Construction and development

32.1.6.1 As at December 31, the Company and its subsidiaries have outstanding commitments in respect of other construction and improvement as follows:

Unit : Million Baht			
Company's name	Commitments	2016	2015
The Company	Construction of transmission line and improvement of power plant system	166.4	243.2
Glow SPP 1 Company Limited	Improvement of power plant system	7.3	1.1
Glow SPP 2 Company Limited	Improvement of power plant system	8.3	25.1
Glow SPP 3 Company Limited	Improvement of power plant system	92.0	111.3
GHECO-One Company Limited	Improvement of power plant system	5.5	-
Glow SPP 11 Company Limited	Improvement of power plant system	0.2	16.1
Houay Ho Power Company Limited	Improvement of power plant system	0.5	-

32.1.6.2 Glow SPP 3 Company Limited entered into a joint operation agreement dated August 7, 2000 and an Addendum to the joint operation agreement dated March 24, 2004 with the Industrial Estate Authority of Thailand ("IEAT") to develop an area to construct a shipping berth at Map Ta Phut Industrial Estate. The construction of the dedicated berth for use in handling of coal, other raw materials and necessary goods has been completed and it commenced the operation on December 7, 2001. Glow SPP 3 Company Limited has the right to utilize this area for a period of 30 years, with the following benefits paid to IEAT:

- Right of way fee for coal conveyor construction at Baht 1.3 million per annum, adjusted every 10 years by 10 percent.
- Water front fees of Baht 23.6 million payable within 1 year, and fees of Baht 9.9 million per annum payable from 2001 to 2030.
- Fee payable at a rate stipulated in the agreement for actual shipments made through the berth, and, from 2002, a minimum of at least an amount equivalent to 500,000 tons per year being shipped through the berth is to be paid.

In addition, the ownership of the dedicated berth shall be transferred to IEAT in the fifteenth year from the date of commencing the operations, without any compensation.

On December 6, 2016, the dedicated berth was already transferred to IEAT.

32.1.7 Lease and right of use agreements

The Company and its subsidiaries entered into agreements with the Industrial Estate Authority of Thailand (“IEAT”), PTT Public Company Limited (“PTT”), Asia Industrial Estate Company Limited (“AIE”) and other local companies for land lease, right of use of the land for laying underground power transmission line, right of use of pipe rack, right of use of underground area for intake and discharge sea water underground tunnel and lease and service of building space as follows:

Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
Land lease				
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 19, 2007 (addendum dated April 11, 2008)	IEAT	30 years	7.6, increase by 10% every 5 years
The Company	June 5, 2007	IEAT	June 5, 2007 - November 14, 2020	1.0
Glow SPP 2 Company Limited	August 13, 1998	IEAT	September 30, 1996 - November 30, 2024	0.5, increase by 10% every 10 years
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 6, 1996 (addendums dated July 11, 2003 and April 11, 2008)	IEAT	December 1, 1996 - November 30, 2024	30.9, increase by 10% every 5 years
The Company	April 4, 1994	IEAT	26 years, renewable for another 20 years	0.5
Right of use of the land for laying underground power transmission line				
The Company	March 17, 2008	IEAT	January 2, 2008 - November 30, 2024	0.2, increase by 10% every 5 years
The Company and Glow SPP 3 Company Limited	January 23, 2007	IEAT	January 15, 1996 - November 30, 2024, renewable for another 20 years	2.2, increase by 10% every 10 years
Glow SPP 3 Company Limited	July 1, 2009	PTT	January 1, 2009 - December 31, 2028	3.3, increase by 2% every year after the 6 th year of lease agreement
Right of use of pipe rack				
The Company	August 31, 2009	AIE	August 31, 2009 - October 31, 2017	8.2, increase depending on AIE's costs
The Company	August 30, 2007	PTT	January 1, 2007 - December 31, 2021	0.4, increase by 3% every year
The Company	September 1, 2004	A local company	June 1, 2005 - December 31, 2020	4.5, increase by 5% every year
Glow SPP 3 Company Limited	September 29, 2005	PTT	September 1, 2005 - August 31, 2020	0.6, increase by 3% every year

Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
Right of use of pipe rack (continued)				
Glow SPP 1 Company Limited	May 28, 1999 (amendments dated September 1, 2002 and September 28, 2006)	A local company	October 1, 1998 - September 30, 2021	6.0, increase by 5% every year
Right of use of underground area for intake and discharge sea water underground tunnel				
Glow SPP 3 Company Limited	September 30, 2009	IEAT	December 1, 1997 - November 30, 2024	1.6, increase by 10% every 5 years
Glow SPP 3 Company Limited	September 30, 2009	IEAT	January 19, 1999 - November 30, 2024	0.2, increase by 10% every 5 years
GHECO-One Company Limited	September 30, 2009	IEAT	September 30, 2009 - November 30, 2024	0.2, increase by 10% every 5 years
Lease and service of building space				
Glow Company Limited	June 5, 2015	A local company	June 1, 2015 - May 31, 2018	Monthly fee of Baht 1.9 million

As at December 31, the future lease payments for the above agreements and lease of motor vehicles which are operating leases are summarized as follows:

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Separate</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Not later than one year	172.8	159.8	30.2	23.6
Later than one year but not later than five years	521.3	555.4	61.2	87.1
Later than five years	467.6	600.4	47.6	56.3
Total	<u>1,161.7</u>	<u>1,315.6</u>	<u>139.0</u>	<u>167.0</u>

The Company recorded the rental expenses under operating lease agreements in the consolidated and the separate statements of profit or loss and other comprehensive income for the year ended December 31, 2016 of Baht 168.1 million and Baht 23.7 million, respectively (2015 : Baht 156.0 million and Baht 27.8 million, respectively).

32.1.8 Operation and management services agreements

On June 30, 2016, Glow SPP 3 Company Limited (“GSPP3”) entered into the Operation and Management Services Agreements with two overseas companies to use GSPP3’s facilities for the period from July 1, 2016 to December 31, 2021. In this regard, GSPP3 receives the fee as conditions stipulated in the agreements.

32.1.9 Other service agreements

- 32.1.9.1 On April 20, 2004, the Company and Glow SPP 2 Company Limited entered into the Long Term Parts and Long Term Service Agreements (“LTSA”) with a local company in order for provision of parts and maintenance services of Gas Turbine Units and their associated equipment. The terms of the LTSA are determined by the number of hours that such Cover Unit is operated (Factored-Fired Hour) and number of major inspection as specified in the agreements. The provision of services commenced in January 2005. The contract prices consist of a fixed Thai Baht monthly fee and variable monthly fee in both USD and Baht currency as specified in the agreements. These prices are subject to escalation in accordance with the terms of the LTSA.
- 32.1.9.2 On February 9, 2009, the Company and six subsidiaries jointly entered into Support Services Agreement and Engineering Services Agreement with International Power S.A., whereby International Power S.A. shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee will be determined in the agreed hourly rate depending on the type of services. The term of the agreements is 2 years from July 11, 2008, automatically renewed for successive one-year term unless termination is notified by either party. Nevertheless, the agreements shall be automatically terminated on the date that ENGIE S.A., the ultimate shareholder, holds directly or indirectly less than 25 percent of the shares of Glow Group. On November 25, 2014, International Power S.A. entered into Novation and Amendment Agreement with the Company and six subsidiaries to novate its rights and obligations under the above agreements to ENGIE Asia-Pacific Company Limited (formerly “GDF SUEZ Energy Asia Company Limited”) which was effective from July 1, 2014.
- 32.1.9.3 Glow IPP Company Limited entered into a Long Term Parts and Repair Agreement (“LTPRA”) with an overseas company and a related company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 15 years or earlier upon the conditions as stipulated in the agreement.
- 32.1.9.4 Glow SPP 1 Company Limited entered into a Long Term Parts and Repair Agreement (“LTPRA”) dated June 23, 2010 with a local company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 12 years or earlier upon the conditions as stipulated in the agreement.
- 32.1.9.5 The Company entered into a Long Term Service Agreement (“LTSA”) dated December 24, 2010 with a local company to provide certain parts and maintenance services for Phase 5 power plant at the price in Euro currency as set out in the agreement. The term of the agreement is 12 years or earlier upon the conditions as stipulated in the agreement.
- 32.1.9.6 On April 2, 2012, Glow SPP 11 Company Limited (“GSPP11”) entered into a Long Term Parts and Service Agreement (“LTSA”) with a local company to procure for parts and maintenance services of Gas Turbine Units and their associated equipment. The term of the LTSA is determined by the number of hours that such cover unit is operated (Factored-Fired Hour) and number of major inspection as specified in the agreement. The provision of services commenced in April 2012. The contract prices consist of a fixed Thai Baht monthly fee and variable monthly fee in both USD and Baht currency as specified in the agreement. These prices are subject to escalation in accordance with the terms of the LTSA.

32.1.9.7 On May 10, 2012, Houay Ho Power Company Limited (“HHPC”) entered into a Long Term Service Agreement with EGAT for EGAT to provide annual test service of the power plant for the period of 7 years. The annual service fee payable is Baht 1.6 million, escalated 3 percent annually.

32.1.9.8 On October 15, 2012, Glow SPP 12 Company Limited (“GSPP12”) entered into Service Agreements with a local company and an overseas company to provide certain parts and maintenance services in respect of the power plant at the price in USD currency as set out in the agreements. The term of the agreements are approximately 10 years or earlier upon the conditions as stipulated in the agreements.

As a result of the entire business transfer of GSPP12, all rights and obligations under the agreements were novated to GSPP11 under the Novation Agreement dated May 31, 2013.

32.1.9.9 On January 1, 2014, Glow SPP 1 Company Limited, Glow SPP 3 Company Limited and the Company entered into Piperack Operation and Maintenance Service Agreements with a local company to provide services for the period from January 1, 2014 to September 30, 2028. The fees are to be paid semi-annually totaling Baht 7.0 million, increased annually as per formula in the agreements but not exceeding 5 percent.

32.1.9.10 On August 24, 2015, HHPC entered into a Maintenance Service 230 kV Substation Agreement (“MSA”) with EGAT. In accordance with the MSA, EGAT commits to perform the Preventive Maintenance services, including Corrective Maintenance or on call services of 230 kV substation and transmission line for the period of 6 years. The total fee is approximately Baht 14.3 million, which requires HHPC to pay an annual amount as stated in the agreement based on the scope of work performed.

32.1.9.11 As at December 31, 2016 and 2015, the Company and its subsidiaries have outstanding commitments in respect of other services agreements totaling approximately Baht 232.6 million and Baht 246.5 million, respectively.

32.1.10 Purchase of spare parts

32.1.10.1 On June 1, 2015, the Company and four subsidiaries entered into Supply of Gas Turbine Air Inlet Filtration Products Agreement with a local company to provide the parts of Gas Turbine totaling approximately Baht 45.9 million. The term of the agreement is 3 years and is renewable for another 2 years upon the conditions as stipulated in the agreement. As at December 31, 2016 and 2015, the outstanding commitment is approximately Baht 25.8 million and Baht 34.2 million, respectively.

32.1.10.2 As at December 31, 2016 and 2015, Glow SPP 1 Company Limited has outstanding commitment in respect of purchase parts under the LTPRA (see Note 32.1.9.4) in the amount of EUR 0.01 million and EUR 3.1 million, respectively.

32.1.11 Royalty agreement

In consideration for the grant and issuance to Houay Ho Power Company Limited of all rights, leases, permits and other benefits under the Build Operate and Transfer Agreement (“BOT”), Houay Ho Power Company Limited shall pay to the Government of Lao PDR on a quarterly basis, within 90 days of the end of quarter. The royalty shall be paid in Thai Baht, USD and Kip at the rate of 3.15 percent during the first seven years of commercial operation and 7.2 percent thereafter, of revenue from sales under its power purchase agreements.

32.1.12 Facility agreements

The Company and its subsidiaries entered into working capital facility agreements with financial institutions. As at December 31, the amounts that have not been drawn down are as follows:

Unit : Million

Agreement Date	Currency	2016	2015	Interest Rate	Term/ Termination Date
The Company ⁽¹⁾					
June 27, 2012	Baht	1,000.0	1,000.0	BIBOR + a certain percentage per annum	1 year, automatically renew subject to lender discretion
Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited, Glow SPP 11 Company Limited and the Company ⁽¹⁾					
July 16, 2012	Baht	500.0	500.0	BIBOR + a certain percentage per annum	1 year, automatically renew subject to lender discretion
Glow IPP Company Limited ⁽²⁾					
May 8, 2007 (Amendment dated May 14, 2013)	Baht	-	600.0	THBFIX + a certain percentage per annum	11 years
GHECO-One Company Limited ⁽²⁾					
June 30, 2011	Baht	780.1	205.0	BIBOR + a certain percentage per annum	2 years, automatically renew
July 22, 2011	Baht	700.0	700.0	BIBOR + a certain percentage per annum	1 year, automatically renew
Houay Ho Power Company Limited ⁽²⁾					
January 15, 2015	USD	2.0	2.0	LIBOR + a certain percentage per annum	December 15, 2023

⁽¹⁾ The working capital facility agreements are without collateral.

⁽²⁾ The working capital facility agreements are collateral (see Note 19).

Glow IPP Company Limited cancelled the working capital commitment in whole amount on December 15, 2016.

32.1.13 Share purchase agreements

On April 20, 2015 and May 20, 2015, the Company entered into share purchase agreements to purchase all shares of a company investing in a wind farm power plant project. Advance payment of Baht 15 million was paid and recorded as advance payment of shares purchase under other non-current assets in the statement of financial position as at December 31, 2015. As at December 31, 2016, the advance payment was classified to be included in advance payment under trade and other receivables as the share purchase will be occurred within one year from the date of the financial statements. The remaining amount will be paid conditionally upon the occurrence of Completion Date in accordance with the term of the agreements.

As at December 31, 2016, no share transfer of company mentioned above occurred yet.

32.2 Letters of guarantee

As at December 31, there were outstanding letters of guarantee 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 of the Company and its subsidiaries as follows:

		Unit : Million	
Company's name	Currency	2016	2015
The Company	Baht	529.8	529.5
The Company	EUR	-	1.8
Glow SPP 1 Company Limited	Baht	199.3	199.3
Glow SPP 2 Company Limited	Baht	248.1	248.1
Glow SPP 3 Company Limited	Baht	500.6	500.5
Glow SPP 11 Company Limited	Baht	422.1	429.3
Glow IPP Company Limited	Baht	11.3	9.4
GHECO-One Company Limited ⁽¹⁾	Baht	38.5	38.5
Houay Ho Power Company Limited ⁽²⁾	USD	3.0	3.0

- (1) The bank guarantee of GHECO-One Company Limited is guaranteed by the Company not exceeding 65 percent of the amount.
- (2) On February 2, 2015, the Company has issued the letter of guarantee with amounts not exceeding an aggregate of USD 3 million to a bank in order to guarantee the HHPC's liability to EGAT under the Power Purchase Agreement.

32.3 Letters of credit

As at December 31, 2016 and 2015, there were outstanding letters of credit issued by bank on behalf of GHECO-One Company Limited in respect of purchase of coal totaling USD 3.4 million and USD 19.3 million, respectively.

33. RECLASSIFICATIONS

Deferred financing fee which were previously included in other non-current assets in the consolidated and the separate statements of financial position as at December 31, 2015 amounting to Baht 304.5 million and Baht 9.4 million, respectively, have been reclassified to offset with current portion of long-term borrowings from financial institutions and long-term borrowings from financial institutions to conform the classification used in the consolidated and the separate statements of financial position as at December 31, 2016 (see Note 19).

34. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been authorized for issue by Finance Executive Management of the Company on February 20, 2017.