

**B.GRIMM POWER PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

# **Independent Auditor's Report**

To the shareholders and the Board of Directors of B.Grimm Power Public Company Limited

## **My opinion**

In my opinion, the consolidated financial statements of B.Grimm Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company 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 my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: step-acquisition in B.Grimm Yanhee Solar Power Limited. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

| Key audit matter   | How my audit addressed the key audit matter  |
|--|--|
| <p><b>Step-acquisition in B.Grimm Yanhee Solar Power Limited</b></p> <p>Referred to the Note 13 'Investment in subsidiaries' and Note 34 'Business combination'</p> <p>On 2 July 2018, the Company acquired an additional 51% interests in B.Grimm Yanhee Solar Power Limited (BGYSP) from the joint venture party for a consideration of Baht 600 million. As a result, the Group's ownership interest in BGYSP increased from 49% to 99.99% and the status of the investment in BGYSP changed from a joint venture to a subsidiary. The additional investment is considered as a business combination achieved in stages (a step-acquisition) under TFRS 3 (revised 2017) - Business Combinations.</p> <p>The management engaged an independent valuer to conduct a purchase price allocation and evaluate the fair value of previously-held interests. Right in power purchase agreements of Baht 429.30 million, gain from the measurement of the fair value of equity interests held before the business combination of Baht 35.32 million, and gain from bargain purchase of Baht 240.28 million were recognised as a result of the above mentioned exercises.</p> <p>I focused on this transaction because it was complex in nature, involving management's judgement and assumptions in the valuation exercises. Key assumptions used in the valuation included electricity tariff, the plant capacity and efficiency rate, average return rate on land for rental and discount rate. In addition, the value of right in power purchase agreements and gain from bargain purchase recognised were significant.</p> | <p>I assessed the management's consideration as to whether the acquisition should be accounted for as a business combination under TFRS3.</p> <p>I assessed the appropriateness of the identification of assets acquired and liabilities assumed at the acquisition date resulting from the purchase price allocation exercise, by evaluating the reasonableness of key assumptions applied. The procedures included;</p> <ul style="list-style-type: none"> <li>• Tested the accuracy of electricity tariff against the relevant contracts and the subsidiary's historical data.</li> <li>• Tested the plant capacity and efficiency rate against the efficiency report from solar panel's vendor.</li> <li>• Tested the average return rate on land for rental applied in the assessment of land lease prepayment's fair value against the publicly available information.</li> </ul> <p>I also evaluated the valuer's competency, independence and objectivity. I did not note any significant issue.</p> <p>In testing the fair valuation method, I engaged an expert to review the appropriateness and reasonableness of the methodology used in the valuation, the estimation of the discount rate and discount factor, and the model's logic and calculations, as compared with market practice in a comparable industry.</p> <p>I tested the calculation of the gain from bargain purchase arisen from the acquisition. I also evaluated the appropriateness of accounting treatment and the adequacy of the disclosures made in the notes to the financial statements. I did not note any significant exception.</p> <p>Based on the procedures above, I noted that management's key assumptions used in assessing the fair value of the net assets acquired and previously-held interests were reasonable based on available evidence.</p> |

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my 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 consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Kajornkiet Aroonpirodkul**  
 Certified Public Accountant (Thailand) No. 3445  
 Bangkok  
 27 February 2019

**B.Grimm Power Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2018**

|   | Notes         | Consolidated         |                | Separate             |                |
|---|---------------|----------------------|----------------|----------------------|----------------|
|   |               | financial statements |                | financial statements |                |
|   |               | 2018                 | 2017           | 2018                 | 2017           |
|   |               | Baht                 | Baht           | Baht                 | Baht           |
| Assets  |               |                      |                |                      |                |
| Current assets  |               |                      |                |                      |                |
| Cash and cash equivalents                             | 7             | 12,559,726,178       | 18,209,461,277 | 3,736,128,251        | 7,168,721,667  |
| Restricted cash within one year                       | 8             | 534,852,672          | 620,863,539    | -                    | -              |
| Short-term investments                                | 9             | 2,084,408,410        | 346,038,864    | -                    | -              |
| Trade and other receivables, net                      | 10            | 6,121,523,318        | 4,669,942,095  | 1,962,041,879        | 1,690,296,448  |
| Short-term loans to related parties                   | 35.5          | 18,240,000           | 207,000,000    | 7,960,069,661        | 5,087,755,820  |
| Current portion of long-term loans to related parties | 35.6          | -                    | -              | 237,052,113          | -              |
| Current portion of long-term loans to third party     |               | 66,753,085           | -              | 66,753,085           | -              |
| Spare parts and supplies, net                         | 11            | 979,084,526          | 877,917,698    | -                    | -              |
| Other current assets                                  | 12            | 1,457,174,622        | 906,235,130    | 38,607,773           | 27,401,275     |
| Total current assets                                  |               | 23,821,762,811       | 25,837,458,603 | 14,000,652,762       | 13,974,175,210 |
| Non-current assets                                    |               |                      |                |                      |                |
| Restricted cash over than one year                    | 8             | 220,181,335          | 236,871,148    | -                    | -              |
| Long-term loans to related parties                    | 35.6          | -                    | -              | 6,838,813,922        | 1,137,947,500  |
| Long-term loans to third party                        |               | 205,246,915          | -              | 205,246,915          | -              |
| Investments in subsidiaries                           | 13            | -                    | -              | 9,522,637,609        | 7,752,863,824  |
| Investments in associate                              | 14 (a)        | 1,148,344,998        | 1,358,033,401  | -                    | -              |
| Investments in joint ventures                         | 14 (b)        | 653,877,296          | 1,069,543,864  | 509,007,832          | 972,661,032    |
| Investment property                                   | 15            | 4,902,251            | 4,902,251      | -                    | -              |
| Property, plant and equipment, net                    | 16            | 62,350,379,547       | 51,469,851,660 | 676,183,649          | 25,198,052     |
| Intangible assets, net                                | 17            | 10,114,708,626       | 7,203,803,094  | 582,331,319          | 61,769,199     |
| Deposit for land                                      | 37.4 (e), (i) | 644,093,730          | 1,369,560,000  | -                    | -              |
| Deferred tax assets                                   | 18            | 141,936,821          | 100,851,780    | 3,749,499            | 1,784,146      |
| Other non-current assets                              | 19            | 1,330,605,561        | 589,961,147    | 20,751,527           | 51,072,070     |
| Total non-current assets                              |               | 76,814,277,080       | 63,403,378,345 | 18,358,722,272       | 10,003,295,823 |
| Total assets  |               | 100,636,039,891      | 89,240,836,948 | 32,359,375,034       | 23,977,471,033 |

Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2018**

|   | Notes | Consolidated<br>financial statements |                | Separate<br>financial statements |               |
|---|-------|--------------------------------------|----------------|----------------------------------|---------------|
|   |       | 2018                                 | 2017           | 2018                             | 2017          |
|   |       | Baht                                 | Baht           | Baht                             | Baht          |
| Liabilities and equity                  |       |                                      |                |                                  |               |
| Current liabilities                     |       |                                      |                |                                  |               |
| Trade and other payables                | 20    | 5,581,040,846                        | 4,491,897,573  | 611,883,009                      | 466,372,395   |
| Short-term borrowings from third party  |       | 38,305,377                           | 38,844,076     | 38,305,377                       | 38,844,076    |
| Short-term borrowings                   |       |                                      |                |                                  |               |
| from related parties                    | 35.7  | 5,308,600                            | -              | -                                | -             |
| Current portion of long-term borrowings |       |                                      |                |                                  |               |
| from financial institutions, net        | 21    | 775,578,963                          | 1,844,656,257  | -                                | 198,863,589   |
| Current portion of debentures, net      | 22    | 299,398,000                          | 2,298,072,883  | -                                | 2,298,072,883 |
| Current portion of long-term borrowings |       |                                      |                |                                  |               |
| from related party                      | 35.8  | 883,000,000                          | 527,000,000    | -                                | -             |
| Accrued income tax                      |       | 73,269,757                           | 67,663,602     | -                                | -             |
| Other current liabilities               |       | 533,270,185                          | 179,227,711    | 12,526,234                       | 4,883,744     |
| Total current liabilities               |       | 8,189,171,728                        | 9,447,362,102  | 662,714,620                      | 3,007,036,687 |
| Non-current liabilities                 |       |                                      |                |                                  |               |
| Construction payables due               |       |                                      |                |                                  |               |
| for payment over than 1 year            |       | 3,538,927,448                        | -              | -                                | -             |
| Long-term borrowings from               |       |                                      |                |                                  |               |
| financial institutions, net             | 21    | 24,572,296,765                       | 34,996,477,479 | -                                | 1,710,879,421 |
| Debentures, net                         | 22    | 32,482,582,342                       | 14,677,765,205 | 14,605,983,111                   | 3,195,916,977 |
| Long-term borrowings                    |       |                                      |                |                                  |               |
| from related party                      | 35.8  | 2,675,000,000                        | 3,558,000,000  | -                                | -             |
| Deferred tax liabilities                | 18    | 117,697,101                          | 85,552,156     | -                                | -             |
| Provision for minimum payments under    |       |                                      |                |                                  |               |
| rights to sell electricity agreements   |       | 310,708,820                          | -              | 251,061,340                      | -             |
| Provision for decommissioning costs     |       | 305,574,317                          | 233,858,867    | -                                | -             |
| Employee benefit obligations            | 23    | 226,407,654                          | 175,435,372    | 18,747,493                       | 8,920,730     |
| Other non-current liabilities           |       | 478,550,106                          | 322,608,215    | -                                | -             |
| Total non-current liabilities           |       | 64,707,744,553                       | 54,049,697,294 | 14,875,791,944                   | 4,915,717,128 |
| Total liabilities                       |       | 72,896,916,281                       | 63,497,059,396 | 15,538,506,564                   | 7,922,753,815 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2018**

|                                      | Notes | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|--------------------------------------|-------|--------------------------------------|----------------|----------------------------------|----------------|
|                                      |       | 2018                                 | 2017           | 2018                             | 2017           |
|                                      |       | Baht                                 | Baht           | Baht                             | Baht           |
| Liabilities and equity (Cont'd)      |       |                                      |                |                                  |                |
| Equity                               |       |                                      |                |                                  |                |
| Share capital                        | 24    |                                      |                |                                  |                |
| Authorised share capital             |       |                                      |                |                                  |                |
| 2,700,000,000 ordinary shares        |       |                                      |                |                                  |                |
| at par value of Baht 2 each          |       | 5,400,000,000                        | 5,400,000,000  | 5,400,000,000                    | 5,400,000,000  |
| Issued and paid-up share capital     |       |                                      |                |                                  |                |
| 2,606,900,000 ordinary shares,       |       |                                      |                |                                  |                |
| fully paid-up of Baht 2 each         |       | 5,213,800,000                        | 5,213,800,000  | 5,213,800,000                    | 5,213,800,000  |
| Share premium on ordinary shares     | 24    | 9,644,039,948                        | 9,644,039,948  | 9,644,039,948                    | 9,644,039,948  |
| Reserved shares for employee         |       |                                      |                |                                  |                |
| benefits under share-based           |       |                                      |                |                                  |                |
| payments scheme                      | 24    | (163,782,400)                        | (169,355,200)  | (79,616,000)                     | (79,616,000)   |
| Other reserve - share-based payments | 36    | 80,333,127                           | 36,926,838     | 41,276,450                       | 20,862,675     |
| Retained earnings                    |       |                                      |                |                                  |                |
| Appropriated - legal reserve         | 25    | 292,425,254                          | 196,385,486    | 292,425,254                      | 196,385,486    |
| Unappropriated                       |       | 4,588,738,092                        | 4,005,015,258  | 1,708,942,818                    | 1,059,245,109  |
| Other components of equity           |       | (402,096,150)                        | (273,559,509)  | -                                | -              |
| Equity attributable                  |       |                                      |                |                                  |                |
| to owners of the parent              |       | 19,253,457,871                       | 18,653,252,821 | 16,820,868,470                   | 16,054,717,218 |
| Non-controlling interests            |       | 8,485,665,739                        | 7,090,524,731  | -                                | -              |
| Total equity                         |       | 27,739,123,610                       | 25,743,777,552 | 16,820,868,470                   | 16,054,717,218 |
| Total liabilities and equity         |       | 100,636,039,891                      | 89,240,836,948 | 32,359,375,034                   | 23,977,471,033 |

The accompanying notes are an integral part of these consolidated and separate financial statements.



**B.Grimm Power Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2018**

|  |             | Consolidated            |                         | Separate             |                      |
|--|-------------|-------------------------|-------------------------|----------------------|----------------------|
|  |             | financial statements    |                         | financial statements |                      |
|  | Notes       | 2018<br>Baht            | 2017<br>Baht            | 2018<br>Baht         | 2017<br>Baht         |
| Sales and services income  | 26          | 35,856,786,519          | 30,651,056,235          | 636,694,334          | 172,955,050          |
| Construction revenue under concession agreements                   |             | 728,310,454             | 831,119,432             | -                    | -                    |
| <b>Total revenue from sales and services</b>                       |             | <b>36,585,096,973</b>   | <b>31,482,175,667</b>   | <b>636,694,334</b>   | <b>172,955,050</b>   |
| Cost of sales and services   | 28          | (29,079,376,954)        | (24,012,893,487)        | (105,380,850)        | (58,632,075)         |
| Construction cost under concession agreements                      |             | (652,772,780)           | (729,552,037)           | -                    | -                    |
| <b>Total costs of sales and services</b>                           |             | <b>(29,732,149,734)</b> | <b>(24,742,445,524)</b> | <b>(105,380,850)</b> | <b>(58,632,075)</b>  |
| <b>Gross profit</b>  |             | <b>6,852,947,239</b>    | <b>6,739,730,143</b>    | <b>531,313,484</b>   | <b>114,322,975</b>   |
| Other income   | 27          | 459,737,295             | 187,020,649             | 2,001,972,820        | 1,769,964,872        |
| Administrative expenses  | 28          | (1,408,514,160)         | (1,263,075,295)         | (236,303,686)        | (186,709,752)        |
| Loss on exchange rate  |             | (5,653,254)             | (38,383,880)            | (7,636,122)          | (1,898,905)          |
| Finance costs  | 29          | (2,927,560,992)         | (2,052,693,178)         | (370,028,260)        | (524,759,317)        |
| Share of profit from associate and joint ventures                  | 14 (a), (b) | 182,030,305             | 255,751,851             | -                    | -                    |
| <b>Profit before income tax</b>                                    |             | <b>3,152,986,433</b>    | <b>3,828,350,290</b>    | <b>1,919,318,236</b> | <b>1,170,919,873</b> |
| Income tax   | 30          | (177,207,053)           | (234,500,367)           | 1,477,130            | 858,043              |
| <b>Profit for the year</b>   |             | <b>2,975,779,380</b>    | <b>3,593,849,923</b>    | <b>1,920,795,366</b> | <b>1,171,777,916</b> |
| <b>Other comprehensive income:</b>                                 |             |                         |                         |                      |                      |
| Items that will not be reclassified subsequently to profit or loss |             |                         |                         |                      |                      |
| Remeasurements of employee benefit obligations, net of tax         |             | (16,289,692)            | -                       | (1,952,889)          | -                    |
| Items that will be reclassified subsequently to profit or loss     |             |                         |                         |                      |                      |
| Currency translation difference                                    |             | (130,330,521)           | (236,871,137)           | -                    | -                    |
| <b>Total comprehensive income for the year</b>                     |             | <b>2,829,159,167</b>    | <b>3,356,978,786</b>    | <b>1,918,842,477</b> | <b>1,171,777,916</b> |
| <b>Profit attributable to:</b>                                     |             |                         |                         |                      |                      |
| Owners of the parent   |             | 1,862,806,380           | 2,126,710,355           | 1,920,795,366        | 1,171,777,916        |
| Non-controlling interests  |             | 1,112,973,000           | 1,467,139,568           | -                    | -                    |
|  |             | <b>2,975,779,380</b>    | <b>3,593,849,923</b>    | <b>1,920,795,366</b> | <b>1,171,777,916</b> |
| <b>Total comprehensive income attributable to:</b>                 |             |                         |                         |                      |                      |
| Owners of the parent   |             | 1,724,330,961           | 1,928,656,346           | 1,918,842,477        | 1,171,777,916        |
| Non-controlling interests  |             | 1,104,828,206           | 1,428,322,440           | -                    | -                    |
|  |             | <b>2,829,159,167</b>    | <b>3,356,978,786</b>    | <b>1,918,842,477</b> | <b>1,171,777,916</b> |
| <b>Earnings per share</b>  |             |                         |                         |                      |                      |
| Basic earnings per share   | 31          | 0.71                    | 0.96                    | 0.74                 | 0.53                 |

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.Grimm Power Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2018

| Consolidated financial statements                                       |  |  |   |  |                              |                      |   |   |  |                                    |                                   |                       |
|---|--|--|---|--|------------------------------|----------------------|---|---|--|------------------------------------|-----------------------------------|-----------------------|
| Attributable to owners of the parent                                    |  |  |   |  |                              |                      |   |   |  |                                    |                                   |                       |
| Notes   | Issued and paid-up share capital<br>Baht | Share premium on ordinary shares<br>Baht | Reserved shares for employee benefits under share-based payments scheme<br>Baht | Other reserve -share -based payments<br>Baht | Retained earnings            |                      | Other comprehensive expense<br>Currency translation differences of financial statements<br>Baht | Changes in parent's ownership interests in subsidiaries<br>Baht | Total other components of equity<br>Baht | Total owners of the parent<br>Baht | Non-controlling interests<br>Baht | Total equity<br>Baht  |
|   |  |  |   |  | Appropriated - legal reserve | Unappropriated       |   |   |  |                                    |                                   |                       |
|   | Baht                                     | Baht                                     | Baht  | Baht   | Baht                         | Baht                 | Baht  | Baht  | Baht                                     | Baht                               | Baht                              | Baht                  |
| <b>Opening balance at 1 January 2017</b>                                | 3,780,000,000                            | -  | -   | -  | 137,796,590                  | 2,057,853,799        | (1,235,763)   | (74,252,296)  | (75,488,059)                             | 5,900,162,330                      | 5,633,912,453                     | 11,534,074,783        |
| <b>Changes in equity for the year 2017</b>                              |  |  |   |  |                              |                      |   |   |  |                                    |                                   |                       |
| Issue of shares   | 24                                       | 1,433,800,000                            | 9,644,039,948   | -  | -                            | -                    | -   | -   | -  | 11,077,839,948                     | -                                 | 11,077,839,948        |
| Reserved shares for employee benefits under share-based payments scheme | 24                                       | -  | -   | (169,355,200)                                | -                            | -                    | -   | -   | -  | (169,355,200)                      | -                                 | (169,355,200)         |
| Share-based payments  | 36                                       | -  | -   | -  | 36,926,838                   | -                    | -   | -   | -  | 36,926,838                         | -                                 | 36,926,838            |
| Additional paid-up share capital of subsidiaries                        |  | -  | -   | -  | -                            | -                    | -   | -   | -  | -                                  | 905,400,884                       | 905,400,884           |
| Legal reserve   | 25                                       | -  | -   | -  | -                            | 58,588,896           | (58,588,896)  | -   | -  | -                                  | -                                 | -                     |
| Changes in parent's ownership interests in subsidiaries                 |  | -  | -   | -  | -                            | -                    | -   | (17,441)  | (17,441)                                 | (17,441)                           | 17,441                            | -                     |
| Dividends   | 32                                       | -  | -   | -  | -                            | (120,960,000)        | -   | -   | -  | (120,960,000)                      | (877,128,487)                     | (998,088,487)         |
| Total comprehensive income for the year                                 |  | -  | -   | -  | -                            | 2,126,710,355        | (198,054,009)   | -   | (198,054,009)                            | 1,928,656,346                      | 1,428,322,440                     | 3,356,978,786         |
| <b>Closing balance at 31 December 2017</b>                              | <u>5,213,800,000</u>                     | <u>9,644,039,948</u>                     | <u>(169,355,200)</u>  | <u>36,926,838</u>                            | <u>196,385,486</u>           | <u>4,005,015,258</u> | <u>(199,289,772)</u>  | <u>(74,269,737)</u>   | <u>(273,559,509)</u>                     | <u>18,653,252,821</u>              | <u>7,090,524,731</u>              | <u>25,743,777,552</u> |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2018**

| Consolidated financial statements                                       |  |  |   |  |                         |                      |  |   |  |                                    |                                   |                       |
|---|--|--|---|--|-------------------------|----------------------|--|---|--|------------------------------------|-----------------------------------|-----------------------|
| Attributable to owners of the parent                                    |  |  |   |  |                         |                      |  |   |  |                                    |                                   |                       |
| Notes   | Issued and paid-up share capital<br>Baht | Share premium on ordinary shares<br>Baht | Reserved shares for employee benefits under share-based payments scheme<br>Baht | Other reserve - share-based payments<br>Baht | Retained earnings       |                      | Currency translation differences of financial statements<br>Baht | Changes in parent's ownership interests in subsidiaries<br>Baht | Total other components of equity<br>Baht | Total owners of the parent<br>Baht | Non-controlling interests<br>Baht | Total equity<br>Baht  |
|   |  |  |   |  | Appropriated            | Unappropriated       |  |   |  |                                    |                                   |                       |
|   |  |  |   |  | - legal reserve<br>Baht | Baht                 |  |   |  |                                    |                                   |                       |
| <b>Opening balance at 1 January 2018</b>                                | 5,213,800,000                            | 9,644,039,948                            | (169,355,200)   | 36,926,838                                   | 196,385,486             | 4,005,015,258        | (199,289,772)  | (74,269,737)  | (273,559,509)                            | 18,653,252,821                     | 7,090,524,731                     | 25,743,777,552        |
| <b>Changes in equity for the year 2018</b>                              |  |  |   |  |                         |                      |  |   |  |                                    |                                   |                       |
| Reserved shares for employee benefits under share-based payments scheme | -  | -  | 5,572,800   | -  | -                       | -                    | -  | -   | -  | 5,572,800                          | -                                 | 5,572,800             |
| Share-based payments  | 36                                       | -  | -   | 43,406,289                                   | -                       | -                    | -  | -   | -  | 43,406,289                         | -                                 | 43,406,289            |
| Acquisition of subsidiaries   | -  | -  | -   | -  | -                       | -                    | -  | -   | -  | -                                  | 356,630,236                       | 356,630,236           |
| Additional paid-up share capital of subsidiaries                        | -  | -  | -   | -  | -                       | -                    | -  | -   | -  | -                                  | 1,301,616,656                     | 1,301,616,656         |
| Legal reserve   | 25                                       | -  | -   | -  | 96,039,768              | (96,039,768)         | -  | -   | -  | -                                  | -                                 | -                     |
| Changes in parent's ownership interests in subsidiaries                 | 13                                       | -  | -   | -  | -                       | -                    | -  | -   | -  | -                                  | (339,413,175)                     | (339,413,175)         |
| Dividends   | 32                                       | -  | -   | -  | -                       | (1,173,105,000)      | -  | -   | -  | (1,173,105,000)                    | (1,028,520,915)                   | (2,201,625,915)       |
| Total comprehensive income for the year                                 | -  | -  | -   | -  | -                       | 1,852,867,602        | (128,536,641)  | -   | (128,536,641)                            | 1,724,330,961                      | 1,104,828,206                     | 2,829,159,167         |
| <b>Closing balance at 31 December 2018</b>                              | <u>5,213,800,000</u>                     | <u>9,644,039,948</u>                     | <u>(163,782,400)</u>  | <u>80,333,127</u>                            | <u>292,425,254</u>      | <u>4,588,738,092</u> | <u>(327,826,413)</u>   | <u>(74,269,737)</u>   | <u>(402,096,150)</u>                     | <u>19,253,457,871</u>              | <u>8,485,665,739</u>              | <u>27,739,123,610</u> |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2018**

|  |    | Separate financial statements          |   |  |  |                                 |                 |                 |
|--|----|--|---|--|--|---------------------------------|-----------------|-----------------|
|  |    | Issued and<br>paid-up<br>share capital | Share<br>premium on<br>ordinary<br>shares | Reserved shares<br>for employee benefits<br>under share-based<br>payments scheme | Other reserve<br>- share-based<br>payments | Retained earnings               |                 | Total<br>equity |
| Notes  |    | Baht                                   | Baht                                      | Baht   | Baht                                       | Appropriated<br>- legal reserve | Unappropriated  | Baht            |
|  |    | Baht                                   | Baht                                      | Baht   | Baht                                       | Baht                            | Baht            | Baht            |
| Opening balance at 1 January 2017  |    | 3,780,000,000                          | -   | -  | -  | 137,796,590                     | 67,016,089      | 3,984,812,679   |
| Changes in equity for the year 2017  |    |  |   |  |  |                                 |                 |                 |
| Issue of shares  | 24 | 1,433,800,000                          | 9,644,039,948                             | -  | -  | -                               | -               | 11,077,839,948  |
| Reserved shares for employee benefits<br>under share-based payments scheme | 24 | -                                      | -   | (79,616,000)   | -  | -                               | -               | (79,616,000)    |
| Share-based payments   | 36 | -                                      | -   | -  | 20,862,675                                 | -                               | -               | 20,862,675      |
| Legal reserve  | 25 | -                                      | -   | -  | -  | 58,588,896                      | (58,588,896)    | -               |
| Dividends  | 32 | -                                      | -   | -  | -  | -                               | (120,960,000)   | (120,960,000)   |
| Total comprehensive income for the year                                    |    | -                                      | -   | -  | -  | -                               | 1,171,777,916   | 1,171,777,916   |
| Closing balance at 31 December 2017  |    | 5,213,800,000                          | 9,644,039,948                             | (79,616,000)   | 20,862,675                                 | 196,385,486                     | 1,059,245,109   | 16,054,717,218  |
| Opening balance at 1 January 2018  |    | 5,213,800,000                          | 9,644,039,948                             | (79,616,000)   | 20,862,675                                 | 196,385,486                     | 1,059,245,109   | 16,054,717,218  |
| Changes in equity for the year 2018  |    |  |   |  |  |                                 |                 |                 |
| Share-based payments   | 36 | -                                      | -   | -  | 20,413,775                                 | -                               | -               | 20,413,775      |
| Legal reserve  | 25 | -                                      | -   | -  | -  | 96,039,768                      | (96,039,768)    | -               |
| Dividends  | 32 | -                                      | -   | -  | -  | -                               | (1,173,105,000) | (1,173,105,000) |
| Total comprehensive income for the year                                    |    | -                                      | -   | -  | -  | -                               | 1,918,842,477   | 1,918,842,477   |
| Closing balance at 31 December 2018  |    | 5,213,800,000                          | 9,644,039,948                             | (79,616,000)   | 41,276,450                                 | 292,425,254                     | 1,708,942,818   | 16,820,868,470  |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2018**

|  | Notes       | Consolidated<br>financial statements |                 | Separate<br>financial statements |                 |
|--|-------------|--------------------------------------|-----------------|----------------------------------|-----------------|
|  |             | 2018                                 | 2017            | 2018                             | 2017            |
|  |             | Baht                                 | Baht            | Baht                             | Baht            |
| <b>Cash flows from operating activities</b>  |             |                                      |                 |                                  |                 |
| Net profit before income tax for the year  |             | 3,152,986,433                        | 3,828,350,290   | 1,919,318,236                    | 1,170,919,873   |
| Adjustments  |             |                                      |                 |                                  |                 |
| - Depreciation and amortisation  | 28          | 3,341,008,822                        | 2,758,020,421   | 29,720,185                       | 10,985,886      |
| - Amortisation of deferred financing fees  | 29          | 174,065,604                          | 204,171,231     | 9,292,280                        | 29,852,889      |
| - Write-off withholding tax  |             | 242,611                              | -               | -                                | -               |
| - Allowance for slow moving spare parts and supplies   |             | 47,009,050                           | 49,162,059      | -                                | -               |
| - Loss (gain) on disposal and write-off of plant and equipment                                 |             | 846,711                              | (1,995,749)     | -                                | -               |
| - Interest income  | 27          | (138,531,183)                        | (106,298,959)   | (338,533,640)                    | (225,257,452)   |
| - Interest expenses  |             | 2,784,999,096                        | 2,880,313,412   | 341,171,427                      | 496,947,453     |
| - Employee benefit expenses  | 23          | 33,249,601                           | 19,173,598      | 7,443,579                        | 820,175         |
| - Share-based payments to employees  |             | 29,677,862                           | 36,926,838      | 3,808,035                        | 9,669,859       |
| - Unrealised loss (gain) on exchange rate  |             | 45,612,443                           | (1,048,730,831) | (175,318)                        | 48,025,584      |
| - Dividends income   | 27          | -                                    | -               | (1,662,939,338)                  | (1,544,218,013) |
| - Share of profit from associate and joint ventures  | 14 (a), (b) | (182,030,305)                        | (255,751,851)   | -                                | -               |
| - Gain from measurement of fair value of equity interests held before the business combination | 34          | (35,318,818)                         | -               | -                                | -               |
| - Gain on bargain purchase   | 34          | (240,287,181)                        | -               | -                                | -               |
| - Construction revenue under concession agreements   |             | (728,310,454)                        | (831,119,432)   | -                                | -               |
| Changes in operating assets and liabilities:   |             |                                      |                 |                                  |                 |
| (Increase) decrease in operating assets  |             |                                      |                 |                                  |                 |
| - Trade and other receivables  |             | (1,109,602,550)                      | 1,985,068,816   | (377,891,978)                    | (69,071,180)    |
| - Spare parts and supplies   |             | (226,609,950)                        | (82,745,625)    | -                                | -               |
| - Other current assets   |             | (482,736,183)                        | 149,341,938     | 8,255,201                        | 1,751,990       |
| - Other non-current assets   |             | 1,137,500,076                        | (58,787,666)    | 30,100,850                       | (50,724,206)    |
| Increase (decrease) in operating liabilities   |             |                                      |                 |                                  |                 |
| - Trade and other payables   |             | 261,978,766                          | (1,789,497,516) | (203,852,720)                    | 67,234,501      |
| - Other current liabilities  |             | 27,042,856                           | (49,443,125)    | 7,642,489                        | (15,179,085)    |
| - Employee benefits obligations  | 23          | (936,919)                            | -               | (57,927)                         | -               |
| - Other non-current liabilities  |             | (97,501,389)                         | (81,878,818)    | -                                | -               |
| Cash generated from (used in) operating activities   |             | 7,794,354,999                        | 7,604,279,031   | (226,698,639)                    | (68,241,726)    |
| - Interest received  |             | 136,234,390                          | 139,050,637     | 45,617,500                       | 52,881,278      |
| - Income tax paid  |             | (272,569,095)                        | (237,900,902)   | (19,461,699)                     | (8,635,453)     |
| Net cash generated from (used in) operating activities   |             | 7,658,020,294                        | 7,505,428,766   | (200,542,838)                    | (23,995,901)    |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2018**

|  |        | Consolidated         |                  | Separate             |                 |
|--|--------|----------------------|------------------|----------------------|-----------------|
|  |        | financial statements |                  | financial statements |                 |
|  |        | 2018                 | 2017             | 2018                 | 2017            |
| Notes  |        | Baht                 | Baht             | Baht                 | Baht            |
| <b>Cash flows from investing activities</b>            |        |                      |                  |                      |                 |
|  |        | 102,700,680          | 101,602,116      | -                    | -               |
|  |        | (1,738,369,545)      | 814,475,894      | -                    | 300,057,180     |
|  |        | 28,000,000           | 61,000,000       | 983,992,849          | 4,861,052,430   |
|  |        | (18,240,000)         | -                | (4,035,306,690)      | (4,618,808,250) |
|  | 35.6   | -                    | -                | 358,399,110          | -               |
|  | 35.6   | -                    | -                | (6,296,317,645)      | (32,800,000)    |
|  |        | (93,000,000)         | -                | (93,000,000)         | -               |
|  |        | (1,748,991,436)      | -                | -                    | -               |
|  |        | (339,413,175)        | -                | -                    | -               |
|  | 13     | -                    | -                | (583,190,007)        | (574,240,216)   |
|  | 14 (a) | 157,935,116          | 138,604,562      | -                    | -               |
|  | 14 (b) | (105,064,975)        | -                | (101,065,000)        | -               |
|  | 34     | (331,427,251)        | -                | (600,000,000)        | -               |
|  |        | -                    | -                | -                    | (19,371,620)    |
|  |        | (6,130,837,288)      | (6,245,792,495)  | (353,356,851)        | (12,631,818)    |
|  |        | (431,667,043)        | (25,916,742)     | (40,072,763)         | (34,733,993)    |
|  |        | 4,664,006            | 3,913,021        | -                    | -               |
|  |        | 919,040,300          | 1,820,052,430    | -                    | -               |
|  |        | (193,574,030)        | (1,557,500,000)  | -                    | -               |
|  |        | 174,984,847          | 216,202,806      | 1,803,501,310        | 700,298,162     |
|  |        | (230,017,168)        | (130,539,289)    | -                    | -               |
| Net cash (used in) generated from investing activities |        | (9,973,276,962)      | (4,803,897,697)  | (8,956,415,687)      | 568,821,875     |
| <b>Cash flows from financing activities</b>            |        |                      |                  |                      |                 |
|  | 24     | -                    | 11,301,044,800   | -                    | 11,390,784,000  |
|  | 24     | -                    | (392,560,052)    | -                    | (392,560,052)   |
|  |        | 1,304,116,655        | 778,512,425      | -                    | -               |
|  |        | 1,286,000,000        | 267,000,000      | -                    | -               |
|  | 21     | 589,802,532          | 5,814,161,469    | -                    | -               |
|  | 22     | 21,400,000,000       | 11,500,000,000   | 14,700,000,000       | -               |
|  |        | (1,286,000,000)      | (462,773,690)    | -                    | -               |
|  | 21     | (15,254,237,787)     | (17,297,663,709) | (1,912,240,000)      | (4,800,000,000) |
|  | 22     | (5,500,000,000)      | -                | (5,500,000,000)      | -               |
|  |        | 5,308,600            | 1,360,000,000    | -                    | 1,360,000,000   |
|  |        | -                    | (1,360,000,000)  | -                    | (1,360,000,000) |
|  | 35.8   | (527,000,000)        | (462,500,000)    | -                    | -               |
|  |        | (97,941,077)         | (36,538,500)     | (90,531,077)         | (17,500,000)    |
|  |        | (1,173,105,000)      | (120,960,000)    | (1,173,105,000)      | (120,960,000)   |
|  |        | (1,083,704,084)      | (397,473,850)    | -                    | -               |
|  |        | (2,953,245,700)      | (3,179,890,651)  | (299,395,789)        | (504,863,417)   |
| Net cash (used in) generated from financing activities |        | (3,290,005,861)      | 7,310,358,242    | 5,724,728,134        | 5,554,900,531   |

The accompanying notes are an integral part of these consolidated and separate financial statements.

**B.Grimm Power Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2018**

|   | Consolidated          |                       | Separate             |                      |
|---|-----------------------|-----------------------|----------------------|----------------------|
|   | financial statements  |                       | financial statements |                      |
|   | 2018                  | 2017                  | 2018                 | 2017                 |
| Notes   | Baht                  | Baht                  | Baht                 | Baht                 |
| <b>Net (decrease) increase in cash and cash equivalents</b> | (5,605,262,529)       | 10,011,889,311        | (3,432,230,391)      | 6,099,726,505        |
| Cash and cash equivalents at beginning of the year          | 18,209,461,277        | 8,322,125,151         | 7,168,721,667        | 1,068,995,162        |
| Loss on exchange rate                                       | (44,472,570)          | (124,553,185)         | (363,025)            | -                    |
| <b>Cash and cash equivalents at end of the year</b>         | <b>12,559,726,178</b> | <b>18,209,461,277</b> | <b>3,736,128,251</b> | <b>7,168,721,667</b> |

**Supplementary information :**

Significant non-cash items :

|  |      |               |             |             |               |
|--|------|---------------|-------------|-------------|---------------|
| - Payables arising from purchases of property, plant and equipment and intangible assets |      | 4,466,651,779 | 189,168,789 | 315,930,712 | 5,524,883     |
| - Provision arising from decommissioning   |      | 71,715,450    | 7,214,629   | -           | -             |
| - Provision arising from minimum payments under rights to sell electricity agreements    |      | 310,708,820   | -           | 251,061,340 | -             |
| - Transfer amount due from a related party to long-term loan to a related party          | 35.6 | -             | -           | -           | 1,105,147,500 |
| - Payable arising from investing in subsidiary   | 13   | 410,946,480   | -           | 32,615      | 499,850       |
| - Transfer spare parts and supplies to plant and equipment                               |      | 98,052,473    | -           | -           | -             |
| - Amortisation of deferred financing fees capitalised to power plant under construction  |      | 3,612,136     | 4,929,392   | -           | -             |
| - Transfer from land deposit to property, plant and equipment                            |      | -             | 938,747,570 | -           | -             |
| - Transfer from land to land use right   | 16   | -             | 256,666,744 | -           | -             |
| - Transfer from property, plant and equipment to spare parts and supplies                | 16   | -             | 22,493,281  | -           | -             |
| - Transfer from advances for projects development to intangible assets                   |      | 74,000,000    | -           | 253,273,490 | -             |
| - Intangible assets from consession agreement  |      | 728,310,454   | 831,119,432 | -           | -             |
| - Accrued dividends income   | 10   | -             | 27,047,674  | 703,357,879 | 843,919,851   |
| - Capital contribution under employee benefits scheme of subsidiaries                    |      | -             | -           | 21,832,965  | 13,757,759    |

The accompanying notes are an integral part of these consolidated and separate financial statements.

## **1 General information**

B.Grimm Power Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is 5, Krungthepkreetha Road, Huamark, Bangkok, Bangkok 10240 Thailand.

The Company registered the change of the Company’s status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 9 September 2016. The Company’s shares are traded in the Stock Exchange of Thailand commencing 19 July 2017.

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

The principal business operations of the Group is the generation and distribution of electricity for the government sectors and Industrial Users both in Thailand and overseas.

These Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 27 February 2019.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

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

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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



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

### **2.2 Revised financial reporting standards, and related interpretations**

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group:

|                        |   |
|------------------------|---|
| TAS 7 (revised 2017)   | Statement of cash flows                   |
| TAS 12 (revised 2017)  | Income taxes                              |
| TFRS 12 (revised 2017) | Disclosure of interests in other entities |

The Group already adopted the above revised standards and there is no material impact on the Group's financial statements.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

The Group's management assessed and considered that the above new standards will not have a material impact on the Group.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

|                       |  |
|-----------------------|--|
| TFRS 2 (revised 2018) | Share-based payment                          |
| TAS 28 (revised 2018) | Investments in associates and joint ventures |
| TAS 40 (revised 2018) | Investment property                          |

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group.

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

|          |   |
|----------|---|
| TAS 32   | Financial instruments: Presentation                         |
| TFRS 7   | Financial instruments: Disclosures                          |
| TFRS 9   | Financial instruments                                       |
| TFRIC 16 | Hedges of a net investment in a foreign operation           |
| TFRIC 19 | Extinguishing financial liabilities with equity instruments |

The Group's management is currently assessing the impact of initial adoption of these standards.

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

### **2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures**

#### **(1) Subsidiaries**

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

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

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

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(2) Transactions with non-controlling interests**

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

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

### **2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures (Cont'd)**

#### **(3) Disposal of subsidiaries**

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

#### **(4) Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

#### **(5) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in consolidated financial statements.

#### **(6) Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

##### Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

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

### **2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures (Cont'd)**

#### **(7) Accounting under equity method**

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identifies on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associates and joint ventures is recognise in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(8) Separate financial statement**

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments in cost of investment. Cost also includes direct attributable costs of investment.

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

### **2.4 Foreign currency translation**

#### **(a) Functional and presentation currency**

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

#### **(b) Transactions and balances**

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

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

#### **(c) Group companies**

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

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

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

### **2.5 Cash and cash equivalents**

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

### **2.6 Trade accounts receivable**

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

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

### **2.7 Spare parts and supplies**

#### **2.7.1 Fuel**

Fuel represents natural gas. Costs are calculated based on the moving average basis.

#### **2.7.2 Spare parts and supplies**

Spare parts and supplies are stated at the lower of cost or net realisable value. Costs are calculated based on the moving average basis. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the spare parts and supplies, such as import duties and transportation charges, less all attributable discounts. Allowance is made, where necessary, for slow-moving spare parts and supplies.

### **2.8 Investment property**

Land that is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs.

Land is not depreciated.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

### **2.9 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Spare parts that are categorised as "specific spare parts" which are used for specific equipment of the power plant, and "common spare parts" which are used for general use. Spare parts that have useful life of over one year are classified as property, plant and equipment and are depreciated using the straight-line method over the estimated useful life once they are in ready-to-use condition for its purpose determined by the management.

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

|  |              |
|--|--------------|
| Land improvement   | 5 - 25 years |
| Power plant, substation, transmission system and equipment | 5 - 25 years |
| Office equipment, furniture and computer                   | .3 - 5 years |
| Building and structure                                     | 5 - 25 years |
| Motor vehicles   | 5 years      |

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

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

### **2.10 Service concession arrangements**

Service concession arrangements are arrangements between government (the grantor) and a private sector entity (an operator) which involve the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price and the grantor control-through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the Group as the operator provides construction or upgrade services, revenue and costs relating to construction or upgrade services shall be accounted for based on the stage of completion on the construction contract. The consideration received or receivable by the operator shall be recognised at its fair value of a financial asset or an intangible asset.

The Group shall recognise a financial asset to extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. Revenue and costs relating to operation services shall be recognised when service is provided by reference to the contract term.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element shall be recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

### **2.11 Intangible assets**

#### **2.11.1 Right to use assets**

Right to use assets consists of

##### **(a) Right to use gas pipeline**

Cost of gas piping of which the right was transferred to gas supplier according to the gas purchase agreement is classified as intangible assets on right transferring date and amortised using the straight-line basis over the period of gas purchase agreement.

##### **(b) Right to use substations**

Cost of substation of which the right was transferred to PEA according to the power purchase agreement is classified as intangible assets on right transferring date and amortised using the straight-line basis over the period of power purchase agreement.

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

### **2.11 Intangible assets (Cont'd)**

#### **2.11.2 Right in operation and maintenance contracts**

The right in operation and maintenance contracts arising on acquisition of subsidiary is amortised using the straight-line basis over the periods of the operation and maintenance contracts of which 21 years.

#### **2.11.3 Rights from service concession arrangements**

Rights from service concession arrangements is the right from service concession arrangements to generation and distribution of electricity with the Laos government as described in the accounting policies in Note 2.10. Rights from service concession arrangements are amortised using the straight-line method over the period of purchase agreement attached to the concession agreement and recorded as expense in profit and loss.

#### **2.11.4 Deferred power plant costs**

Deferred power plant cost includes the necessary and relevant expenditures on acquiring relevant licences for the power plant's operation and costs incurred on development projects that are recognised as intangible assets when it is probable that the project will be a success and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Deferred power plant costs have been capitalised and amortised using the straight-line basis over the period of power purchase agreement starting from the commercial operation date.

#### **2.11.5 Land use right**

Land use right is the cost incurred to obtain right over land for installation of power plant, substation, transmission system, and electricity posts. The cost is capitalised and amortised using the straight-line method over the useful lives of power plant, generally over 25 years.

#### **2.11.6 Right in power purchase agreements**

Right in power purchase agreement acquired in business combination are initially recognised at fair value at the acquisition date. Right in power purchase agreement will be amortised using the straight-line basis over the period of power purchase agreements, power supply agreements and stream supply agreements to customers with period from 1 year to 25 years.

The amount paid to obtain right in power purchase agreement is capitalised as intangible assets and amortised using the straight-line basis over the period of power purchase agreements.

#### **2.11.7 Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 3 - 10 years.



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

### **2.12 Impairment of assets**

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

### **2.13 Leases - where the Group is the lessee**

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

### **2.14 Borrowings**

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

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

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

#### **(a) Borrowing costs**

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

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

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

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

### **2.15 Current and deferred income taxes**

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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

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

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

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

**2.16 Employee Benefits**

**2.16.1 Post-employment**

The Group operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

**2.16.1.1 Defined contribution**

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**2.16.1.2 Retirement benefits**

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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

**2.16.2 Long service awards**

The entitlement to these benefits is usually conditional on the employees remaining in service and completion of minimum 10 years services and consecutively paid every 5 years after. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as is used for retirement benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued regularly by independent qualified actuary.

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

### **2.16 Employee Benefits (Cont'd)**

#### **2.16.3 Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### **2.17 Share-based payment**

The Group measures equity - settled, share-based compensation plans for employees by reference to the fair value of the equity instrument granted at the grant date. The expense is recognised corresponding to increase in equity, over the period that the employee become conditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual amount of awards for which the related service and non-market vesting conditions are expected to be met.

Share-based payment expense is charged to the statement of comprehensive income corresponding to the increase in "Other reserve - share-based payments" in equity over the periods in which the service conditions are fulfilled. The amount of shares, which has been allocated for share-based compensation plans for employees, will be presented deducting in equity as "Reserved shares for employee benefits under share-based payment scheme". Once the employee service condition is met, this reserved amount will be offsetting with "Other reserve - share-based payments" in equity.

The grant by the Company of common shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of equity instrument, is recognised over the vesting period as an increase to investment in subsidiaries, in separate financial statement undertakings, with a corresponding credit to equity.

### **2.18 Provisions**

#### **2.18.1 General provisions**

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions exclude the provisions for employee benefits. The accounting policy for employee benefit obligations are mentioned in Note 2.16.

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

### **2.18 Provisions (Cont'd)**

#### **2.18.2 Provision for minimum payments under rights to sell electricity agreements**

The Group recognises provision for minimum payments under rights to sell electricity agreements at present value of minimum amount to be paid to the counterparty, according to the conditions specified in the right in power purchase agreements ("PPA"), on a monthly basis throughout the PPA's period. The Group's cost of capital rate is used as discount rate in determining the present value. Provision for minimum payments under rights to sell electricity agreements is recognised corresponding to "right in power purchase agreement" (in "intangible assets") and will be gradually decreased as the payment is made to the counterparty.

#### **2.18.3 Provision for decommissioning costs**

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the power plants. The recognised provision for decommissioning costs are calculated based on many assumptions such as abandonment time, future inflation rate and present value of cost estimation. Removal costs are calculated using the discount rate estimated by the management. These costs are included as part of the power plants.

### **2.19 Share capital**

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

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

### **2.20 Revenue recognition**

Sales under the power purchase agreement ("PPA") comprise Capacity Payments and Energy Payments. Capacity payments are recognised according to the terms set out in the PPA. Energy payments are calculated based on actual electricity delivered. Sales under the Electricity and Steam Sales/Purchase Agreements with industrial users are recognised on delivery of electricity and steam and customer's acceptance. Sales are shown net of sales taxes and discounts.

Revenue from rendering services is recognised on the basis of services rendered

Construction revenue under concession agreement is recognised using the percentage of completion method, which is measured through relationship between the contract costs incurred for work performed to date and the estimated total costs of the contract. Revenue excludes value added tax.

Interest income is recognised using the effective interest method.

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

### **2.21 Dividend distribution**

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

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

### **2.22 Segment reporting**

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

## **3 Financial risk management**

### **3.1 Financial risk factors**

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

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

#### **3.1.1 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group use forward contracts and cross-currency swap contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group Treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

#### **3.1.2 Interest rate risk**

Risk on interest rates is derived from fluctuation of market interest rate in the future which affect upon operation result and cash flows. The Group uses interest rate swaps to hedge future interest payments.

#### **3.1.3 Credit risk**

The Group has no significant concentrations of credit risk relating to its cash and investments. The Group places its cash and investments with high quality financial institutions. The Group's policy is designed to limit exposure with any one institution and to invest its excess cash in low risk investment accounts. The Group has not experienced any losses on such accounts. For trade receivables, the Group's sales are made to state-owned enterprises and industrial users under the terms and conditions of the long-term power purchase agreements and the long-term Electricity and Steam Sales and Purchase Agreements.

#### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### **3 Financial risk management (Cont'd)**

#### **3.2 Accounting for derivative financial instruments and hedging activities**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for present in notes to financial statements and are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 33.

#### **3.3 Fair value estimation**

The Group estimates fair value for available for investment property, long-term borrowings from financial institutions and financial instruments. The different levels of fair value estimation have been defined as follows:

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

The Group discloses the fair value measurement of above items in related notes to financial statement.

### **4 Critical accounting estimates and judgements**

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

#### **4.1 Critical accounting estimates and assumptions**

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

#### **4 Critical accounting estimates and judgements (Cont'd)**

##### **4.1 Critical accounting estimates and assumptions (Cont'd)**

###### **(a) Power plant, equipment and intangible assets**

Management determines the estimated useful lives and residual values for the power plant, equipment and intangible assets of which are mainly considered by technical ability and economic useful lives. The management will revise the depreciation charge where useful lives and residual values are significantly different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

###### **(b) Retirement benefits**

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 23.

###### **(c) Share-based payment**

The Group measures equity - settled, share-based compensation plans for employees by reference to the fair value of the equity instrument granted at the grant date. The expense is recognised corresponding to the increase in equity, over the period that the employee becomes conditionally entitled to the awards. The employee expense which has been recognised depends on the assumptions used in the equity's fair valuation and an assumption regarding the probability that participants are continuously employed by the Group until the end of the vesting period. The variability of those assumptions would affect to employee expense recognised in each year.

Management determines the appropriateness of the assumptions used in the equity's fair valuation and assumption regarding the probability that participants are continuously employed by the Group until the end of the vesting period.

##### **4.2 Critical judgements in applying the entity's accounting policies**

###### **(a) Joint arrangements**

The Company holds 48% to 70% of the voting rights of its joint arrangements. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.



## **5 Capital risk management**

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## **6 Segment information**

The Group has two reportable segments report which are comprised of electricity generation and other businesses.

- (1) Electricity generation: This segment is engaged in the generation and distribution of electricity for the government sectors and industrial users both in Thailand and overseas.
- (2) Other businesses: This segment is engaged in holding companies, debentures issuance and maintenance and operating services for power plants.

The Board of Directors primarily uses a measure of segment profit before tax, which is derived on a basis consistent with the measurement of profit for the years in the consolidated financial statements.

|   | <b>Consolidated financial statements</b>        |   |                            |
|---|---|---|----------------------------|
|   | <b>Electricity<br/>generation<br/>Baht '000</b> | <b>Other<br/>businesses<br/>Baht '000</b> | <b>Total<br/>Baht '000</b> |
| <b>For the year ended 31 December 2018</b>        |   |   |                            |
| Segment revenue                                   | 37,752,492                                      | 1,337,557                                 | 39,090,049                 |
| <u>Less</u> Revenue from inter-segment            | (1,176,016)                                     | (1,328,936)                               | (2,504,952)                |
| Revenue from external customers                   | 36,576,476                                      | 8,621                                     | 36,585,097                 |
| Operating profit (loss)                           | 6,446,726                                       | (686,741)                                 | 5,759,985                  |
| Interest income                                   | 100,742   | 37,790                                    | 138,532                    |
| Finance costs                                     | (2,194,477)                                     | (733,084)                                 | (2,927,561)                |
| Share of profit from associate and joint ventures | -   | 182,030                                   | 182,030                    |
| Profit (loss) before income tax                   | 4,352,991                                       | (1,200,005)                               | 3,152,986                  |
| Income tax  | (228,608)                                       | 51,401                                    | (177,207)                  |
| Net profit (loss)                                 | <u>4,124,383</u>                                | <u>(1,148,604)</u>                        | <u>2,975,779</u>           |
| Depreciation and amortisation                     | 3,294,934                                       | 46,075                                    | 3,341,009                  |
| Segment fixed assets                              | 62,221,736                                      | 128,644                                   | 62,350,380                 |
| Investment in associate and joint ventures        |   |   | 1,802,222                  |
| Unallocated assets                                |   |   | 36,483,438                 |
| Consolidated total assets                         |   |   | <u>100,636,040</u>         |
| Consolidated total liabilities                    |   |   | <u>72,896,916</u>          |

**6 Segment information (Cont'd)**

|  | <b>Consolidated financial statements</b>        |   |                            |
|--|---|---|----------------------------|
|  | <b>Electricity<br/>generation<br/>Baht '000</b> | <b>Other<br/>businesses<br/>Baht '000</b> | <b>Total<br/>Baht '000</b> |
| <b>For the year ended 31 December 2017</b>           |   |   |                            |
| Segment revenue                                      | 32,504,265                                      | 760,949                                   | 33,265,214                 |
| <u>Less</u> Revenue from inter-segment               | <u>(1,034,297)</u>                              | <u>(748,741)</u>                          | <u>(1,783,038)</u>         |
| Revenue from external customers                      | 31,469,968                                      | 12,208                                    | 31,482,176                 |
| Operating profit (loss)                              | 6,284,912                                       | (765,920)                                 | 5,518,992                  |
| Interest income                                      | 66,831  | 39,468                                    | 106,299                    |
| Finance costs  | (1,325,437)                                     | (727,256)                                 | (2,052,693)                |
| Share of profit from associate<br>and joint ventures | -   | 255,752                                   | 255,752                    |
| Profit (loss) before income tax                      | 5,026,306                                       | (1,197,956)                               | 3,828,350                  |
| Income tax   | (242,460)                                       | 7,960                                     | (234,500)                  |
| Net profit (loss)                                    | <u>4,783,846</u>                                | <u>(1,189,996)</u>                        | <u>3,593,850</u>           |
| Depreciation and amortisation                        | 2,729,416                                       | 28,604                                    | 2,758,020                  |
| Segment fixed assets                                 | 51,378,374                                      | 91,478                                    | 51,469,852                 |
| Investment in associate and joint ventures           |   |   | 2,427,577                  |
| Unallocated assets                                   |   |   | 35,343,408                 |
| Consolidated total assets                            |   |   | <u>89,240,837</u>          |
| Consolidated total liabilities                       |   |   | <u>63,497,059</u>          |

**Geographical segments**

In presenting geographical information, revenue is based on the geographical location of customers and assets are based on the geographical location of the assets.

**Geographical information**

|          | <b>Total revenue</b>      |                           | <b>Total assets</b>       |                           |
|----------|---------------------------|---------------------------|---------------------------|---------------------------|
|          | <b>2018<br/>Baht '000</b> | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b> | <b>2017<br/>Baht '000</b> |
| Thailand | 34,566,221                | 29,354,955                | 88,523,493                | 85,189,512                |
| Lao PDR  | 835,717                   | 938,059                   | 4,379,671                 | 3,623,409                 |
| Vietnam  | 1,183,159                 | 1,189,162                 | 7,806,920                 | 427,916                   |
| Cambodia | -                         | -                         | 169                       | -                         |
|          | <u>36,585,097</u>         | <u>31,482,176</u>         | <u>100,710,253</u>        | <u>89,240,837</u>         |

**Major customer**

One customer of the electricity generation has contributed revenue of Baht 23,663.98 million ( 2 0 1 7 : B a h t 1 9 , 3 5 4 . 1 9 m i l l i o n ) .

**7 Cash and cash equivalents**

|   | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                  |
|---|--|-------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>       | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b>  | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Cash on hand                                  | 2,072  | 3,276             | 10                                       | 10               |
| Cash deposits at banks                        | 12,122,787                                   | 17,236,697        | 3,724,691                                | 7,167,170        |
| Short-term investments due<br>within 3 months | 434,867                                      | 969,488           | 11,427                                   | 1,542            |
|   | <u>12,559,726</u>                            | <u>18,209,461</u> | <u>3,736,128</u>                         | <u>7,168,722</u> |

The interest rates on deposits at banks were ranging from 0.10% to 4.60% per annum (2017: 0.25% to 5.20% per annum).

**8 Restricted deposits**

|  | <b>Consolidated<br/>financial statements</b> |                  |
|--|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> |
| <b>Current</b>   |  |                  |
| Benefits from the electricity generation under<br>the Revenue Sharing Agreements | 515,777                                      | 588,829          |
| Bank deposits  | <u>19,076</u>                                | <u>32,035</u>    |
|  | <u>534,853</u>                               | <u>620,864</u>   |
| <b>Non-current</b>   |  |                  |
| Cash reserved for Amata B.Grimm Power Power Plant<br>Infrastructure Fund's fees  | <u>220,181</u>                               | <u>236,871</u>   |
|  | <u>755,034</u>                               | <u>857,735</u>   |

The subsidiaries have restricted deposits in accordance with the Revenue Sharing Agreements as a security for the repayment of all current and future liabilities to Amata B.Grimm Power Power Plant Infrastructure Fund.

As at 31 December 2018, bank deposits of Baht 19.08 million (2017: Baht 32.04 million) were pledged as collateral against bank guarantees. The bank deposits bear interest at the rates ranging from 0.37% to 4.00% per annum (2017: 0.37% to 4.00% per annum).

**9 Short-term investments**

Short-term investments represent fixed bank deposits with maturity ranged between 6 months to 9 months. The interest rates on these deposits were 1.00% to 4.00% per annum (2017: 1.00% to 1.60% per annum).

**10 Trade and other receivables, net**

|  | <b>Consolidated financial statements</b> |                  | <b>Separate financial statements</b> |                  |
|--|--|------------------|--------------------------------------|------------------|
|  | <b>2018</b>                              | <b>2017</b>      | <b>2018</b>                          | <b>2017</b>      |
|  | <b>Baht '000</b>                         | <b>Baht '000</b> | <b>Baht '000</b>                     | <b>Baht '000</b> |
| Trade receivables                                  |  |                  |                                      |                  |
| - third parties                                    | 2,912,048                                | 2,336,012        | -                                    | -                |
| - related parties (Note 35.3)                      | 831                                      | 376              | 22,634                               | 20,705           |
| Total trade receivables                            | 2,912,879                                | 2,336,388        | 22,634                               | 20,705           |
| Accrued income                                     | 2,792,982                                | 1,993,265        | 1,859                                | -                |
| Accrued interest income                            |  |                  |                                      |                  |
| - third parties                                    | 3,876                                    | 1,691            | -                                    | -                |
| - related parties (Note 35.3)                      | 292                                      | 60               | 525,084                              | 232,169          |
| Prepaid insurance                                  | 54,154                                   | 120,136          | 973                                  | 81               |
| Prepaid expenses                                   | 80,548                                   | 55,733           | 7,910                                | 6,442            |
| Deferred employee benefits expense                 | 17,006                                   | 23,040           | 5,227                                | 6,876            |
| Advances for projects development                  | 14,690                                   | 13,666           | 457,626                              | 393,047          |
| Advances to employees                              | 2,217                                    | 3,643            | 133                                  | 161              |
| Dividends receivable - related parties (Note 35.3) | -  | 27,048           | 703,358                              | 843,920          |
| Other receivables - related parties (Note 35.3)    | 107,010                                  | 27,975           | 236,108                              | 185,516          |
| Others, net  | 135,869                                  | 67,297           | 1,130                                | 1,379            |
| Total trade and other receivables, net             | 6,121,523                                | 4,669,942        | 1,962,042                            | 1,690,296        |

**Advances for projects development**

Advances for projects development are the advances that the Company or subsidiaries paid for development of future projects of the Group. The advances will be charged to project companies once those companies are incorporated. Advances for project development were presented under "trade and other receivables" in the separate financial statements but being presented under "non-current assets" in the consolidated financial statements as they will be transferred to non-current assets of the Group in the future.

**10 Trade and other receivables, net (Cont'd)**

Outstanding trade receivables from third parties as at 31 December can be analysed as follows:

|                          | <b>Consolidated<br/>financial statements</b> |                           |
|--------------------------|--|---------------------------|
|                          | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Not yet due              | 2,849,905                                    | 2,332,134                 |
| Overdue - up to 3 months | 34,800                                       | 3,878                     |
| - 3 - 6 months           | 27,281                                       | -                         |
| - 6 - 12 months          | -  | -                         |
| - over 12 months         | 62   | -                         |
|                          | <b>2,912,048</b>                             | <b>2,336,012</b>          |

Outstanding trade receivables from related parties as at 31 December can be analysed as follows:

|                          | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--------------------------|--|---------------------------|--|---------------------------|
|                          | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Not yet due              | 831  | 376                       | 13,607                                   | 7,223                     |
| Overdue - up to 3 months | -  | -                         | 3,879                                    | -                         |
| Overdue - 3 - 6 months   | -  | -                         | 3,398                                    | -                         |
| Overdue - 6 - 12 months  | -  | -                         | 1,750                                    | 13,482                    |
|                          | <b>831</b>                                   | <b>376</b>                | <b>22,634</b>                            | <b>20,705</b>             |

**11 Spare parts and supplies, net**

|                                       | <b>Consolidated<br/>financial statements</b> |                           |
|---------------------------------------|--|---------------------------|
|                                       | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Fuel                                  | 926  | 514                       |
| Spare parts and supplies              | 1,032,681                                    | 925,296                   |
| Spare parts and supplies in transit   | 30,355                                       | -                         |
|                                       | <b>1,063,962</b>                             | <b>925,810</b>            |
| <u>Less</u> Allowance for slow-moving | <b>(84,877)</b>                              | <b>(47,892)</b>           |
|                                       | <b>979,085</b>                               | <b>877,918</b>            |

**12 Other current assets**

|                                     | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|-------------------------------------|--|---------------------------|--|---------------------------|
|                                     | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Withholding tax deducted at sources | 57,266                                       | 48,086                    | 20,660                                   | 8,635                     |
| Refundable value added tax          | 1,384,822                                    | 848,862                   | 14,646                                   | 18,391                    |
| Undue input value added tax         | 12,574                                       | 7,426                     | 3,302                                    | 375                       |
| Others                              | 2,513  | 1,861                     | -  | -                         |
|                                     | <b>1,457,175</b>                             | <b>906,235</b>            | <b>38,608</b>                            | <b>27,401</b>             |

**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**13 Investments in subsidiaries**

The Group has the following subsidiaries at 31 December:

| Name of entity  | Place of business/<br>country of<br>incorporation | Nature of business                                   | Proportion of equity<br>interests held by parent (%) |       | Effective proportion of equity<br>interests held by the Group (%) |       | Effective proportion of<br>equity interests held by<br>non-controlling interests (%) |       |
|---|---|--|--|-------|---|-------|--|-------|
|   |   |  | 2018   | 2017  | 2018  | 2017  | 2018   | 2017  |
| Amata B.Grimm Power Limited   | Thailand  | Investing in electric power business                 | 51.20  | 51.20 | 51.20   | 51.20 | 48.80  | 48.80 |
| with subsidiaries as follows:   |   |  |  |       |   |       |  |       |
| - Amata B.Grimm Power Holding Limited   | Thailand  | Investing in electric power business                 | -  | -     | 51.19   | 51.19 | 48.81  | 48.81 |
| - Amata B.Grimm Power 1 Limited   | Thailand  | Electricity generating                               | -  | -     | 50.69   | 50.69 | 49.31  | 49.31 |
| - Amata B.Grimm Power 2 Limited   | Thailand  | Electricity generating                               | -  | -     | 51.20   | 51.20 | 48.80  | 48.80 |
| - Amata B.Grimm Power 3 Limited   | Thailand  | Electricity generating                               | 30.00  | 30.00 | 60.72   | 60.72 | 39.28  | 39.28 |
| - Amata B.Grimm Power 4 Limited   | Thailand  | Electricity generating                               | 29.88  | 29.88 | 55.48   | 55.48 | 44.52  | 44.52 |
| - Amata B.Grimm Power 5 Limited   | Thailand  | Electricity generating                               | 29.88  | 29.88 | 55.48   | 55.48 | 44.52  | 44.52 |
| - Amata B.Grimm Power (Rayong) 1 Limited  | Thailand  | Electricity generating                               | 30.00  | 30.00 | 61.74   | 61.74 | 38.26  | 38.26 |
| - Amata B.Grimm Power (Rayong) 2 Limited  | Thailand  | Electricity generating                               | 30.00  | 30.00 | 61.74   | 61.74 | 38.26  | 38.26 |
| - Amata B.Grimm Power (Rayong) 3 Limited  | Thailand  | Electricity generating (commenced operation in 2018) | 29.88  | 29.88 | 55.48   | 55.48 | 44.52  | 44.52 |
| - Amata B.Grimm Power (Rayong) 4 Limited  | Thailand  | Electricity generating (commenced operation in 2018) | 29.88  | 29.88 | 55.48   | 55.48 | 44.52  | 44.52 |
| - Amata B.Grimm Power (Rayong) 5 Limited  | Thailand  | Electricity generating (commenced operation in 2018) | 29.88  | 29.88 | 55.48   | 55.48 | 44.52  | 44.52 |
| - Amata Power (Bien Hoa) Limited<br>(Amata B.Grimm Power Limited holds 60%<br>equity interests) | Vietnam   | Electricity generating                               | -  | -     | 30.72   | 30.72 | 69.28  | 69.28 |
| - Amata Power (Rayong) Limited  | Thailand  | Electricity generating (dormant)                     | -  | -     | 51.19   | 51.19 | 48.81  | 48.81 |
| - Amata B.Grimm Power Service Limited   | Thailand  | Operation and maintenance service (dormant)          | -  | -     | 51.19   | 51.19 | 48.81  | 48.81 |
| - Amata B.Grimm Power SPV 1 Limited   | Thailand  | Debentures Issuing                                   | -  | -     | 61.40   | 61.40 | 38.60  | 38.60 |

**B.Grimm Power Public Company Limited**  
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**For the year ended 31 December 2018**

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

The Group has the following subsidiaries at 31 December: (Cont'd)

| Name of entity                                    | Place of business/<br>country of<br>incorporation | Nature of business  | Proportion of equity<br>interests held by parent (%) |        | Effective proportion of equity<br>interests held by the Group (%) |        | Effective proportion of<br>equity interests held by<br>non-controlling interests (%) |       |
|---|---|---|--|--------|---|--------|--|-------|
|   |   |   | 2018   | 2017   | 2018  | 2017   | 2018   | 2017  |
| B.Grimm Power Holding (Laem Chabang) Limited      | Thailand  | Investing in electric power business  | 99.97  | 99.97  | 99.97   | 99.97  | 0.03   | 0.03  |
| with subsidiaries as follows:                     |   |   |  |        |   |        |  |       |
| - B.Grimm Power (Laem Chabang) 1 Limited          | Thailand  | Electricity generating  | -  | -      | 99.96   | 99.96  | 0.04   | 0.04  |
| - B.Grimm Power (Laem Chabang) 2 Limited          | Thailand  | Electricity generating  | -  | -      | 99.96   | 99.96  | 0.04   | 0.04  |
| - B.Grimm Power Service (Laem Chabang) Limited    | Thailand  | Operation and maintenance service (dormant)   | -  | -      | 99.96   | 99.96  | 0.04   | 0.04  |
| B.Grimm Power (Lao) Company Limited               | Lao PDR   | Investing in electric power business  | 100.00   | 100.00 | 100.00  | 100.00 | -  | -     |
| with subsidiaries as follows:                     |   |   |  |        |   |        |  |       |
| - XeNamnoy and XeKatam Hydropower Company Limited | Lao PDR   | Electricity generating from hydropower  | -  | -      | 70.00   | 70.00  | 30.00  | 30.00 |
| - Nam Che 1 Hydropower Company Limited            | Lao PDR   | Electricity generating from hydropower (construction in progress)                   | -  | -      | 72.00   | 72.00  | 28.00  | 28.00 |
| - Nam Khao Hydropower Company Limited             | Lao PDR   | Electricity generating from hydropower (has not yet commenced its normal operation) | -  | -      | 72.00   | 72.00  | 28.00  | 28.00 |
| B.Grimm BIP Power 1 Limited                       | Thailand  | Electricity generating  | 74.00  | 74.00  | 74.00   | 74.00  | 26.00  | 26.00 |
| B.Grimm BIP Power 2 Limited                       | Thailand  | Electricity generating  | 74.00  | 74.00  | 74.00   | 74.00  | 26.00  | 26.00 |
| B.Grimm Power (WHA) 1 Limited                     | Thailand  | Electricity generating  | 74.99  | 74.99  | 74.99   | 74.99  | 25.01  | 25.01 |
| B.Grimm Power (Bowin) 2 Limited                   | Thailand  | Electricity generating (has not yet commenced its normal operation)                 | 100.00   | 100.00 | 100.00  | 100.00 | -  | -     |
| B.Grimm Power (Ratchaburi) 1 Limited              | Thailand  | Electricity generating (has not yet commenced its normal operation)                 | 100.00   | 100.00 | 100.00  | 100.00 | -  | -     |
| B.Grimm Power (Ratchaburi) 2 Limited              | Thailand  | Electricity generating (has not yet commenced its normal operation)                 | 100.00   | 100.00 | 100.00  | 100.00 | -  | -     |

**B.Grimm Power Public Company Limited**  
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**For the year ended 31 December 2018**

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

The Group has the following subsidiaries at 31 December: (Cont'd)

| Name of entity  | Place of business/<br>country of<br>incorporation | Nature of business  | Proportion of equity<br>interests held by parent (%) |       | Effective proportion of equity<br>interests held by the Group (%) |       | Effective proportion of<br>equity interests held by<br>non-controlling interests (%) |       |
|---|---|---|--|-------|---|-------|--|-------|
|   |   |   | 2018   | 2017  | 2018  | 2017  | 2018   | 2017  |
| B.Grimm Renewable Power 1 Limited<br>(formerly B.Grimm Oriental Renewable Power 1<br>Limited) | Thailand  | Investing in electric power business                                  | 91.31  | 91.31 | 99.97   | 99.97 | 0.03   | 0.03  |
| with subsidiaries as follows:   |   |   |  |       |   |       |  |       |
| - Viet Thai Solar Joint Stock Company   | Vietnam   | Investing in electric power business                                  | -  | -     | 99.97   | -     | 0.03   | -     |
| with a subsidiary as follows:   |   |   |  |       |   |       |  |       |
| - Dau Tieng Tay Ninh Energy Joint Stock<br>Company  | Vietnam   | Electricity generating from solar power<br>(construction in progress) | -  | -     | 54.98   | -     | 45.02  | -     |
| B.Grimm Renewable Power 2 Limited<br>(formerly B.Grimm Oriental Renewable Power 2<br>Limited) | Thailand  | Investing in electric power business                                  | 91.31  | 91.31 | 99.97   | 99.97 | 0.03   | 0.03  |
| with a subsidiary as follows:   |   |   |  |       |   |       |  |       |
| - Phu Yen TTP Joint Stock Company   | Vietnam   | Electricity generating from solar power<br>(construction in progress) | -  | -     | 79.98   | -     | 20.02  | -     |
| B.Grimm Renewable Power 3 Limited<br>(formerly B.Grimm Oriental Renewable Power 3<br>Limited) | Thailand  | Electricity generating (has not yet commenced<br>normal operation)    | 91.31  | 91.31 | 99.97   | 99.97 | 0.03   | 0.03  |
| B.Grimm Renewable Power 4 Limited<br>(formerly B.Grimm Oriental Renewable Power 4<br>Limited) | Thailand  | Electricity generating (has not yet commenced<br>normal operation)    | 91.31  | 91.31 | 99.97   | 99.97 | 0.03   | 0.03  |
| Thai Wind Power (Mukdahan) Limited  | Thailand  | Investing in electric power business                                  | 70.00  | 70.00 | 70.00   | 70.00 | 30.00  | 30.00 |



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

The Group has the following subsidiaries at 31 December: (Cont'd)

| Name of entity   | Place of business/<br>country of<br>incorporation | Nature of business  | Proportion of equity<br>interests held by parent (%) |        | Effective proportion of equity<br>interests held by the Group (%) |        | Effective proportion of<br>equity interests held by<br>non-controlling interests (%) |       |
|--|---|---|--|--------|---|--------|--|-------|
|  |   |   | 2018   | 2017   | 2018  | 2017   | 2018   | 2017  |
| B.Grimm Solar Power 1 Limited  | Thailand  | Investing in electric power business and electricity<br>generating from solar power | 100.00   | 100.00 | 100.00  | 100.00 | -  | -     |
| with subsidiaries as follows:  |   |   |  |        |   |        |  |       |
| - B.Grimm Solar Power (Bamnet Narong) Limited  | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power (Cha Am) Limited   | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power (Chai Badan) Limited   | Thailand  | Electricity generating from solar power<br>(commenced operation in 2018)            | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power (Chon Daen) Limited  | Thailand  | Electricity generating from solar power<br>(commenced operation in 2018)            | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power Rooftop Limited (formerly<br>B.Grimm Solar Power (Nikhom Kham Soi)<br>Limited) | Thailand  | Electricity generating from solar rooftop<br>(construction in progress)             | -  | -      | 99.99   | 99.99  | 0.01   | 0.01  |
| - B.Grimm Solar Power (Sap Yai) Limited  | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 51.00   | 51.00  | 49.00  | 49.00 |
| - B.Grimm Solar Power (Si Boon Rueang) Limited   | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power (Wanon Niwat) Limited  | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 100.00  | 51.00  | -  | 49.00 |
| - B.Grimm Solar Power (Yang Talat) Limited   | Thailand  | Electricity generating from solar power (has not yet<br>commenced normal operation) | -  | -      | 100.00  | 51.00  | -  | 49.00 |

### 13 Investments in subsidiaries (Cont'd)

The Group has the following subsidiaries at 31 December: (Cont'd)

| Name of entity                               | Place of business/<br>country of<br>incorporation | Nature of business  | Proportion of equity<br>interests held by parent (%) |        | Effective proportion of equity<br>interests held by the Group (%) |        | Effective proportion of<br>equity interests held by<br>non-controlling interests (%) |      |
|--|---|---|--|--------|---|--------|--|------|
|  |   |   | 2018   | 2017   | 2018  | 2017   | 2018   | 2017 |
| B.Grimm Solar Power (Sakaeo) 1 Limited       | Thailand  | Electricity generating from solar power                             | 99.97  | 99.97  | 99.97   | 99.97  | 0.03   | 0.03 |
| B.Grimm Power Service Limited                | Thailand  | Operation and maintenance service                                   | 100.00   | 100.00 | 100.00  | 100.00 | -  | -    |
| Bothong Wind Farm Limited                    | Thailand  | Electricity generating (has not yet commenced its normal operation) | 74.00  | 74.00  | 92.20   | 92.20  | 7.80   | 7.80 |
| B.Grimm Power (Chonburi) 1 Limited           | Thailand  | Electricity generating (has not yet commenced its normal operation) | 99.97  | 99.97  | 99.97   | 99.97  | 0.03   | 0.03 |
| B.Grimm Power (Chonburi) 2 Limited           | Thailand  | Electricity generating (has not yet commenced its normal operation) | 99.97  | 99.97  | 99.97   | 99.97  | 0.03   | 0.03 |
| B.Grimm Power (Cambodia) Co., Ltd.           | Cambodia  | Investing in electric power business                                | 100.00   | -      | 100.00  | -      | -  | -    |
| B.Grimm Yanhee Solar Power Limited (Note 34) | Thailand  | Electricity generating from solar power                             | 99.99  | -      | 99.99   | -      | 0.01   | -    |

The total non-controlling interests as at 31 December 2018 is Baht 8,485.67 million (2017: Baht 7,090.52 million) of which Baht 5,679.14 million belongs to Amata B.Grimm Power Limited (2017: Baht 5,167.40 million). The non-controlling interests in respect of the others is not material.

As at 31 December 2018, under the terms and conditions of long-term credit facility agreements of subsidiaries, the Group pledged all ordinary shares of 11 subsidiaries as collateral for the long-term borrowings (2017: 13 subsidiaries).

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

**Summarised financial information of a subsidiary with material non-controlling interests to the Group.**

Summarised statements of financial position as at 31 December:

|                                     | <b>Amata B.Grimm Power Limited<br/>(Consolidated financial statements)</b> |                   |
|-------------------------------------|--|-------------------|
|                                     | <b>2018</b>  | <b>2017</b>       |
|                                     | <b>Baht '000</b>   | <b>Baht '000</b>  |
| <b>Current:</b>                     |  |                   |
| Assets                              | 12,817,364   | 12,629,001        |
| Liabilities                         | (5,689,224)  | (4,813,919)       |
| <b>Total current net assets</b>     | <b>7,128,140</b>   | <b>7,815,082</b>  |
| <b>Non-current:</b>                 |  |                   |
| Assets                              | 40,277,662   | 38,956,899        |
| Liabilities                         | (34,317,440)   | (34,951,315)      |
| <b>Total non-current net assets</b> | <b>5,960,222</b>   | <b>4,005,584</b>  |
| <b>Net assets</b>                   | <b>13,088,362</b>  | <b>11,820,666</b> |

Summarised statements of comprehensive income for the year ended 31 December:

|   | <b>Amata B.Grimm Power Limited<br/>(Consolidated financial statements)</b> |                  |
|---|--|------------------|
|   | <b>2018</b>  | <b>2017</b>      |
|   | <b>Baht '000</b>   | <b>Baht '000</b> |
| Revenue   | 24,814,859   | 20,349,102       |
| Other income  | 92,524   | 75,230           |
| Profit before income tax  | 2,459,841  | 2,781,585        |
| Income tax  | (177,252)  | (161,619)        |
| Post-tax profit from continuing operations                        | 2,282,589  | 2,619,966        |
| Other comprehensive expense                                       | (16,446)   | (56,029)         |
| <b>Total comprehensive income</b>                                 | <b>2,266,143</b>   | <b>2,563,937</b> |
| Total comprehensive income allocated to non-controlling interests | 806,288  | 897,061          |
| Dividends paid to non-controlling interests                       | 719,674  | 541,887          |

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

**Summarised financial information of a subsidiary with material non-controlling interests to the Group (Cont'd)**

Summarised statements of cash flows for the year ended 31 December:

|   | <b>Amata B.Grimm Power Limited</b><br><b>(Consolidated financial statements)</b> |                                 |
|---|--|---------------------------------|
|   | <b>2018</b><br><b>Baht '000</b>  | <b>2017</b><br><b>Baht '000</b> |
| Cash generated from operations                              | 5,566,895  | 5,081,234                       |
| Interest paid   | (1,801,264)  | (1,891,676)                     |
| Income tax paid   | (162,722)  | (151,357)                       |
| Net cash generated from operating activities                | 3,602,909  | 3,038,201                       |
| Net cash used in investing activities                       | (3,802,515)  | (4,863,522)                     |
| Net cash generated from (used in) financing activities      | (1,708,237)  | 5,075,873                       |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>(1,907,843)</b>   | <b>3,250,552</b>                |
| Cash and cash equivalents at beginning of the year          | 7,431,978  | 4,230,965                       |
| Exchange loss on cash and cash equivalents                  | (6,722)  | (49,539)                        |
| <b>Cash and cash equivalents at end of the year</b>         | <b>5,517,413</b>   | <b>7,431,978</b>                |

The amounts disclosed are before inter-company eliminations.

**Movements of investments**

The movements of investments in subsidiaries during the year ended 31 December are as follows:

|   | <b>Separate</b><br><b>financial statements</b> |                                 |
|---|--|---------------------------------|
|   | <b>2018</b><br><b>Baht '000</b>                | <b>2017</b><br><b>Baht '000</b> |
| Opening net book balance  | 7,752,864                                      | 7,159,771                       |
| Business combination (Note 34)  | 600,000  | -                               |
| Transfer from investment in joint venture to subsidiary<br>(Note 14 (b) and 34) | 564,718  | -                               |
| Additional investments during the year  | 583,223  | 574,740                         |
| Capital contribution under employee benefits scheme<br>of subsidiaries          | 21,833   | 18,353                          |
| Closing net book balance  | 9,522,638                                      | 7,752,864                       |

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

The significant movements of investments in subsidiaries are as follows:

**2018**

**B.Grimm Power (Cambodia) Co., Ltd. (“BGPCAM”)**

On 12 January 2018, BGPCAM, a subsidiary, was established in Cambodia to invest in electric power business. BGPCAM has registered share capital of US Dollar 1,000. The Company owns 100% interest in BGPCAM. As of 31 December 2018, the Company has not yet paid for the investment.

**Amata B.Grimm Power (Rayong) 3 Limited (“ABPR3”)**

On 30 April 2018, ABPR3 called for additional paid-up share capital. The Company paid for additional investment to maintain the same proportion of holdings, totalling Baht 136.17 million.

**Amata B.Grimm Power (Rayong) 4 Limited (“ABPR4”)**

On 30 April 2018, ABPR4 called for additional paid-up share capital. The Company paid for additional investment to maintain the same proportion of holdings, totalling Baht 138.07 million.

**Amata B.Grimm Power (Rayong) 5 Limited (“ABPR5”)**

On 28 February 2018 and 2 July 2018, ABPR5 called for additional paid-up share capital. The Company paid for additional investment to maintain the same proportion of holdings, totalling Baht 308.95 million.

**Increase of ownership interests in 7 subsidiaries**

7 subsidiaries are:

- B.Grimm Solar Power (Bamnet Narong) Limited
- B.Grimm Solar Power (Cha Am) Limited
- B.Grimm Solar Power (Chai Badan) Limited
- B.Grimm Solar Power (Chon Daen) Limited
- B.Grimm Solar Power (Si Boon Rueang) Limited
- B.Grimm Solar Power (Wanon Niwat) Limited
- B.Grimm Solar Power (Yang Talat) Limited

On 29 June 2018, B.Grimm Solar Power 1 Limited (“BGSP1”), a direct subsidiary who held 51% interests in the above-mentioned subsidiaries, acquired the other 49% interests from non-controlling interests in each of those 7 subsidiaries for a total consideration of Baht 515 million. As a result, BGSP1’s ownership interests in 7 subsidiaries increased from 51% to 100%. The carrying amounts of equity of the parent and non-controlling interests were adjusted to reflect change in controlling interests. The difference between increase in ownership interest in 7 subsidiaries and consideration paid was considered as value of “right in power purchase agreement” (included in intangible assets).

The transaction can be summarised as follows:

|  | <b>Consolidated<br/>financial<br/>information<br/>Baht '000</b> |
|--|---|
| Carrying value of non-controlling interests acquired | 339,413   |
| Right in power purchase agreements                   | 175,587   |
| Consideration paid to non-controlling interests      | 515,000   |

### **13 Investments in subsidiaries (Cont'd)**

The significant movements of investments in subsidiaries are as follows: (Cont'd)

#### **2018 (Cont'd)**

#### **Viet Thai Solar Joint Stock Company ("VTS") and Dau Tieng Tay Ninh Energy Joint Stock Company ("DTE")**

On 16 July 2018, B.Grimm Renewable Power 1 Limited ("BGRP1"), a direct subsidiary, paid a consideration of VND 55,000 million and US Dollar 31.50 million (equivalent to Baht 1,135.49 million) to acquire 100% interests in VTS which is a company incorporated in Vietnam. VTS owns 55% interests in DTE which operates solar power plant project in Vietnam. As a result, VTS and DTE became subsidiaries of the Group. The management of the Group considered the acquisition in accordance with the concepts underlying the procedures used in accounting for the acquisition of subsidiary under TFRS 3 (revised 2017) - Business Combinations and concluded that the acquisition of this investment is assets acquisition. The difference between consideration paid and net assets acquired was considered as value of "right in power purchase agreement" (included in intangible assets).

The following table summarises the consideration paid for VTS and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

#### **Consideration paid on 16 July 2018:**

|      | <b>Baht '000</b> |
|------|------------------|
| Cash | 1,135,493        |

#### **Recognised amounts of identifiable assets acquired and liabilities assumed:**

|   |           |
|---|-----------|
| Consolidated financial information of VTS |           |
| Cash and cash equivalents                 | 43,282    |
| Other current assets                      | 3,675     |
| Property, plants and equipment, net       | 81,062    |
| Right in power purchase agreement         | 1,055,633 |
| Other non-current assets                  | 30,842    |
| Other current liabilities                 | (13,661)  |
| Non-controlling interests in DTE          | (65,340)  |
| Acquired net assets                       | 1,135,493 |

As at 31 December 2018, the Group has outstanding payable arising from the acquisition of investment amounting to US Dollar 12.60 million (equivalent to Baht 410.95 million).

#### **Phu Yen TTP Joint Stock Company ("PYT")**

On 17 September 2018, B.Grimm Renewable Power 2 Limited ("BGRP2"), a direct subsidiary, paid a consideration of US Dollar 35.20 million (equivalent to Baht 1,165.33 million) for shares at par value of PYT which is a company incorporated in Vietnam and operates solar power plant project. As a result, the subsidiary owns 80% interests in PYT and PYT becomes a subsidiary of the Group.

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

The significant movements of investments in subsidiaries are as follows: (Cont'd)

**2017**

**Amata B.Grimm Power (Rayong) 3 Limited (“ABPR3”)**

ABPR3 called for additional paid-up share capital and the Company paid for additional investment to maintain the same portion as original investment, totalling Baht 257.31 million.

**Amata B.Grimm Power (Rayong) 4 Limited (“ABPR4”)**

ABPR4 called for additional paid-up share capital and the Company paid for additional investment to maintain the same portion as original investment, totalling Baht 238.48 million.

**Amata B.Grimm Power (Rayong) 5 Limited (“ABPR5”)**

ABPR5 called for additional paid-up share capital and the Company paid for additional investment to maintain the same portion as original investment, totalling Baht 78.45 million.

**B.Grimm Power (Chonburi) 1 Limited (“BPC1”)**

The Company invested in 9,997 ordinary shares of BPC1, a newly established company at Baht 25 per share, totalling Baht 0.25 million, representing 99.97% of shareholding.

**B.Grimm Power (Chonburi) 2 Limited (“BPC2”)**

The Company invested in 9,997 ordinary shares of BPC2, a newly established company at Baht 25 per share, totalling Baht 0.25 million, representing 99.97% of shareholding.

**Amata B.Grimm Power SPV 1 Limited (“ABPSPV1”)**

Amata B.Grimm Power Limited, which is a direct subsidiary of the Company, sold 99.99% interest in ABPSPV1 to Amata B.Grimm Power 3 Limited, Amata B.Grimm Power (Rayong) 1 Limited and Amata B.Grimm Power (Rayong) 2 Limited at the portion of 33.33% each. As a result, the effective proportion of ordinary shares held by the Group in ABPSPV1 increased from 51.19% to 61.40%.

**B.Grimm Solar Power 1 Limited (“BGSP1”)**

The subsidiary invested in ordinary shares of 9 newly-established companies detailed as follows:

| Name of entity   | Shares  | Paid-up amount<br>per share<br>(Baht) | Total investment<br>amount<br>(Baht million) | The proportion<br>of investment<br>(%) |
|--|---------|---------------------------------------|--|--|
| B.Grimm Solar Power (Bamnet Narong) Limited  | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Cha Am) Limited   | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Chai Badan) Limited   | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Chon Daen) Limited  | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power Rooftop Limited (formerly B.Grimm Solar Power (Nikhom Kham Soi) Limited) | 99,997  | 35                                    | 3.50   | 99.99                                  |
| B.Grimm Solar Power (Sap Yai) Limited  | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Sriboonruang) Limited   | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Wanon Niwat) Limited  | 509,997 | 35                                    | 17.85  | 51.00                                  |
| B.Grimm Solar Power (Yang Talat) Limited   | 509,997 | 35                                    | 17.85  | 51.00                                  |

#### 14 Investment in associate and interests in joint ventures

The amounts recognised in the statements of financial position are as follows:

|                | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|----------------|--|---------------------------|--|---------------------------|
|                | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Associate      | 1,148,345                                    | 1,358,033                 | -  | -                         |
| Joint ventures | 653,877                                      | 1,069,544                 | 509,008                                  | 972,661                   |

The share of profit recognised in the statements of comprehensive income is as follows:

|                | <b>Consolidated<br/>financial statements</b> |                           |
|----------------|--|---------------------------|
|                | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Associate      | 96,184                                       | 149,345                   |
| Joint ventures | 85,846                                       | 106,407                   |
|                | <b>182,030</b>                               | <b>255,752</b>            |

##### (a) Investment in associate

Nature of investment in associate as at 31 December:

| <b>Name of entity</b>                                     | <b>Place of<br/>business/<br/>Country of<br/>incorporation</b> | <b>% of<br/>ownership<br/>interest</b> |             | <b>Nature of the<br/>relationship</b> | <b>Measurement<br/>method</b> |
|---|--|--|-------------|---------------------------------------|-------------------------------|
|   |  | <b>2018</b>                            | <b>2017</b> |                                       |                               |
| Amata B.Grimm Power<br>Power Plant<br>Infrastructure Fund | Thailand   | 29.97                                  | 29.97       | Note 1                                | Equity method                 |

Note 1: Amata B.Grimm Power Power Plant Infrastructure Fund is a power plant infrastructure fund. The Group indirectly held the investment units through Amata B.Grimm Power Limited, which is a subsidiary.

There are no contingent liabilities relating to the Group's interest in the associate.

The movements of investment in associate during the year ended 31 December are as follows:

|                          | <b>Consolidated<br/>financial statements</b> |                           |
|--------------------------|--|---------------------------|
|                          | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Opening net book balance | 1,358,033                                    | 1,504,329                 |
| Share of profit          | 96,184                                       | 149,345                   |
| Capital reduction        | (157,935)                                    | (138,605)                 |
| Dividends received       | (147,937)                                    | (157,036)                 |
| Closing net book balance | <b>1,148,345</b>                             | <b>1,358,033</b>          |



**14 Investment in associate and interests in joint ventures (Cont'd)**

**(b) Interests in joint ventures**

The joint ventures listed below have ordinary shares which are directly held by the Group.

Nature of investment in joint ventures as at 31 December:

| Name of entity  | Place of Business/<br>Country of incorporation | % of ownership interest |       | Nature of the business   |
|---|--|-------------------------|-------|--|
|   |  | 2018                    | 2017  |  |
| <b><u>Joint ventures of the Company</u></b>                         |  |                         |       |  |
| B.Grimm Sena Solar Power Limited                                    | Thailand                                       | 49.00                   | 49.00 | Investing in business of generation and distribution of electricity from solar power       |
| with subsidiaries as follows:                                       |  |                         |       |  |
| - Solarwa Company Limited   |  |                         |       |  |
| - TPS Commercial Company Limited                                    |  |                         |       |  |
| B.Grimm Power (Poipet) Co.,Ltd.                                     | Cambodia                                       | 55.00                   | 55.00 | Operating in business of distribution of electricity                                       |
| Progress Interchem (Thailand) Limited                               | Thailand                                       | 48.00                   | -     | Operating in business of generation and distribution of electricity from industrial wastes |
| <b><u>Joint ventures of B.Grimm Solar Power Rooftop Limited</u></b> |  |                         |       |  |
| B.Grimm S.Napa Solar Power Limited                                  | Thailand                                       | 51.00                   | -     | Operating in business of generation and distribution of electricity from solar rooftop     |
| B.Grimm Spectrum Solar Power Limited                                | Thailand                                       | 70.00                   | -     | Operating in business of generation and distribution of electricity from solar rooftop     |

Investments in joint ventures are measured by using equity method.

**14 Investment in associate and interests in joint ventures (Cont'd)**

**(b) Interests in joint ventures (Cont'd)**

The significant movements of interests in joint ventures are described below:

**2018**

**Progress Interchem (Thailand) Limited ("PIC")**

On 4 January 2018, the Company invested amounting to Baht 99.84 million, representing 48% interest in PIC which operates in industrial waste-to-energy power plant with an installed capacity of 4.8 megawatts. As a result, PIC is considered as a joint venture of the Company. The management of the Group considered the acquisition in accordance with the concepts underlying the procedures used in accounting for the acquisition of subsidiary under TFRS 3 (revised 2017) - Business Combinations and concluded that the acquisition of this investment is the assets acquisition.

**B.Grimm S.Napa Solar Power Limited ("BGSNSP")**

On 10 August 2018, BGSNSP was established in Thailand to operate solar rooftop projects, with the registered share capital of Baht 10 million. B.Grimm Solar Power Rooftop Limited, an indirect subsidiary, invested Baht 2.25 million for 51% interest in BGSNSP.

**B.Grimm Spectrum Solar Power Limited ("BGSSP")**

On 28 August 2018, BGSSP was established in Thailand to operate solar rooftop projects, with the registered share capital of Baht 10 million. B.Grimm Solar Power Rooftop Limited, an indirect subsidiary, invested Baht 1.75 million for 70% interest in BGSSP.

**2017**

On 20 November 2017, B.Grimm Power (Poipet) Co.,Ltd ("BGPPP") was established in Cambodia to operate in the business of electricity distribution in an industrial estate area. BGPPP has registered share capital of US Dollar 1,000 and the Company owns 55% interest in BGPPP.

All joint ventures are private companies and there are no quoted market prices available for their shares.

**Commitments and contingent liabilities in respect of joint ventures:**

The Group has the following commitments relating to its joint ventures.

|  | <b>Consolidated and separate<br/>financial statements</b> |                  |
|--|---|------------------|
|  | <b>2018</b>   | <b>2017</b>      |
|  | <b>Baht '000</b>  | <b>Baht '000</b> |
| Commitments under non-cancellable operating leases | -   | 154,461          |
| Capital commitments                                | 104   | 16,906           |

There are no contingent liabilities relating to the Group's interest in the joint ventures.

**14 Investment in associate and interests in joint ventures (Cont'd)**

**(b) Interests in joint ventures (Cont'd)**

The movements of interests in joint ventures during the year ended 31 December are as follows:

|  | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--|--|---------------------------|--|---------------------------|
|  | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Opening net book balance   | 1,069,544                                    | 1,049,333                 | 972,661                                  | 972,643                   |
| Addition of interests  | 105,065                                      | 18                        | 101,065                                  | 18                        |
| Dividends  | -  | (86,214)                  | -  | -                         |
| Share of profit  | 85,846                                       | 106,407                   | -  | -                         |
| Transfer from investment in<br>joint venture to subsidiary<br>(Note 13 and 34) | (606,578)                                    | -                         | (564,718)                                | -                         |
| Closing net book balance   | <u>653,877</u>                               | <u>1,069,544</u>          | <u>509,008</u>                           | <u>972,661</u>            |

**15 Investment property**

There was no movement in investment property during 2018 and 2017.

The investment property of the Group is land held for a currently undetermined future use. The Group has not determined whether it will be held as owner-occupied property or for short-term capital appreciation.

At 31 December 2018, fair value of investment property was Baht 8.79 million (2017: Baht 8.29 million) which was appraised by comparing the selling price of comparable land in term of physical conditions and location, with the investment property of the Group and has been made nearly to the date of valuation.

The fair value of the investment property is based on the selling price comparison approach using significant observable inputs. The fair value is within level 2 of the fair value hierarchy.

**B.Grimm Power Public Company Limited**  
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**For the year ended 31 December 2018**

**16 Property, plant and equipment, net**

|  | Consolidated financial statements |                                  |  |  |  |                                |  |                          |                    |
|--|-----------------------------------|----------------------------------|--|--|--|--------------------------------|--|--------------------------|--------------------|
|  | Land<br>Baht '000                 | Land<br>improvement<br>Baht '000 | Power plant,<br>transmission<br>system and<br>equipment<br>Baht '000 | Office<br>equipment,<br>furniture and<br>computer<br>Baht '000 | Building and<br>structure<br>Baht '000 | Motor<br>vehicles<br>Baht '000 | Construction<br>in progress<br>Baht '000 | Spare parts<br>Baht '000 | Total<br>Baht '000 |
| <b>At 1 January 2017</b>                   |                                   |                                  |  |  |  |                                |  |                          |                    |
| Cost                                       | 1,357,515                         | 57,054                           | 53,483,130   | 229,596  | 672,409                                | 47,044                         | 5,200,381                                | 341,379                  | 61,388,508         |
| <u>Less</u> Accumulated depreciation       | -                                 | (9,344)                          | (14,042,656)   | (123,313)  | (187,557)                              | (31,702)                       | -  | -                        | (14,394,572)       |
| <u>Less</u> Provision for impairment       | -                                 | -                                | (140)  | -  | -                                      | -                              | -  | -                        | (140)              |
| <b>Net book amount</b>                     | <b>1,357,515</b>                  | <b>47,710</b>                    | <b>39,440,334</b>  | <b>106,283</b>   | <b>484,852</b>                         | <b>15,342</b>                  | <b>5,200,381</b>                         | <b>341,379</b>           | <b>46,993,796</b>  |
| <b>For the year ended 31 December 2017</b> |                                   |                                  |  |  |  |                                |  |                          |                    |
| Opening net book amount                    | 1,357,515                         | 47,710                           | 39,440,334   | 106,283  | 484,852                                | 15,342                         | 5,200,381                                | 341,379                  | 46,993,796         |
| Additions                                  | 1,176,008                         | 2,360                            | 110,004  | 50,656   | 3,997                                  | 16,453                         | 5,909,743                                | 9,150                    | 7,278,371          |
| Disposals/ write-off, net                  | -                                 | -                                | -  | (42)   | -                                      | (1,875)                        | -  | -                        | (1,917)            |
| Transfer in (out)                          | 387                               | 5,767                            | 92,805   | 47   | 18,827                                 | -                              | (110,934)                                | (22,493)                 | (15,594)           |
| Transfer land to land use right            | (256,667)                         | -                                | -  | -  | -                                      | -                              | -  | -                        | (256,667)          |
| Impairment charge                          | -                                 | -                                | -  | -  | -                                      | -                              | -  | (10,849)                 | (10,849)           |
| Exchange differences                       | -                                 | -                                | (12,867)   | (421)  | (50)                                   | (1,129)                        | (2,931)                                  | -                        | (17,398)           |
| Depreciation charge                        | -                                 | (5,146)                          | (2,429,174)  | (31,150)   | (28,758)                               | (5,662)                        | -  | -                        | (2,499,890)        |
| <b>Closing net book amount</b>             | <b>2,277,243</b>                  | <b>50,691</b>                    | <b>37,201,102</b>  | <b>125,373</b>   | <b>478,868</b>                         | <b>23,129</b>                  | <b>10,996,259</b>                        | <b>317,187</b>           | <b>51,469,852</b>  |
| <b>At 31 December 2017</b>                 |                                   |                                  |  |  |  |                                |  |                          |                    |
| Cost                                       | 2,277,243                         | 65,181                           | 53,631,793   | 278,848  | 695,179                                | 56,357                         | 10,996,259                               | 328,036                  | 68,328,896         |
| <u>Less</u> Accumulated depreciation       | -                                 | (14,490)                         | (16,430,551)   | (153,475)  | (216,311)                              | (33,228)                       | -  | -                        | (16,848,055)       |
| <u>Less</u> Provision for impairment       | -                                 | -                                | (140)  | -  | -                                      | -                              | -  | (10,849)                 | (10,989)           |
| <b>Net book amount</b>                     | <b>2,277,243</b>                  | <b>50,691</b>                    | <b>37,201,102</b>  | <b>125,373</b>   | <b>478,868</b>                         | <b>23,129</b>                  | <b>10,996,259</b>                        | <b>317,187</b>           | <b>51,469,852</b>  |

**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**16 Property, plant and equipment, net (Cont'd)**

|   | Consolidated financial statements |                                  |  |  |  |                                |  |                          |                    |
|---|-----------------------------------|----------------------------------|--|--|--|--------------------------------|--|--------------------------|--------------------|
|   | Land<br>Baht '000                 | Land<br>improvement<br>Baht '000 | Power plant,<br>transmission<br>system and<br>equipment<br>Baht '000 | Office<br>equipment,<br>furniture and<br>computer<br>Baht '000 | Building and<br>structure<br>Baht '000 | Motor<br>vehicles<br>Baht '000 | Construction<br>in progress<br>Baht '000 | Spare parts<br>Baht '000 | Total<br>Baht '000 |
| <b>For the year ended 31 December 2018</b>            |                                   |                                  |  |  |  |                                |  |                          |                    |
| Opening net book amount                               | 2,277,243                         | 50,691                           | 37,201,102   | 125,373  | 478,868                                | 23,129                         | 10,996,259                               | 317,187                  | 51,469,852         |
| Additions   | -                                 | 3,651                            | 449,355  | 85,974   | 15,940                                 | 13,412                         | 9,928,222                                | 53,989                   | 10,550,543         |
| Additions from business combination<br>(Note 34)      | -                                 | 333,093                          | 2,851,015  | 33   | 623                                    | -                              | 23,462                                   | -                        | 3,208,226          |
| Additions from acquisition of subsidiary<br>(Note 13) | -                                 | -                                | -  | -  | -                                      | 4,157                          | 76,905                                   | -                        | 81,062             |
| Disposals/ write-off, net                             | -                                 | -                                | (1,872)  | (19)   | -                                      | (3,523)                        | -  | -                        | (5,414)            |
| Transfer in (out)                                     | -                                 | 60,070                           | 14,371,800   | 1,448  | 177,083                                | (167)                          | (14,500,921)                             | (11,436)                 | 97,877             |
| Impairment charge                                     | -                                 | -                                | -  | -  | -                                      | -                              | -  | (10,024)                 | (10,024)           |
| Exchange differences                                  | -                                 | -                                | (138)  | (120)  | 102                                    | (258)                          | (66,600)                                 | 6                        | (67,008)           |
| Depreciation charge                                   | -                                 | (14,997)                         | (2,878,949)  | (40,308)   | (33,803)                               | (6,677)                        | -  | -                        | (2,974,734)        |
| <b>Closing net book amount</b>                        | <b>2,277,243</b>                  | <b>432,508</b>                   | <b>51,992,313</b>  | <b>172,381</b>   | <b>638,813</b>                         | <b>30,073</b>                  | <b>6,457,327</b>                         | <b>349,722</b>           | <b>62,350,380</b>  |
| <b>At 31 December 2018</b>                            |                                   |                                  |  |  |  |                                |  |                          |                    |
| Cost  | 2,277,243                         | 506,340                          | 71,459,498   | 353,698  | 888,901                                | 67,490                         | 6,457,327                                | 370,595                  | 82,381,092         |
| <u>Less</u> Accumulated depreciation                  | -                                 | (73,832)                         | (19,467,045)   | (181,317)  | (250,088)                              | (37,417)                       | -  | -                        | (20,009,699)       |
| <u>Less</u> Provision for impairment                  | -                                 | -                                | (140)  | -  | -                                      | -                              | -  | (20,873)                 | (21,013)           |
| <b>Net book amount</b>                                | <b>2,277,243</b>                  | <b>432,508</b>                   | <b>51,992,313</b>  | <b>172,381</b>   | <b>638,813</b>                         | <b>30,073</b>                  | <b>6,457,327</b>                         | <b>349,722</b>           | <b>62,350,380</b>  |

**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**16 Property, plant and equipment, net (Cont'd)**

|  | Separate financial statements |  |   |                             |                                       |
|--|-------------------------------|--|---|-----------------------------|---------------------------------------|
|  | Land improvement<br>Baht '000 | Power plant and equipment<br>Baht '000 | Office equipment, furniture and computer<br>Baht '000 | Motor vehicles<br>Baht '000 | Construction in progress<br>Baht '000 |
| <b>At 1 January 2017</b>                   |                               |  |   |                             |                                       |
| Cost                                       | -                             | -                                      | 21,935  | -                           | -                                     |
| <u>Less</u> Accumulated depreciation       | -                             | -                                      | (4,155)   | -                           | -                                     |
| <b>Net book amount</b>                     | -                             | -                                      | 17,780  | -                           | -                                     |
| <b>For the year ended 31 December 2017</b> |                               |  |   |                             |                                       |
| Opening net book amount                    | -                             | -                                      | 17,780  | -                           | -                                     |
| Additions                                  | -                             | -                                      | 11,241  | -                           | -                                     |
| Depreciation charge                        | -                             | -                                      | (3,823)   | -                           | -                                     |
| <b>Closing net book amount</b>             | -                             | -                                      | 25,198  | -                           | -                                     |
| <b>At 31 December 2017</b>                 |                               |  |   |                             |                                       |
| Cost                                       | -                             | -                                      | 33,176  | -                           | -                                     |
| <u>Less</u> Accumulated depreciation       | -                             | -                                      | (7,978)   | -                           | -                                     |
| <b>Net book amount</b>                     | -                             | -                                      | 25,198  | -                           | -                                     |
| <b>For the year ended 31 December 2018</b> |                               |  |   |                             |                                       |
| Opening net book amount                    | -                             | -                                      | 25,198  | -                           | -                                     |
| Additions                                  | -                             | -                                      | 29,463  | 1,230                       | 627,675                               |
| Transfer in (out)                          | 19,997                        | 607,678                                | -   | -                           | (627,675)                             |
| Depreciation charge                        | (11)                          | (411)                                  | (6,940)   | (20)                        | -                                     |
| <b>Closing net book amount</b>             | 19,986                        | 607,267                                | 47,721  | 1,210                       | -                                     |
| <b>At 31 December 2018</b>                 |                               |  |   |                             |                                       |
| Cost                                       | 19,997                        | 607,678                                | 62,639  | 1,230                       | -                                     |
| <u>Less</u> Accumulated depreciation       | (11)                          | (411)                                  | (14,918)  | (20)                        | -                                     |
| <b>Net book amount</b>                     | 19,986                        | 607,267                                | 47,721  | 1,210                       | -                                     |

**16 Property, plant and equipment, net (Cont'd)**

Depreciation was charged to the statements of comprehensive income as follows:

|                         | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|-------------------------|--|---------------------------|--|---------------------------|
|                         | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Cost of sales           | 2,937,216                                    | 2,470,065                 | 422                                      | -                         |
| Administrative expenses | 37,518                                       | 29,825                    | 6,960                                    | 3,823                     |
|                         | <u>2,974,734</u>                             | <u>2,499,890</u>          | <u>7,382</u>                             | <u>3,823</u>              |

Bank borrowings are secured with properties to the value of Baht 33,877.75 million (2017: Baht 38,091.25 million) (Note 21).

Borrowing costs of Baht 173.3 million (2017: Baht 262.06 million), arising from financing specifically for the construction of power plants were capitalised to power plant under construction in the consolidated financial statements. The Group's interest capitalisation rates were between 2.78% to 3.71% per annum (2017: between 2.71% to 2.79% per annum), representing the actual borrowing cost of the borrowings for the projects.

**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**17 Intangible assets, net**

|  | Consolidated financial statements   |   |                             |   |   |  |                                   |  |                    |
|--|-------------------------------------|---|-----------------------------|---|---|--|-----------------------------------|--|--------------------|
|  | Right to use<br>assets<br>Baht '000 | Deferred<br>power plant<br>costs<br>Baht '000 | Land use right<br>Baht '000 | Right in<br>power<br>purchase<br>agreement<br>Baht '000 | Rights from<br>service<br>concession<br>arrangements<br>Baht '000 | Right in<br>operation and<br>maintenance<br>contracts<br>Baht '000 | Computer<br>software<br>Baht '000 | Intangible<br>assets<br>in progress<br>Baht '000 | Total<br>Baht '000 |
| <b>At 1 January 2017</b>                   |                                     |   |                             |   |   |  |                                   |  |                    |
| Cost                                       | 172,104                             | 2,715,078                                     | 469,104                     | 2,155,850   | 1,632,786   | 21,670   | 67,432                            | 8,235  | 7,242,259          |
| <u>Less</u> Accumulated amortisation       | (81,219)                            | (150,710)                                     | (31,082)                    | (338,232)   | -   | (13,483)   | (26,380)                          | -  | (641,106)          |
| <b>Net book amount</b>                     | <b>90,885</b>                       | <b>2,564,368</b>                              | <b>438,022</b>              | <b>1,817,618</b>  | <b>1,632,786</b>  | <b>8,187</b>   | <b>41,052</b>                     | <b>8,235</b>                                     | <b>6,601,153</b>   |
| <b>For the year ended 31 December 2017</b> |                                     |   |                             |   |   |  |                                   |  |                    |
| Opening net book amount                    | 90,885                              | 2,564,368                                     | 438,022                     | 1,817,618   | 1,632,786   | 8,187  | 41,052                            | 8,235  | 6,601,153          |
| Additions                                  | 3,116                               | -   | 13,006                      | 5,000   | 831,119   | -  | 35,930                            | 20,435   | 908,606            |
| Transfer in (out)                          | (587)                               | 49,535  | (23,463)                    | (49,535)  | -   | -  | 3,801                             | (3,801)  | (24,050)           |
| Transfer land to land use right            | -                                   | -   | 256,667                     | -   | -   | -  | -                                 | -  | 256,667            |
| Exchange differences                       | (3,528)                             | (1,835)                                       | (309)                       | (101,081)   | (173,351)   | -  | (339)                             | -  | (280,443)          |
| Amortisation charge                        | (9,977)                             | (72,439)                                      | (11,921)                    | (118,477)   | (32,300)  | (1,562)  | (11,454)                          | -  | (258,130)          |
| <b>Closing net book amount</b>             | <b>79,909</b>                       | <b>2,539,629</b>                              | <b>672,002</b>              | <b>1,553,525</b>  | <b>2,258,254</b>  | <b>6,625</b>   | <b>68,990</b>                     | <b>24,869</b>                                    | <b>7,203,803</b>   |
| <b>At 31 December 2017</b>                 |                                     |   |                             |   |   |  |                                   |  |                    |
| Cost                                       | 169,743                             | 2,763,591                                     | 712,756                     | 2,009,294   | 2,289,358   | 21,670   | 105,393                           | 24,869   | 8,096,674          |
| <u>Less</u> Accumulated amortisation       | (89,834)                            | (223,962)                                     | (40,754)                    | (455,769)   | (31,104)  | (15,045)   | (36,403)                          | -  | (892,871)          |
| <b>Net book amount</b>                     | <b>79,909</b>                       | <b>2,539,629</b>                              | <b>672,002</b>              | <b>1,553,525</b>  | <b>2,258,254</b>  | <b>6,625</b>   | <b>68,990</b>                     | <b>24,869</b>                                    | <b>7,203,803</b>   |



**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**17 Intangible assets, net (Cont'd)**

|   | Consolidated financial statements   |   |                             |   |   |  |                                   |  |                    |
|---|-------------------------------------|---|-----------------------------|---|---|--|-----------------------------------|--|--------------------|
|   | Right to use<br>assets<br>Baht '000 | Deferred<br>power plant<br>costs<br>Baht '000 | Land use right<br>Baht '000 | Right in<br>power<br>purchase<br>agreement<br>Baht '000 | Rights from<br>service<br>concession<br>arrangements<br>Baht '000 | Right in<br>operation and<br>maintenance<br>contracts<br>Baht '000 | Computer<br>software<br>Baht '000 | Intangible<br>assets<br>in progress<br>Baht '000 | Total<br>Baht '000 |
| <b>For the year ended 31 December 2018</b>            |                                     |   |                             |   |   |  |                                   |  |                    |
| Opening net book amount                               | 79,909                              | 2,539,629                                     | 672,002                     | 1,553,525   | 2,258,254   | 6,625  | 68,990                            | 24,869   | 7,203,803          |
| Additions   | 25,522                              | 148,509                                       | -                           | 580,085   | 728,310   | -  | 38,764                            | 6,692  | 1,527,882          |
| Additions from business combination<br>(Note 34)      | 36,530                              | 255,097                                       | -                           | 429,301   | -   | -  | 74                                | -  | 721,002            |
| Additions from acquisition of subsidiary<br>(Note 13) | -                                   | -   | -                           | 1,055,633   | -   | -  | -                                 | -  | 1,055,633          |
| Transfer in (out)                                     | -                                   | -   | (6,572)                     | -   | -   | -  | 24,223                            | (24,216)   | (6,565)            |
| Exchange differences                                  | (49)                                | (304)   | (4)                         | (7,225)   | (13,153)  | -  | (36)                              | -  | (20,771)           |
| Amortisation charge                                   | (11,104)                            | (105,551)                                     | (24,605)                    | (124,238)   | (74,216)  | (1,562)  | (24,999)                          | -  | (366,275)          |
| <b>Closing net book amount</b>                        | <b>130,808</b>                      | <b>2,837,380</b>                              | <b>640,821</b>              | <b>3,487,081</b>  | <b>2,899,195</b>  | <b>5,063</b>   | <b>107,016</b>                    | <b>7,345</b>                                     | <b>10,114,709</b>  |
| <b>At 31 December 2018</b>                            |                                     |   |                             |   |   |  |                                   |  |                    |
| Cost  | 234,923                             | 3,195,241                                     | 706,176                     | 4,067,095   | 3,004,616   | 21,670   | 162,550                           | 7,345  | 11,399,616         |
| <u>Less</u> Accumulated amortisation                  | (104,115)                           | (357,861)                                     | (65,355)                    | (580,014)   | (105,421)   | (16,607)   | (55,534)                          | -  | (1,284,907)        |
| <b>Net book amount</b>                                | <b>130,808</b>                      | <b>2,837,380</b>                              | <b>640,821</b>              | <b>3,487,081</b>  | <b>2,899,195</b>  | <b>5,063</b>   | <b>107,016</b>                    | <b>7,345</b>                                     | <b>10,114,709</b>  |

**17 Intangible assets, net (Cont'd)**

|  | Separate financial statements       |                                |   |                                   |  | Total<br>Baht '000 |
|--|-------------------------------------|--------------------------------|---|-----------------------------------|--|--------------------|
|  | Right to<br>use assets<br>Baht '000 | Land use<br>right<br>Baht '000 | Right in<br>power<br>purchase<br>agreement<br>Baht '000 | Computer<br>software<br>Baht '000 | Computer<br>software<br>under<br>installation<br>Baht '000 |                    |
| <b>At 1 January 2017</b>                       |                                     |                                |   |                                   |  |                    |
| Cost   | -                                   | -                              | -   | 25,159                            | 8,235  | 33,394             |
| <u>Less</u> Accumulated amortisation           | -                                   | -                              | -   | (4,204)                           | -  | (4,204)            |
| <b>Net book amount</b>                         | <u>-</u>                            | <u>-</u>                       | <u>-</u>  | <u>20,955</u>                     | <u>8,235</u>   | <u>29,190</u>      |
| <b>For the year ended<br/>31 December 2017</b> |                                     |                                |   |                                   |  |                    |
| Opening net book amount                        | -                                   | -                              | -   | 20,955                            | 8,235  | 29,190             |
| Additions                                      | -                                   | -                              | -   | 25,507                            | 14,235   | 39,742             |
| Transfer in (out)                              | -                                   | -                              | -   | 6,863                             | (6,863)  | -                  |
| Amortisation charge                            | -                                   | -                              | -   | (7,163)                           | -  | (7,163)            |
| <b>Closing net book amount</b>                 | <u>-</u>                            | <u>-</u>                       | <u>-</u>  | <u>46,162</u>                     | <u>15,607</u>  | <u>61,769</u>      |
| <b>At 31 December 2017</b>                     |                                     |                                |   |                                   |  |                    |
| Cost   | -                                   | -                              | -   | 57,529                            | 15,607   | 73,136             |
| <u>Less</u> Accumulated amortisation           | -                                   | -                              | -   | (11,367)                          | -  | (11,367)           |
| <b>Net book amount</b>                         | <u>-</u>                            | <u>-</u>                       | <u>-</u>  | <u>46,162</u>                     | <u>15,607</u>  | <u>61,769</u>      |
| <b>For the year ended<br/>31 December 2018</b> |                                     |                                |   |                                   |  |                    |
| Opening net book amount                        | -                                   | -                              | -   | 46,162                            | 15,607   | 61,769             |
| Additions                                      | 11,619                              | -                              | 244,159   | 28,817                            | 5,032  | 289,627            |
| Transfer in (out)                              | -                                   | 253,273                        | -   | 14,235                            | (14,235)   | 253,273            |
| Amortisation charge                            | (7)                                 | (7,973)                        | (155)   | (14,203)                          | -  | (22,338)           |
| <b>Closing net book amount</b>                 | <u>11,612</u>                       | <u>245,300</u>                 | <u>244,004</u>  | <u>75,011</u>                     | <u>6,404</u>   | <u>582,331</u>     |
| <b>At 31 December 2018</b>                     |                                     |                                |   |                                   |  |                    |
| Cost   | 11,619                              | 253,273                        | 244,159   | 100,581                           | 6,404  | 616,036            |
| <u>Less</u> Accumulated amortisation           | (7)                                 | (7,973)                        | (155)   | (25,570)                          | -  | (33,705)           |
| <b>Net book amount</b>                         | <u>11,612</u>                       | <u>245,300</u>                 | <u>244,004</u>  | <u>75,011</u>                     | <u>6,404</u>   | <u>582,331</u>     |

Amortisation was charged to the statements of comprehensive income as follows:

|                         | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|-------------------------|--------------------------------------|-------------------|----------------------------------|-------------------|
|                         | 2018<br>Baht '000                    | 2017<br>Baht '000 | 2018<br>Baht '000                | 2017<br>Baht '000 |
| Cost of sales           | 272,996                              | 128,554           | 308                              | -                 |
| Administrative expenses | 93,279                               | 129,576           | 22,030                           | 7,163             |
|                         | <u>366,275</u>                       | <u>258,130</u>    | <u>22,338</u>                    | <u>7,163</u>      |

**18 Deferred income taxes**

The amounts recognised in the statements of financial position as at 31 December are as follows:

|                          | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--------------------------|--|---------------------------|--|---------------------------|
|                          | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Deferred tax assets      | 141,937                                      | 100,852                   | 3,749                                    | 1,784                     |
| Deferred tax liabilities | (117,697)                                    | (85,552)                  | -  | -                         |
| Deferred tax assets, net | <u>24,240</u>                                | <u>15,300</u>             | <u>3,749</u>                             | <u>1,784</u>              |

The analysis of deferred tax assets and deferred tax liabilities is as follows:

|   | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|---|--|---------------------------|--|---------------------------|
|   | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| <b>Deferred tax assets:</b>                             |  |                           |  |                           |
| Deferred tax assets to be recovered within 12 months    | (11,176)                                     | (7,780)                   | 10                                       | 6                         |
| Deferred tax assets to be recovered after 12 months     | 153,113                                      | 108,632                   | 3,739                                    | 1,778                     |
|   | <u>141,937</u>                               | <u>100,852</u>            | <u>3,749</u>                             | <u>1,784</u>              |
| <b>Deferred tax liabilities:</b>                        |  |                           |  |                           |
| Deferred tax liabilities to be settled within 12 months | (1,430)                                      | (2,239)                   | -  | -                         |
| Deferred tax liabilities to be settled after 12 months  | (116,267)                                    | (83,313)                  | -  | -                         |
|   | <u>(117,697)</u>                             | <u>(85,552)</u>           | <u>-</u>                                 | <u>-</u>                  |
| <b>Deferred tax, net</b>                                | <u>24,240</u>                                | <u>15,300</u>             | <u>3,749</u>                             | <u>1,784</u>              |

The movements of deferred income taxes are as follows:

|                                       | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|---------------------------------------|--|---------------------------|--|---------------------------|
|                                       | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| At 1 January                          | 15,300                                       | 15,193                    | 1,784                                    | 926                       |
| Charged (credited) to profit or loss  | 47,499                                       | (4,889)                   | 1,477                                    | 858                       |
| Charged to other comprehensive income | 2,377  | -                         | 488                                      | -                         |
| Business combination (Note 34)        | (41,320)                                     | -                         | -  | -                         |
| Exchange differences                  | 384  | 4,996                     | -  | -                         |
| At 31 December                        | <u>24,240</u>                                | <u>15,300</u>             | <u>3,749</u>                             | <u>1,784</u>              |

**B.Grimm Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**18 Deferred income taxes (Cont'd)**

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

|  | Consolidated financial statements                                     |  |   |                                      |                           |  |  | Total<br>Baht '000 |
|--|---|--|---|--------------------------------------|---------------------------|--|--|--------------------|
|  | Mark up<br>margin on<br>property, plant<br>and equipment<br>Baht '000 | Tax losses<br>carry<br>forwards<br>Baht '000 | Employee<br>benefit<br>obligations<br>Baht '000 | Decommissioning<br>cost<br>Baht '000 | Depreciation<br>Baht '000 | Allowance for<br>spare parts<br>revaluation<br>Baht '000 | Fair value of<br>other non-<br>current assets<br>Baht '000 |                    |
| <b>Deferred tax assets</b>               |   |  |   |                                      |                           |  |  |                    |
| At 1 January 2017                        | 201,780   | 44,233                                       | 17,637  | 17,747                               | 72,528                    | 1,916  | -  | 355,841            |
| Charged (credited) to profit or loss     | (607)   | (17,747)                                     | 1,138   | 5,341                                | (35,170)                  | 9,832  | -  | (37,213)           |
| At 31 December 2017                      | 201,173   | 26,486                                       | 18,775  | 23,088                               | 37,358                    | 11,748   | -  | 318,628            |
| At 1 January 2018                        | 201,173   | 26,486                                       | 18,775  | 23,088                               | 37,358                    | 11,748   | -  | 318,628            |
| Charged (credited) to profit or loss     | 37,992  | (387)  | 1,101   | 7,526                                | 12,952                    | 9,402  | -  | 68,586             |
| Charged to other comprehensive<br>income | -   | -  | 2,377   | -                                    | -                         | -  | -  | 2,377              |
| Business combination (Note 34)           | -   | -  | -   | -                                    | -                         | -  | 23,556   | 23,556             |
| At 31 December 2018                      | 239,165   | 26,099                                       | 22,253  | 30,614                               | 50,310                    | 21,150   | 23,556   | 413,147            |

**18 Deferred income taxes (Cont'd)**

The movements in deferred tax assets and liabilities during the year are as follows: (Cont'd)

|                                       | <b>Consolidated financial statements</b>  |  |                                   |   |
|---------------------------------------|---|--|-----------------------------------|---|
|                                       | <b>Fair value<br/>of property,<br/>plant and<br/>equipment from<br/>acquisition of<br/>subsidiaries<br/>Baht '000</b> | <b>Fair value<br/>of intangible<br/>assets<br/>Baht '000</b> | <b>Depreciation<br/>Baht '000</b> | <b>Total<br/>Baht '000</b>                            |
| <b>Deferred tax liabilities</b>       |   |  |                                   |   |
| At 1 January 2017                     | 88,102  | 170,791  | 81,755                            | 340,648   |
| Credited to profit or loss            | (1,194)   | (8,663)  | (22,467)                          | (32,324)  |
| Exchange differences                  | -   | (4,996)  | -                                 | (4,996)   |
| At 31 December 2017                   | <u>86,908</u>   | <u>157,132</u>   | <u>59,288</u>                     | <u>303,328</u>  |
| At 1 January 2018                     | 86,908  | 157,132  | 59,288                            | 303,328   |
| (Credited) charged to profit or loss  | (4,504)   | (14,469)   | 40,060                            | 21,087  |
| Business combination (Note 34)        | -   | 64,876   | -                                 | 64,876  |
| Exchange differences                  | -   | (384)  | -                                 | (384)   |
| At 31 December 2018                   | <u>82,404</u>   | <u>207,155</u>   | <u>99,348</u>                     | <u>388,907</u>  |
|                                       |   |  |                                   | <b>Separate financial<br/>statements</b>              |
|                                       |   |  |                                   | <b>Employee benefit<br/>obligations<br/>Baht '000</b> |
| <b>Deferred tax assets</b>            |   |  |                                   |   |
| At 1 January 2017                     |   |  |                                   | 926   |
| Charged to profit or loss             |   |  |                                   | 858   |
| At 31 December 2017                   |   |  |                                   | <u>1,784</u>  |
| At 1 January 2018                     |   |  |                                   | 1,784   |
| Charged to profit or loss             |   |  |                                   | 1,477   |
| Charged to other comprehensive income |   |  |                                   | 488   |
| At 31 December 2018                   |   |  |                                   | <u>3,749</u>  |

Deferred income tax assets are recognised for tax loss carryforwards only to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2018, the Group has unrecognised tax losses of Baht 1,511.03 million (2017: Baht 1,539.05 million) that can be carried forward to offset against future taxable income; these tax losses will expire in 2019 to 2023 (2017: in 2018 to 2022), respectively.

**19 Other non-current assets**

|  | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--|--|---------------------------|--|---------------------------|
|  | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Deposits   | 21,309                                       | 18,043                    | 433                                      | 107                       |
| Prepaid long-term service agreements   | 104,843                                      | 61,178                    | -  | -                         |
| Deferred financing fee over than 1 year  | -  | 14,894                    | -  | 220                       |
| Advances for projects development  | 508,124                                      | 278,107                   | -  | -                         |
| Advance payments for investments in a subsidiary and a joint venture (Note 37.4 (h)) | 64,900                                       | 28,512                    | -  | 28,512                    |
| Deferred employee benefits expense over than 1 year                                  | 17,053                                       | 28,261                    | 5,227                                    | 8,806                     |
| Prepaid land rental  | 248,900                                      | 89,776                    | -  | -                         |
| Withholding tax deducted at sources  | 60,724                                       | 71,190                    | 15,091                                   | 13,427                    |
| Advance payments for construction  | 303,483                                      | -                         | -  | -                         |
| Others   | 1,269  | -                         | -  | -                         |
|  | <u>1,330,605</u>                             | <u>589,961</u>            | <u>20,751</u>                            | <u>51,072</u>             |

**20 Trade and other payables**

|  | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--|--|---------------------------|--|---------------------------|
|  | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Trade payables   | 2,626,615                                    | 2,140,685                 | 22,644                                   | 7,891                     |
| Amounts due to related parties (Note 35.4)             | 12,427                                       | 6,534                     | 369,140                                  | 389,877                   |
| Other payables   | 521,981                                      | 595,680                   | 62,978                                   | 18,378                    |
| Accrued interest expenses                              |  |                           |  |                           |
| - financial institutions                               | 309,513                                      | 304,255                   | 80,126                                   | 45,222                    |
| - a related party (Note 35.4)                          | 207,777                                      | 369,828                   | -  | -                         |
| - other parties  | 770  | 800                       | 770                                      | 800                       |
| Accrued expenses                                       | 594,811                                      | 235,913                   | 76,225                                   | 4,204                     |
| Accrued expenses from long-term service agreements     | 471,730                                      | 358,548                   | -  | -                         |
| Dividends payable                                      | 424,471                                      | 479,655                   | -  | -                         |
| Payable from the acquisition of a subsidiary (Note 13) | 410,946                                      | -                         | -  | -                         |
|  | <u>5,581,041</u>                             | <u>4,491,898</u>          | <u>611,883</u>                           | <u>466,372</u>            |

**21 Borrowings**

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Current portion of long-term borrowings from financial institutions      | 798,371                                      | 1,874,276        | -  | 200,000          |
| <u>Less</u> Deferred financing fees                                      | (22,792)                                     | (29,620)         | -  | (1,136)          |
| Current portion of long-term borrowings from financial institutions, net | 775,579                                      | 1,844,656        | -  | 198,864          |
| Long-term borrowings from financial institutions                         | 24,933,530                                   | 35,481,825       | -  | 1,712,240        |
| <u>Less</u> Deferred financing fees                                      | (361,233)                                    | (485,348)        | -  | (1,361)          |
| Long-term borrowings from financial institutions, net                    | 24,572,297                                   | 34,996,477       | -  | 1,710,879        |
| Total long-term borrowings from financial institutions, net              | 25,347,876                                   | 36,841,133       | -  | 1,909,743        |

Maturity of long-term borrowings are as follows:

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Within 1 year   | 798,371                                      | 1,874,276        | -  | 200,000          |
| Later than 1 year and not later than 5 years                | 4,604,980                                    | 8,414,116        | -  | 1,712,240        |
| Later than 5 years  | 20,328,550                                   | 27,067,709       | -  | -                |
|   | 25,731,901                                   | 37,356,101       | -  | 1,912,240        |
| <u>Less</u> Deferred financing fees                         | (384,025)                                    | (514,968)        | -  | (2,497)          |
| Total long-term borrowings from financial institutions, net | 25,347,876                                   | 36,841,133       | -  | 1,909,743        |

## 21 Borrowings (Cont'd)

Long-term borrowings from financial institutions can be classified by currencies as follows:

|  | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                  |
|--|--|-------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>       | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b>  | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Thai Baht  | 16,163,434                                   | 25,401,621        | -  | 1,912,240        |
| US Dollar  | 9,568,467                                    | 11,954,480        | -  | -                |
| Less Deferred financing fees                                   | (384,025)                                    | (514,968)         | -  | (2,497)          |
| Total long-term borrowings<br>from financial institutions, net | <u>25,347,876</u>                            | <u>36,841,133</u> | <u>-</u>                                 | <u>1,909,743</u> |

Interests on long-term borrowings are floating rates. The effective interest rates at the statements of financial position date were as follows:

|   | <b>Consolidated<br/>financial statements</b> |             | <b>Separate<br/>financial statements</b> |             |
|---|--|-------------|--|-------------|
|   | <b>2018</b>                                  | <b>2017</b> | <b>2018</b>                              | <b>2017</b> |
|   | <b>%</b>                                     | <b>%</b>    | <b>%</b>                                 | <b>%</b>    |
| Long-term borrowings from<br>financial institutions | 3.19 - 7.03                                  | 2.18 - 6.36 | -  | 5.25 - 6.36 |

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statements of financial position date. The carrying amounts of long-term borrowings approximate their fair values. The fair values are within level 2 of the fair value hierarchy.

The movements of the long-term borrowings from financial institutions can be analysed as follows:

|  | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                  |
|--|--|-------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>       | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b>  | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Opening net book value                           | 36,841,133                                   | 49,479,012        | 1,909,743                                | 6,702,302        |
| Additions  | 589,803                                      | 5,814,161         | -  | -                |
| Additions from business<br>combination (Note 34) | 2,942,449                                    | -                 | -  | -                |
| Repayments                                       | (15,254,238)                                 | (17,297,664)      | (1,912,240)                              | (4,800,000)      |
| Unrealised exchange loss<br>(gain)               | 82,180                                       | (1,161,561)       | -  | -                |
| Additions of deferred<br>financing fees          | (14,894)                                     | (88,630)          | (219)                                    | -                |
| Amortisation of deferred<br>financing fees       | 169,543                                      | 188,774           | 2,716                                    | 7,441            |
| Exchange differences                             | (8,100)                                      | (92,959)          | -  | -                |
| Closing net book value                           | <u>25,347,876</u>                            | <u>36,841,133</u> | <u>-</u>                                 | <u>1,909,743</u> |



## **21 Borrowings (Cont'd)**

During the 2<sup>nd</sup> quarter of 2018, the Group's two subsidiaries being B.Grimm BIP Power 1 Limited and B.Grimm BIP Power 2 Limited have fully repaid the long-term borrowings before the maturity date totalling Baht 4,773.50 million and US Dollar 60.08 million (equivalent to Baht 1,926.89 million). In addition, the subsidiaries paid for early repayment fees totalling Baht 2.55 million and US Dollar 0.42 million (equivalent to Baht 13.54 million), and wrote off the remaining deferred financing fees upon repayment date totalling Baht 94.52 million. The fees and the written-off were included in finance costs in the consolidated statement of comprehensive income for the year ended 31 December 2018.

During the 4<sup>th</sup> quarter of 2018, the Company fully repaid the long-term borrowings before the maturity date totalling Baht 1,712.24 million. The Company wrote off the remaining deferred financing fees upon the early repayment totalling Baht 1.87 million, included in finance costs in the consolidated statement of comprehensive income for the year ended 31 December 2018.

In addition, the Group's four subsidiaries being B.Grimm Power (Laem Chabang) 1 Limited, B.Grimm Power (Laem Chabang) 2 Limited, B.Grimm Solar Power (Sakaeo) 1 Limited and B.Grimm Yanhee Solar Power Limited have fully repaid the long-term borrowings before the maturity date totalling Baht 4,762.79 million and US Dollar 9.20 million (equivalent to Baht 302.33 million). The subsidiaries paid for early repayment fees totalling Baht 10.14 million and wrote off the remaining deferred financing fees upon repayment date totalling Baht 38.98 million. The fees and the written-off were included in finance costs in the consolidated statement of comprehensive income for the year ended 31 December 2018.

Long-term borrowings are secured by pledge of subsidiaries' shares (Note 13), land and power plants of the Group (Note 16) and guaranteed by standby letter of credit of the Company and subsidiaries (Note 37.3). In addition, the Group has to comply with certain conditions as specified in the agreements including covenants such as maintaining the financial ratios.

### **Borrowing facilities**

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

|                            | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|----------------------------|--|---------------------------|--|---------------------------|
|                            | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Floating rate              |  |                           |  |                           |
| - expiring within one year | 159,240                                      | 846,404                   | -  | 87,760                    |
| - expiring beyond one year | 652,296                                      | 656,944                   | 652,296                                  | -                         |
|                            | <u>811,536</u>                               | <u>1,503,348</u>          | <u>652,296</u>                           | <u>87,760</u>             |

The facilities expiring within one year are annual facilities subjected to be reviewed at various dates. The facilities have been arranged to finance the expansion of the operations.

**22 Debentures, net**

|                                     | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|-------------------------------------|--|------------------|--|------------------|
|                                     | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                                     | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Current portion of debentures       | 299,892                                      | 2,300,000        | -  | 2,300,000        |
| <u>Less</u> Deferred financing fees | (494)  | (1,927)          | -  | (1,927)          |
| Current portion of debentures, net  | 299,398                                      | 2,298,073        | -  | 2,298,073        |
| Debentures                          | 32,600,108                                   | 14,700,000       | 14,700,000                               | 3,200,000        |
| <u>Less</u> Deferred financing fees | (117,526)                                    | (22,235)         | (94,017)                                 | (4,083)          |
| Debentures, net                     | 32,482,582                                   | 14,677,765       | 14,605,983                               | 3,195,917        |
| Total debentures, net               | 32,781,980                                   | 16,975,838       | 14,605,983                               | 5,493,990        |

The movements of debentures can be analysed as follows:

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Opening balance, net                    | 16,975,838                                   | 5,489,078        | 5,493,990                                | 5,489,078        |
| Additions                               | 21,400,000                                   | 11,500,000       | 14,700,000                               | -                |
| Repayments                              | (5,500,000)                                  | -                | (5,500,000)                              | -                |
| Addition of deferred financing fees     | (101,993)                                    | (19,039)         | (94,583)                                 | -                |
| Amortisation of deferred financing fees | 8,135  | 5,799            | 6,576                                    | 4,912            |
| Closing balance, net                    | 32,781,980                                   | 16,975,838       | 14,605,983                               | 5,493,990        |

**Details of debentures**

- 1) On 14 October 2016, the Company issued 2 unsecured debentures denominated in Thai Baht of which details are as follows:

Series 1 Debenture amount of Baht 2,300 million. The principal will be redeemed on the completion date of the second year from the issuance date which is 14 October 2018. The debenture bears interest at a fixed rate per annum and the interest payment schedule is every six-month.

Series 2 Debenture amount of Baht 3,200 million. The principal will be redeemed on the completion date of the third year from the issuance date which is 14 October 2019. However, debentures can be redeemed before the maturity date by the issuer. The debenture bears interest at a fixed rate per annum and the interest payment schedule is every six-month.

The Company is required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio at the level as specified in the contract.

On 16 October 2018, the Company early redeemed debentures Series 2 amounting to Baht 3,200 million. The Company paid for early redemption fee totalling Baht 6.40 million, included in finance costs in the consolidated statement of comprehensive income for the year ended 31 December 2018.

## **22 Debentures, net (Cont'd)**

### **Details of debentures (Cont'd)**

- 2) On 21 April 2017, Amata B.Grimm Power SPV 1 Limited ("ABPSPV1"), which is an indirect subsidiary issued the guaranteed debentures denominated in Thai Baht totalling Baht 11,500 million as details below:

| <b>Series</b> | <b>Amount<br/>(Baht million)</b> | <b>Due Date</b> | <b>Tenor period<br/>(Year)</b> | <b>Interest rate<br/>(% per annum)</b> |
|---------------|----------------------------------|-----------------|--------------------------------|--|
| 1             | 1,800                            | 21 April 2020   | 3                              | 2.68                                   |
| 2             | 600                              | 21 April 2021   | 4                              | 3.00                                   |
| 3             | 1,500                            | 21 April 2022   | 5                              | 3.25                                   |
| 4             | 900                              | 21 April 2023   | 6                              | 3.58                                   |
| 5             | 900                              | 21 April 2024   | 7                              | 3.76                                   |
| 6             | 1,000                            | 21 April 2026   | 9                              | 4.01                                   |
| 7             | 1,500                            | 21 April 2027   | 10                             | 4.17                                   |
| 8             | 800                              | 21 April 2028   | 11                             | 4.33                                   |
| 9             | 1,000                            | 21 April 2029   | 12                             | 4.35                                   |
| 10            | 600                              | 21 April 2030   | 13                             | 4.48                                   |
| 11            | 900                              | 21 April 2032   | 15                             | 4.79                                   |

The debentures' interest payment schedule is semi-annually commencing from 21 October 2017.

The debentures are guaranteed by three subsidiaries being Amata B.Grimm Power 3 Limited, Amata B.Grimm Power (Rayong) 1 Limited and Amata B.Grimm Power (Rayong) 2 Limited. ABPSPV1 will proceed to ensure that the guarantors comply with certain procedures and conditions; for example, maintaining interest bearing debt to equity ratio at the level as specified in the contracts.

- 3) On 31 May 2018, two subsidiaries being B.Grimm BIP Power 1 Limited and B.Grimm BIP Power 2 Limited issued unsecured debentures denominated in Thai Baht amounting to Baht 3,350 million in each subsidiary, totalling Baht 6,700 million. The principal will be redeemed annually for 15 years from the issuance date which is 31 May 2033. The debentures bear interest at 3.95% per annum and the interest payment schedule is every six-month. In addition, the subsidiaries are required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio at the level as specified in the contracts.
- 4) On 19 October 2018, the Company issued 4 series of unsecured senior debentures denominated in Thai Baht totalling Baht 9,700 million. Details are as follows:

| <b>Series</b> | <b>Amount<br/>(Baht million)</b> | <b>Due Date</b> | <b>Tenor period (Year)</b> | <b>Interest rate<br/>(% per annum)</b> |
|---------------|----------------------------------|-----------------|----------------------------|--|
| 1             | 500                              | 19 October 2020 | 2                          | 2.81                                   |
| 2             | 2,700                            | 19 October 2021 | 3                          | 3.12                                   |
| 3             | 1,500                            | 19 October 2023 | 5                          | 3.49                                   |
| 4             | 5,000                            | 19 October 2028 | 10                         | 4.36                                   |

The debentures' interest payment schedule is semi-annually commencing from 19 April 2019.

The Company is required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio at the level as specified in the contracts.

**22 Debentures, net (Cont'd)**

**Details of debentures (Cont'd)**

- 5) On 20 December 2018, the Company issued 2 series of unsecured debentures (Green bond) denominated in Thai Baht totalling Baht 5,000 million. Details are as follows:

Series 1 Debenture amount of Baht 1,500 million. The principal will be redeemed on the completion date of the fifth year from the issuance date which is 20 December 2023. The debenture bears interest at a fixed rate of 3.01% per annum and the interest payment schedule is every six-month.

Series 2 Debenture amount of Baht 3,500 million. The principal will be redeemed on the completion date of the seventh year from the issuance date which is 20 December 2025. The debenture bears interest at a fixed rate of 3.39% per annum and the interest payment schedule is every six-month.

The debentures' interest payment schedule is semi-annually commencing from 20 June 2019.

The Company is required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio at the level as specified in the contracts.

Book value and fair value of debentures as at 31 December 2018 are as follows:

|            | <b>Consolidated<br/>financial statements</b> |                                 | <b>Separate<br/>financial statements</b> |                                 |
|------------|--|---------------------------------|--|---------------------------------|
|            | <b>Book value<br/>Baht '000</b>              | <b>Fair value<br/>Baht '000</b> | <b>Book value<br/>Baht '000</b>          | <b>Fair value<br/>Baht '000</b> |
| Debentures | 32,781,980                                   | 33,604,602                      | 14,605,983                               | 14,903,759                      |

Fair value of debentures has been calculated based on future cash flows and discounted by the yield curve of the Thai Bond Market Association at 2.31% - 4.31%. The fair value is within level 2 of the fair value hierarchy.

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

|            | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                   |
|------------|--|-------------------|--|-------------------|
|            | <b>2018<br/>%</b>                            | <b>2017<br/>%</b> | <b>2018<br/>%</b>                        | <b>2017<br/>%</b> |
| Debentures | 2.74 - 4.81                                  | 2.74 - 4.80       | 2.88 - 4.38                              | 3.71 - 3.88       |

**23 Employee benefit obligations**

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Liabilities in the statement of financial position | 226,408                                      | 175,435          | 18,747                                   | 8,921            |
| Employment benefits included in operating profit   | 33,250                                       | 19,174           | 7,443                                    | 820              |
| Remeasurement - loss from Change in assumptions    | 18,667                                       | -                | 2,441                                    | -                |

Employee benefit obligations comprise "Retirement benefits" and "Long service award".

**Retirement benefits**

The movements in the retirement benefits during the year are as follows:

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| At 1 January                                    | 163,983                                      | 146,684          | 8,669                                    | 4,417            |
| Current service cost                            | 23,153                                       | 13,984           | 6,913                                    | 691              |
| Interest expense                                | 4,419  | 3,541            | 314                                      | 91               |
| Remeasurement - loss from change in assumptions | 16,849                                       | -                | 2,318                                    | -                |
| Employees transferred within the Group          | -  | -                | -  | 3,470            |
| Exchange differences                            | (7)  | (226)            | -  | -                |
| At 31 December                                  | 208,397                                      | 163,983          | 18,214                                   | 8,669            |

The amounts recognised in 'operating profit' in the statement of comprehensive income are as follows:

|                      | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|----------------------|--|------------------|--|------------------|
|                      | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                      | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Current service cost | 23,153                                       | 13,984           | 6,913                                    | 691              |
| Interest expense     | 4,419  | 3,541            | 314                                      | 91               |
| Total charges        | 27,572                                       | 17,525           | 7,227                                    | 782              |

The total charge were included in 'cost of sales and services' and 'administrative expenses' in the consolidated and separate financial statement as follows:

|                            | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|----------------------------|--|------------------|--|------------------|
|                            | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                            | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Cost of sales and services | 12,910                                       | 7,433            | 7,227                                    | 782              |
| Administrative expenses    | 14,662                                       | 10,092           | -  | -                |
|                            | 27,572                                       | 17,525           | 7,227                                    | 782              |

**23 Employee benefit obligations (Cont'd)**

**Long service award**

The movements in the long service award during the year are as follows:

|  | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|--|--|---------------------------|--|---------------------------|
|  | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| At 1 January                                       | 11,452                                       | 9,804                     | 252                                      | 214                       |
| Current service cost                               | 2,393  | 1,390                     | 206                                      | 31                        |
| Past service cost                                  | 2,946  | -                         | -  | -                         |
| Interest expense                                   | 339  | 258                       | 10                                       | 7                         |
| Remeasurement - loss from<br>change in assumptions | 1,818  | -                         | 123                                      | -                         |
| Benefit paid                                       | (937)  | -                         | (58)                                     | -                         |
| At 31 December                                     | <u>18,011</u>                                | <u>11,452</u>             | <u>533</u>                               | <u>252</u>                |

The amounts recognised in 'operating profit' in the statement of comprehensive income are as follows:

|                      | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|----------------------|--|---------------------------|--|---------------------------|
|                      | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Current service cost | 2,393  | 1,390                     | 206                                      | 31                        |
| Past service cost    | 2,946  | -                         | -  | -                         |
| Interest expense     | 339  | 258                       | 10                                       | 7                         |
| Total charge         | <u>5,678</u>                                 | <u>1,648</u>              | <u>216</u>                               | <u>38</u>                 |

The total charge were included in 'cost of sales and services' and 'administrative expenses' as follows:

|                            | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|----------------------------|--|---------------------------|--|---------------------------|
|                            | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Cost of sales and services | 2,659  | 699                       | 216                                      | 38                        |
| Administrative expenses    | 3,019  | 949                       | -  | -                         |
|                            | <u>5,678</u>                                 | <u>1,648</u>              | <u>216</u>                               | <u>38</u>                 |

**23 Employee benefit obligations (Cont'd)**

The principal actuarial assumptions used were as follows:

|                      | <b>Consolidated and separate financial statements</b> |             |
|----------------------|---|-------------|
|                      | <b>2018</b>   | <b>2017</b> |
|                      | <b>%</b>  | <b>%</b>    |
| Discount rate        | 2.9   | 3.1         |
| Salary increase rate | 4.0 - 9.0   | 4.0 - 9.0   |
| Turnover rate        | 0.0 - 10.0  | 0.0 - 10.0  |

Sensitivity analysis for each significant actuarial assumptions used is as follows:

|                      | <b>2018</b>                                  |                               |                               |
|----------------------|--|-------------------------------|-------------------------------|
|                      | <b>Impact on defined benefit obligations</b> |                               |                               |
|                      | <b>Change in assumption</b>                  | <b>Increase in assumption</b> | <b>Decrease in assumption</b> |
| Discount rate        | 1%   | Decrease by 10%               | Increase by 12%               |
| Salary increase rate | 1%   | Increase by 15%               | Decrease by 12%               |
| Turnover rate        | 20%  | Decrease by 5%                | Increase by 6%                |

  

|                      | <b>2017</b>                                  |                               |                               |
|----------------------|--|-------------------------------|-------------------------------|
|                      | <b>Impact on defined benefit obligations</b> |                               |                               |
|                      | <b>Change in assumption</b>                  | <b>Increase in assumption</b> | <b>Decrease in assumption</b> |
| Discount rate        | 1%   | Decrease by 10%               | Increase by 12%               |
| Salary increase rate | 1%   | Increase by 15%               | Decrease by 13%               |
| Turnover rate        | 20%  | Decrease by 3%                | Increase by 6%                |

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

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

The weighted average duration of the defined benefit obligations is 19.8 years (2017: 19 years).

## **24 Share capital**

|                         | Authorised share capital |                  | Issued and paid-up share capital |                  | Share premium on ordinary shares |
|-------------------------|--------------------------|------------------|----------------------------------|------------------|----------------------------------|
|                         | Shares '000              | Baht '000        | Shares '000                      | Baht '000        | Baht '000                        |
| At 1 January 2017       | 2,700,000                | 5,400,000        | 1,890,000                        | 3,780,000        | -                                |
| Issue of shares         | -                        | -                | 716,900                          | 1,433,800        | 10,036,600                       |
| Share issuance expenses | -                        | -                | -                                | -                | (392,560)                        |
| At 31 December 2017     | <u>2,700,000</u>         | <u>5,400,000</u> | <u>2,606,900</u>                 | <u>5,213,800</u> | <u>9,644,040</u>                 |
| At 31 December 2018     | <u>2,700,000</u>         | <u>5,400,000</u> | <u>2,606,900</u>                 | <u>5,213,800</u> | <u>9,644,040</u>                 |

On 17 July 2017, the Company received paid-up share capital for 651,800,000 ordinary shares, with a par value of Baht 2 per share from an initial public offering ("IPO") at the offering price of Baht 16 per share totalling Baht 10,428.80 million, including share premium of Baht 9,125.20 million. The Company's shares are trading in the Stock Exchange of Thailand commencing from 19 July 2017. The Company recorded share issuance costs amounting to Baht 392.56 million as a deduction to the share premium. The Company registered the increased share capital with the Ministry of Commerce on 17 July 2017.

On 21 August 2017, the Company received paid-up share capital for over-allotment of 65,100,000 ordinary shares, with a par value of Baht 2 per share at the price of Baht 16 per share totalling Baht 1,041.60 million, including share premium of Baht 911.40 million. The Company registered the increased share capital with the Ministry of Commerce on 21 August 2017.

In addition, 10,584,700 IPO ordinary shares were allocated for the Group's directors and employees under Special Remuneration Scheme. 4,976,000 of the shares were paid by the Company for directors and employees of the Company and subsidiaries at the price of Baht 16 per share totalling Baht 79.62 million. The other 5,608,700 shares were paid by subsidiaries at the price of Baht 16 per share totalling Baht 89.74 million.

## **25 Legal Reserve**

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 % of the registered capital. The legal reserve is non-distributable.

During the year ended 31 December 2018, the Company provided additional legal reserve amounting to Baht 96.04 million (2017: Baht 58.59 million).



**26 Sales and service income**

|                   | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                  |
|-------------------|--|-------------------|--|------------------|
|                   | <b>2018</b>                                  | <b>2017</b>       | <b>2018</b>                              | <b>2017</b>      |
|                   | <b>Baht '000</b>                             | <b>Baht '000</b>  | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Electricity sales | 35,848,167                                   | 30,638,849        | 1,859                                    | -                |
| Service revenue   | 8,620  | 12,207            | 634,835                                  | 172,955          |
|                   | <u>35,856,787</u>                            | <u>30,651,056</u> | <u>636,694</u>                           | <u>172,955</u>   |

**27 Other Income**

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Interest income  | 138,532                                      | 106,299          | 338,534                                  | 225,257          |
| Income from insurance claim  | -  | 67,421           | -  | -                |
| Gain from measurement of fair value of equity interests held before the business combination (Note 34) | 35,319                                       | -                | -  | -                |
| Gain from a bargain purchase (Note 34)   | 240,287                                      | -                | -  | -                |
| Dividends income   | -  | -                | 1,662,939                                | 1,544,218        |
| Others   | 45,599                                       | 13,301           | 500                                      | 490              |
|  | <u>459,737</u>                               | <u>187,021</u>   | <u>2,001,973</u>                         | <u>1,769,965</u> |

**28 Expenses by nature**

The following expenditure items, classified by nature, have been charged in calculation of profit before finance cost and income tax:

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Gas purchase  | 22,139,070                                   | 18,128,442       | -  | -                |
| Cost of sales of electricity                          | 1,061,428                                    | 1,061,427        | -  | -                |
| Electricity supply                                    | 92,609                                       | 71,559           | -  | -                |
| Raw water   | 299,804                                      | 274,854          | -  | -                |
| Other costs of sales of electricity                   | 190,160                                      | 135,546          | -  | -                |
| Staff costs   | 1,060,850                                    | 970,997          | 87,182                                   | 62,572           |
| Depreciation of plant and equipment (Note 16)         | 2,974,734                                    | 2,499,890        | 7,382                                    | 3,823            |
| Amortisation of intangible assets (Note 17)           | 366,275                                      | 258,130          | 22,338                                   | 7,163            |
| Major repair and maintenance of power plants expenses | 1,049,743                                    | 839,377          | -  | -                |
| Bank charges  | 34,979                                       | 47,180           | 4,428                                    | 12,889           |
| Consulting fees                                       | 170,269                                      | 116,847          | 61,185                                   | 38,229           |
| Penalties   | 101,739                                      | 101,596          | -  | -                |
| Plant insurance                                       | 127,694                                      | 122,638          | 9  | -                |

**29 Finance costs**

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Interest on borrowings and debentures  | 2,424,400                                    | 2,291,464        | 334,269                                  | 496,947          |
| Interest on long-term borrowings from Amata B.Grimm Power Power Plant Infrastructure Fund (Note 35.2 and 35.8) | 343,194                                      | 546,212          | -  | -                |
| Gain on exchange rate from financing activities  | (89,618)                                     | (1,099,405)      | (558)                                    | (2,041)          |
| Amortisation of deferred financing fees  | 174,066                                      | 204,171          | 9,292                                    | 29,853           |
| Others   | 75,519                                       | 110,251          | 27,025                                   | -                |
|  | <u>2,927,561</u>                             | <u>2,052,693</u> | <u>370,028</u>                           | <u>524,759</u>   |

**30 Income tax**

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| <b>Current tax:</b>   |  |                  |  |                  |
| Current tax on profits for the year                         | 224,706                                      | 229,611          | -  | -                |
| <b>Deferred tax:</b>  |  |                  |  |                  |
| Origination and reversal of temporary differences (Note 18) | (47,499)                                     | 4,889            | (1,477)                                  | (858)            |
| Total income tax  | <u>177,207</u>                               | <u>234,500</u>   | <u>(1,477)</u>                           | <u>(858)</u>     |

**30 Income tax (Cont'd)**

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

|   | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|---|--|---------------------------|--|---------------------------|
|   | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Profit before tax   | 3,152,986                                    | 3,828,350                 | 1,919,318                                | 1,170,920                 |
| Tax calculated at a tax rates<br>of 8% to 24% (2017: 8% to 24%)     | 628,862                                      | 779,076                   | 383,864                                  | 234,184                   |
| Tax effect of:  |  |                           |  |                           |
| Income not subject to tax   | (477,602)                                    | (654,172)                 | (332,718)                                | (308,844)                 |
| Expenses not deductible<br>for tax purpose                          | 19,463                                       | 28,669                    | 6,407                                    | 3,163                     |
| Expenses double deduction<br>for tax purpose                        | (12,456)                                     | (9,045)                   | (3,022)                                  | (2,054)                   |
| Tax losses for which no deferred<br>income tax asset was recognised | 70,381                                       | 131,393                   | -  | 72,693                    |
| Utilisation of previously<br>unrecognised tax losses                | (69,913)                                     | (37,819)                  | (56,008)                                 | -                         |
| Others  | 18,472                                       | (3,602)                   | -  | -                         |
| Tax charge  | 177,207                                      | 234,500                   | (1,477)                                  | (858)                     |
| Weighted average applicable<br>tax rate                             | 6%   | 6%                        | -  | -                         |

As at 31 December 2018, temporary difference on loss from investment in associate and joint ventures amounting to Baht 192.84 million was not recognised as deferred tax liabilities (2017: Baht 200.61 million).

The tax (charge)/credit relating to component of other comprehensive income is as follows:

|   | <b>Consolidated financial statements</b> |  |                                |                                     |  |                                |
|---|--|--|--------------------------------|-------------------------------------|--|--------------------------------|
|   | <b>2018</b>                              |  |                                | <b>2017</b>                         |  |                                |
|   | <b>Before<br/>tax<br/>Baht '000</b>      | <b>Tax<br/>(charge)<br/>credit<br/>Baht '000</b> | <b>After tax<br/>Baht '000</b> | <b>Before<br/>tax<br/>Baht '000</b> | <b>Tax<br/>(charge)<br/>credit<br/>Baht '000</b> | <b>After tax<br/>Baht '000</b> |
| Remeasurement on<br>employee benefit<br>obligations | 18,667                                   | (2,377)  | 16,290                         | -                                   | -  | -                              |
| Currency translation<br>difference                  | 130,330                                  | -  | 130,330                        | 236,871                             | -  | 236,871                        |
| Other comprehensive<br>income                       | 148,997                                  | (2,377)  | 146,620                        | 236,871                             | -  | 236,871                        |

**30 Income tax (Cont'd)**

The tax (charge)/credit relating to component of other comprehensive income is as follows: (Cont'd)

|   | Separate financial statements |  |                        |                         |  |                        |
|---|-------------------------------|--|------------------------|-------------------------|--|------------------------|
|   | 2018                          |  |                        | 2017                    |  |                        |
|   | Before tax<br>Baht '000       | Tax<br>(charge)<br>credit<br>Baht '000 | After tax<br>Baht '000 | Before tax<br>Baht '000 | Tax<br>(charge)<br>credit<br>Baht '000 | After tax<br>Baht '000 |
| Remeasurement on employee benefit obligations | 2,441                         | (488)                                  | 1,953                  | -                       | -                                      | -                      |
| Other comprehensive income                    | 2,441                         | (488)                                  | 1,953                  | -                       | -                                      | -                      |

**31 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding.

|   | Consolidated financial statements |           | Separate financial statements |           |
|---|-----------------------------------|-----------|-------------------------------|-----------|
|   | 2018                              | 2017      | 2018                          | 2017      |
| Net profit attributable to ordinary shareholders of the Company (Baht '000) | 1,862,806                         | 2,126,710 | 1,920,795                     | 1,171,778 |
| Weighted average number of ordinary shares outstanding (shares '000)        | 2,606,900                         | 2,213,728 | 2,606,900                     | 2,213,728 |
| Basic earnings per share (Baht per share)                                   | 0.71                              | 0.96      | 0.74                          | 0.53      |

There are no potential dilutive ordinary shares in issue for the year 2018. The diluted earnings per share is not presented.

## **32 Dividends**

### **2018**

On 26 April 2018, annual general meeting of shareholders approved the payment of dividends in respect of the operation results of 2017 for the 2,606,900,000 ordinary shares at Baht 0.30 per share, totalling Baht 782.07 million. These dividends were paid to shareholders on 11 May 2018.

On 10 August 2018, the Board of Directors meeting approved the payment of interim dividends in respect of the operation results of 2018 for the 2,606,900,000 ordinary shares at Baht 0.15 per share, totalling Baht 391.04 million. These dividends were paid to shareholders on 7 September 2018.

### **2017**

On 15 May 2017, the Board of Directors meeting approved the payment of interim dividends in respect of the operation results for the year ended 31 December 2017 for the 1,890,000,000 ordinary shares at Baht 0.06 per share, totalling Baht 120.96 million. These dividends were paid to shareholders on 12 June 2017.

## **33 Financial instruments**

The principal financial risks faced by the Group are interest rate and exchange rate risks. The Group borrows to finance its operations, which involve payments in foreign currencies, at both fixed and floating interest rates.

The objectives of using derivative financial instruments are to reduce the uncertainty over future cash flows arising from movements in interest rate and exchange rate and to manage the liquidity of cash resources.

Trading for speculative purposes is not allowed. All derivative transactions are subject to prior approval by the respective board of each company in the Group.

### **Interest rate and foreign exchange risks**

In order to manage risks arising from fluctuation in interest rates and currency exchange rates, the Group uses the following derivative financial instruments.

#### **Interest rate swap contracts**

Interest rate swap contracts are to manage exposure to fluctuation in interest rates on specific transactions. The Group entered into interest rate swap contracts as follows:

| Currency                                    | Long-term borrowings |                 | Notional amount of<br>Interest rate swap<br>contracts |                 | Interest rates |             |
|---|----------------------|-----------------|---|-----------------|----------------|-------------|
|   | 2018<br>Million      | 2017<br>Million | 2018<br>Million                                       | 2017<br>Million | 2018<br>%      | 2017<br>%   |
| Converting floating<br>rates to fixed rates |                      |                 |   |                 |                |             |
| - Thai Baht                                 | 16,163.43            | 25,401.62       | 19,984.82   | 30,625.88       | 2.59 - 4.55    | 0.89 - 4.55 |
| - US Dollar                                 | 293.67               | 364.31          | 337.89  | 1,278.15        | 1.75 - 6.49    | 0.96 - 6.49 |
| Converting fixed rates<br>to floating rates |                      |                 |   |                 |                |             |
| - Thai Baht                                 | -                    | -               | 1,079.24  | 2,300.25        | THBFIX         | THBFIX      |
| - US Dollar                                 | -                    | -               | 17.16   | 36.57           | LIBOR          | LIBOR       |

### 33 Financial instruments (Cont'd)

The remaining notional principal amounts of the outstanding interest rate swap contracts for long-term borrowings at 31 December were as follows:

|                   | <b>Consolidated<br/>financial statements</b> |                              |
|-------------------|--|------------------------------|
|                   | <b>2018<br/>Million Baht</b>                 | <b>2017<br/>Million Baht</b> |
| Within 1 year     | 5,949.36                                     | 43,056.54                    |
| Later than 1 year | 26,694.67                                    | 33,054.54                    |
|                   | <b>32,644.03</b>                             | <b>76,111.08</b>             |

#### Forward and cross-currency swap contracts

Forward and cross-currency swap contracts are to manage exposure to fluctuation in currency exchange rates and interest rates.

The subsidiaries entered into forward contracts for hedging foreign exchange risk for the payments under construction agreements, long-term service agreements and supply agreements and entered into cross-currency swap contracts for the repayments of long-term borrowings.

As at 31 December, forward and cross-currency swap contracts by converting foreign currency to Thai Baht are as follows:

|               | <b>Consolidated financial statements</b> |                         |                         |                         |
|---------------|--|-------------------------|-------------------------|-------------------------|
|               | <b>Unit local currency</b>               |                         | <b>Unit Baht</b>        |                         |
|               | <b>2018<br/>Million</b>                  | <b>2017<br/>Million</b> | <b>2018<br/>Million</b> | <b>2017<br/>Million</b> |
| Swedish Krona | -  | 32.34                   | -                       | 138.84                  |
| Euro          | -  | 0.20                    | -                       | 7.95                    |
| US Dollar     | 177.09                                   | 2.39                    | 5,951.89                | 78.63                   |
| Japanese Yen  | 167.72                                   | 871.18                  | 48.89                   | 301.60                  |

As at 31 December, forward and cross-currency swap contracts by converting foreign currency to US Dollar are as follows:

|      | <b>Consolidated financial statements</b> |                         |                         |                         |
|------|--|-------------------------|-------------------------|-------------------------|
|      | <b>Unit local currency</b>               |                         | <b>Unit US Dollar</b>   |                         |
|      | <b>2018<br/>Million</b>                  | <b>2017<br/>Million</b> | <b>2018<br/>Million</b> | <b>2017<br/>Million</b> |
| Euro | -  | 1.34                    | -                       | 1.53                    |

**33 Financial instruments (Cont'd)**

**Interest rate and foreign exchange risks (Cont'd)**

**Forward and cross-currency swap contracts (Cont'd)**

The net fair values of the derivative financial instruments at the date of financial statements are as follows:

|                        | <b>Consolidated<br/>financial statements</b> |                              |
|------------------------|--|------------------------------|
|                        | <b>2018<br/>Million Baht</b>                 | <b>2017<br/>Million Baht</b> |
| Favourable             |  |                              |
| - Interest rate swaps  | 33.86  | 91.91                        |
| - Forward contracts    | -  | 2.70                         |
| - Cross-currency swaps | 239.97                                       | 121.30                       |
| Unfavourable           |  |                              |
| - Interest rate swaps  | (1,756.90)                                   | (2,332.36)                   |
| - Forward contracts    | (0.40)                                       | (56.76)                      |
| - Cross-currency swaps | (25.44)                                      | -                            |

The fair values of interest rate swap contracts, forward, and cross-currency swap contracts have been calculated using rates quoted by the Group's bankers to terminate the contracts at the date of financial statements.

The fair valuation of financial instruments is in level 2.

The valuation techniques of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curve. The valuation techniques of forward contracts and cross-currency swaps is determined using forward exchange rates at the date of financial statements, with the resulting value discounted back to present value.

### 34 Business combination

On 2 July 2018, the Company acquired an additional 51% ordinary shares of B.Grimm Yanhee Solar Power Limited ("BGYSP") from the joint venture party for a consideration of Baht 600 million. As a result, the Group's interests in BGYSP increased from 49% to 99.99% and the status of investment in BGYSP changed from a joint venture to a subsidiary. Such investment is a step-up acquisition under TFRS 3 (revised 2017) - Business Combinations. The Group is required to measure the fair value of 49% equity interests in BGYSP before the business combination on the acquisition date as follows.

|  | <b>Baht '000</b> |
|--|------------------|
| Book value of equity interests held before the acquisition                                   | 606,578          |
| Fair value of equity interests held before the acquisition                                   | 641,897          |
| Gain from measurement of fair value of equity interests held before the business combination | 35,319           |

The following table summarises the consideration paid for BGYSP and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

#### Consideration paid on 2 July 2018:

|  | <b>Baht '000</b> |
|--|------------------|
| Cash   | 600,000          |
| Fair value of equity interests in BGYSP held before the business combination | 641,897          |
| <b>Total consideration</b>   | <b>1,241,897</b> |

#### Recognised amounts of identifiable assets acquired and liabilities assumed on the acquisition date

|                                   |                  |
|-----------------------------------|------------------|
| Cash and cash equivalents         | 268,573          |
| Trade and other receivables       | 121,419          |
| Spare parts and supplies          | 9,420            |
| Other current assets              | 11               |
| Plant and equipment, net          | 3,208,226        |
| Intangible assets                 | 291,701          |
| Right in power purchase agreement | 429,301          |
| Other non-current assets          | 164,548          |
| Trade and other payables          | (21,399)         |
| Other current liabilities         | (5,847)          |
| Borrowings                        | (2,942,449)      |
| Deferred tax liabilities          | (41,320)         |
| Identifiable net assets           | 1,482,184        |
| Gain from a bargain purchase      | 240,287          |
| <b>Total</b>                      | <b>1,241,897</b> |

The Group recognised a gain from measurement of fair value of 49% equity interests in BGYSP held before the business combination amounting to Baht 35.32 million and a gain from bargain purchase amounting to Baht 240.29 million in other income in the Group's statement of comprehensive income for the year ended 31 December 2018.

The consolidated statement of comprehensive income for the year ended 31 December 2018 included revenue contributed by BGYSP since the acquisition date of Baht 230.67 million and the net profit contributed by BGYSP of Baht 14.53 million.

In case BGYSP has been consolidated from 1 January 2018, the consolidated statement of comprehensive income would show revenue of Baht 36,818.19 million and profit of Baht 3,057.15 million.



### **35 Related-party transactions**

Individuals and entities that directly or indirectly control or are controlled by or are under common controls with the Company, including investment entities, associates, joint ventures and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are the B.Grimm Power (Singapore) PTE. LTD., and Mr. Harald Link who own 33.99% and 24.30% of the Company's shares, respectively. The ultimate controlling party is Mr. Harald Link. The information on the Company's subsidiaries is provided in Note 13.

The following transactions were carried out with related parties:

#### **35.1 Revenues and other income**

|                        | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|------------------------|--|---------------------------|--|---------------------------|
|                        | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| <b>Revenue</b>         |  |                           |  |                           |
| Sales:                 |  |                           |  |                           |
| Other related parties  | 25,061                                       | 24,841                    | -  | -                         |
| Service income:        |  |                           |  |                           |
| Subsidiaries           | -  | -                         | 626,215                                  | 160,395                   |
| Joint ventures         | 8,620  | 12,560                    | 8,620                                    | 12,560                    |
|                        | <u>8,620</u>                                 | <u>12,560</u>             | <u>634,835</u>                           | <u>172,955</u>            |
| <b>Other income</b>    |  |                           |  |                           |
| Interest income:       |  |                           |  |                           |
| Subsidiaries           | -  | -                         | 293,690                                  | 190,365                   |
| Joint ventures         | 292  | -                         | 292                                      | -                         |
| Other related parties  | 4,809  | 12,719                    | 4,809                                    | 12,719                    |
|                        | <u>5,101</u>                                 | <u>12,719</u>             | <u>298,791</u>                           | <u>203,084</u>            |
| <b>Dividend income</b> |  |                           |  |                           |
| Subsidiaries           | <u>-</u>                                     | <u>-</u>                  | <u>1,662,939</u>                         | <u>1,544,218</u>          |

### 35 Related-party transactions

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

#### 35.2 Expenses

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Purchases of raw water from:            |  |                  |  |                  |
| Other related parties                   | 245,840                                      | 217,304          | -  | -                |
| Finance cost:                           |  |                  |  |                  |
| Subsidiaries                            | -  | -                | 404                                      | -                |
| Associate                               | 343,194                                      | 546,212          | -  | -                |
| Other related parties<br>(shareholders) | -  | 41,952           | -  | 41,952           |
|   | 343,194                                      | 588,164          | 404                                      | 41,952           |
| Land purchase:                          |  |                  |  |                  |
| Other related party                     | -  | 36,000           | -  | 36,000           |
| Rental and office service:              |  |                  |  |                  |
| Other related party                     | 41,691                                       | 32,461           | -  | -                |

#### 35.3 Trade and other receivables

|                                 | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---------------------------------|--|------------------|--|------------------|
|                                 | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                                 | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| <b>Trade receivables:</b>       |  |                  |  |                  |
| Subsidiaries                    | -  | -                | 22,170                                   | 20,705           |
| Joint ventures                  | 464  | -                | 464                                      | -                |
| Other related parties           | 367  | 376              | -  | -                |
|                                 | 831  | 376              | 22,634                                   | 20,705           |
| <b>Accrued interest income:</b> |  |                  |  |                  |
| Subsidiaries                    | -  | -                | 524,792                                  | 232,109          |
| Joint ventures                  | 292  | -                | 292                                      | -                |
| Other related parties           | -  | 60               | -  | 60               |
|                                 | 292  | 60               | 525,084                                  | 232,169          |
| <b>Dividend receivables:</b>    |  |                  |  |                  |
| Subsidiaries                    | -  | -                | 703,358                                  | 816,872          |
| Joint ventures                  | -  | 27,048           | -  | 27,048           |
|                                 | -  | 27,048           | 703,358                                  | 843,920          |
| <b>Other receivables:</b>       |  |                  |  |                  |
| Subsidiaries                    | -  | -                | 193,098                                  | 157,541          |
| Joint ventures                  | 43,016                                       | 27,975           | 43,010                                   | 27,975           |
| Other related parties           | 63,994                                       | -                | -  | -                |
|                                 | 107,010                                      | 27,975           | 236,108                                  | 185,516          |

### **35 Related-party transactions (Cont'd)**

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

#### **35.4 Other payables**

|                          | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--------------------------|--|------------------|--|------------------|
|                          | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                          | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| <b>Other payables:</b>   |  |                  |  |                  |
| Subsidiaries             | -  | -                | 368,749                                  | 389,581          |
| Joint ventures           | 18   | 18               | 18                                       | 18               |
| Other related parties    | 12,409                                       | 6,516            | 373                                      | 278              |
|                          | <u>12,427</u>                                | <u>6,534</u>     | <u>369,140</u>                           | <u>389,877</u>   |
| <b>Accrued interest:</b> |  |                  |  |                  |
| Associate                | <u>207,777</u>                               | <u>369,828</u>   | <u>-</u>                                 | <u>-</u>         |

#### **35.5 Short-term loans to related parties**

|                       | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|-----------------------|--|------------------|--|------------------|
|                       | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|                       | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Subsidiaries          | -  | -                | 7,941,830                                | 4,880,756        |
| Joint ventures        | 18,240                                       | -                | 18,240                                   | -                |
| Other related parties | -  | 207,000          | -  | 207,000          |
|                       | <u>18,240</u>                                | <u>207,000</u>   | <u>7,960,070</u>                         | <u>5,087,756</u> |

As at 31 December 2018, short-term loans to related parties are unsecured and repayable at call and bear interest rate at MLR minus certain margin per annum (2017: MLR minus certain margin per annum).

#### **35.6 Long-term loans to related parties**

|                     | <b>Separate<br/>financial statements</b> |                  |
|---------------------|--|------------------|
|                     | <b>2018</b>                              | <b>2017</b>      |
|                     | <b>Baht '000</b>                         | <b>Baht '000</b> |
| <b>Subsidiaries</b> |  |                  |
| Due within 1 year   | 237,052                                  | -                |
| Over 1 year         | <u>6,838,814</u>                         | <u>1,137,948</u> |
|                     | <u>7,075,866</u>                         | <u>1,137,948</u> |

### **35 Related-party transactions (Cont'd)**

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

#### **35.6 Long-term loans to related parties (Cont'd)**

The movements of long-term loans to related parties for the year ended 31 December are as follows:

|                | <b>Separate<br/>financial statements</b> |                           |
|----------------|--|---------------------------|
|                | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| At 1 January   | 1,137,948                                | -                         |
| Additions      | 6,296,317                                | 1,137,948                 |
| Repayments     | (358,399)                                | -                         |
| At 31 December | <u>7,075,866</u>                         | <u>1,137,948</u>          |

On 1 December 2018, the Company amended loan agreement with B.Grimm Power (Lao) Company Limited which is a direct subsidiary regarding loan facility. New loan facility is Baht 2,310 million (2017: Baht 1,980 million). The new loan bears fixed interest rate per annum (2017: MLR less certain margin per annum). The principal and interest are repayable at call. However, as at 31 December 2018, the Company has no plan to recall such loan within one year. As a result, the loan has been presented as a long-term loan.

During 2018, the Company entered into loan agreements with three subsidiaries being B.Grimm Solar Power (Sakaeo) 1 Limited, B.Grimm Yanhee Solar Power Limited and B.Grimm Solar Power 1 Limited which are direct subsidiaries. Total facility is Baht 3,875 million. The loans carry interest rates between fixed rate to MLR less certain margin per annum. The principles and interests are repayable from 2019 to 2034.

In addition, the Company entered into a loan agreement with B.Grimm Power Holding (Laem Chabang) Limited which is a direct subsidiary. Total loan facility is Baht 1,408 million. The loan bears fixed interest rate per annum. The principal and interest are repayable at call. However, as at 31 December 2018, the Company has no plan to recall such loan within one year. As a result, the loan has been presented as a long-term loan.

#### **35.7 Short-term borrowing from related party**

During the 4<sup>th</sup> quarter of 2018, a subsidiary in Vietnam entered into a short-term borrowing agreement with shareholder, denominated in VND, totalling VND 3,800 million (equivalent to Baht 5.31 million). Such borrowing bears fixed interest rate of 5% per annum. The principle and interest payments are to be paid at call.

**35 Related-party transactions (Cont'd)**

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

**35.8 Long-term borrowings from a related party**

|              | <b>Consolidated<br/>financial statements</b> |                           |
|--------------|--|---------------------------|
|              | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| An associate | 3,558,000                                    | 4,085,000                 |

On 19 September 2013, the Group enter into the Revenue Sharing Agreements (“the Agreements”) with Amata B.Grimm Power Power Plant Infrastructure Fund (“the Fund”) to borrow Baht 6,202 million for the purposes of the Group’s funding support.

Under the Agreements, the Group commits to transfer the benefits from the electricity generated to the Fund which cover the period from 1 January 2013 to 27 September 2022. The installments and interest payments are to be made every six-month. The Agreements will expire on 27 September 2022. The interest has been calculated based on operating results and the remaining cash flows of each period of Amata B.Grimm Power 1 Limited and Amata B.Grimm Power 2 Limited less with the principal repayment of each period which has been set out under the Agreements.

According to the conditions specified in the Revenue Sharing Agreements, any liabilities obligated by the Group as of the expiration date of the Agreement shall be terminated.

The movements of the long-term borrowings from a related party can be analysed as follows:

|                                   | <b>Consolidated<br/>financial statements</b> |                           |
|-----------------------------------|--|---------------------------|
|                                   | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Opening book value                | 4,085,000                                    | 4,547,500                 |
| Repayment of long-term borrowings | (527,000)                                    | (462,500)                 |
| Closing book value                | 3,558,000                                    | 4,085,000                 |

**35 Related-party transactions (Cont'd)**

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

**35.8 Long-term borrowings from a related party (Cont'd)**

Maturity of long-term borrowings from a related party are as follows:

|  | <b>Consolidated<br/>financial statements</b> |                  |
|--|--|------------------|
|  | <b>2018</b>                                  | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> |
| Within 1 year                                | 883,000                                      | 527,000          |
| Later than 1 year but not later than 5 years | 2,675,000                                    | 3,558,000        |
|  | <u>3,558,000</u>                             | <u>4,085,000</u> |

**35.9 Key management compensation**

Key management includes directors (executive and non-executive) and members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

|   | <b>Consolidated<br/>financial statements</b> |                  |
|---|--|------------------|
|   | <b>2018</b>                                  | <b>2017</b>      |
|   | <b>Baht '000</b>                             | <b>Baht '000</b> |
| Salaries and other short-term employee benefits | 112,888                                      | 140,234          |
| Post-employment benefits                        | 8,099  | 1,631            |
| Other long-term benefits                        | 12   | 12               |
| Share-based payments for key management         | 9,448  | 17,624           |
|   | <u>130,447</u>                               | <u>159,501</u>   |

### 36 Share-based payments

On 16 May 2017, the Group put in place a 'Special Remuneration Scheme' for its directors and employees where participating employees will be granted the right to use their remuneration to subscribe for initial public offering shares (IPO shares) at the IPO share price. This is provided that they enter into an agreement with the Company or its subsidiaries to continue their employment for next four calendar years (the lock-up period). If the employees resign before the lock-up period, they will be forced to sell all of their shares to other parties in the market and return the proceed from sales to the Group.

The movements in the number of shares under the Special Remuneration Scheme are:

|   | <b>Consolidated<br/>financial statements</b> | <b>Separate<br/>financial statements</b> |
|---|--|--|
|   | <b>Shares</b>                                | <b>Shares</b>                            |
| At 1 January 2017   | -  | -  |
| Granted   | 10,584,700                                   | 1,068,100                                |
| Vested  | (59,900)                                     | -  |
| Cancellation due to non-compliance with<br>the service conditions | (8,100)                                      | -  |
| At 31 December 2017   | 10,516,700                                   | 1,068,100                                |
| At 1 January 2018   | 10,516,700                                   | 1,068,100                                |
| Vested  | (90,900)                                     | -  |
| Cancellation due to non-compliance with<br>the service conditions | (189,400)                                    | -  |
| At 31 December 2018   | 10,236,400                                   | 1,068,100                                |

The fair value of shares at the grant date determined using the discounted cash flow model was Baht 16.50 per share. The significant input using for the model was the forecasted future free cash flows of the Group.

The principal assumptions used in the discounted cash flow were:

|                | <b>Consolidated<br/>financial statements</b> |
|----------------|--|
| Risk free rate | 3 %  |
| Risk premium   | 8 %  |
| Beta           | 0.79   |

The amounts recognised in the financial statements:

|  | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|--|--|------------------|--|------------------|
| <b>For the year ended 31 December</b>                                  | <b>2018</b>                                  | <b>2017</b>      | <b>2018</b>                              | <b>2017</b>      |
|  | <b>Baht '000</b>                             | <b>Baht '000</b> | <b>Baht '000</b>                         | <b>Baht '000</b> |
| Investments in subsidiaries, in<br>the statement of financial position | -  | -                | 17,763                                   | 11,193           |
| Share-based payments to employees,<br>included in operating profit     | 47,237                                       | 36,927           | 2,650                                    | 9,670            |
| Reversed other reserve - share-based<br>payments                       |  |                  |  |                  |
| - Vested   | (2,413)                                      | -                | -  | -                |
| - Cancellation due to non-compliance<br>with the service conditions    | (1,418)                                      | -                | -  | -                |

### **37 Commitments and significant agreements**

#### **37.1 Capital commitments**

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

As at 31 December, there was capital commitments expenditure in respect of the power plant construction and purchases of machineries and equipment which have not been recognised as follows:

|                 | <b>Consolidated<br/>financial statements</b> |                           |
|-----------------|--|---------------------------|
|                 | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> |
| Thai Baht       | 113,400                                      | 1,898,042                 |
| Japanese Yen    | -  | 895,655                   |
| Swedish Krona   | -  | 58,426                    |
| US Dollar       | 503,256                                      | 7,441                     |
| Euro            | 535  | 7,172                     |
| Vietnamese Dong | 32,264,202                                   | -                         |
| Kip             | 2,291,502                                    | -                         |

#### **37.2 Operating lease commitments - where the Group is the lessee**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

|   | <b>Consolidated<br/>financial statements</b> |                           | <b>Separate<br/>financial statements</b> |                           |
|---|--|---------------------------|--|---------------------------|
|   | <b>2018<br/>Baht '000</b>                    | <b>2017<br/>Baht '000</b> | <b>2018<br/>Baht '000</b>                | <b>2017<br/>Baht '000</b> |
| Not later than 1 year                           | 97,454                                       | 75,108                    | 6,932                                    | 4,268                     |
| Later than 1 year<br>but not later than 5 years | 143,420                                      | 104,149                   | 10,748                                   | 4,148                     |
| Later than 5 years                              | 468,149                                      | 233,714                   | -  | -                         |
|   | <u>709,023</u>                               | <u>412,971</u>            | <u>17,680</u>                            | <u>8,416</u>              |

#### **37.3 Letter of guarantee and standby letter of credit**

|   | <b>Currency<br/>(Million)</b> | <b>Consolidated<br/>financial statements</b> |             | <b>Separate<br/>financial statements</b> |             |
|---|-------------------------------|--|-------------|--|-------------|
|   |                               | <b>2018</b>                                  | <b>2017</b> | <b>2018</b>                              | <b>2017</b> |
| Additional paid-up for<br>ordinary shares                     | THB                           | 482.71                                       | 1,720.50    | 180.58                                   | 690.58      |
| Bank guarantee for power<br>plant project bidding             | THB                           | 300.00                                       | -           | 300.00                                   | -           |
| Bank guarantee to the<br>EGAT according to PPA<br>(Note 37.4) | THB                           | 3,031.19                                     | 4,123.70    | 180.00                                   | 1,366.13    |
| Bank guarantee to the PEA                                     | THB                           | 131.19                                       | 115.27      | 7.20                                     | 7.20        |
| Bank guarantee to the<br>War Veterans Organization            | THB                           | 212.38                                       | 284.38      | 212.38                                   | 284.38      |
| Bank guarantee to the Energy<br>Regulatory Commission         | THB                           | 12.00  | 184.00      | 12.00                                    | 184.00      |
| Bank guarantee for power<br>plant construction agreement      | THB                           | 250.00                                       | -           | 250.00                                   | -           |
| Bank guarantee for power<br>plant construction agreement      | USD                           | 200.95                                       | -           | 200.95                                   | -           |
| Bank guarantee for other<br>purposes                          | THB                           | 15.38  | 15.05       | -  | -           |



**37 Commitments and significant agreements (Cont'd)**

**37.4 Significant agreements**

*Power purchase agreements*

*Domestic*

As at 31 December 2018, the Group has 41 power purchase agreements ("PPA") (2017: 33 agreements) with the Electricity Generating Authority of Thailand ("EGAT"), the Provincial Electricity Authority ("PEA") and the Metropolitan Electricity Authority ("MEA"). Currently, the Group has commenced the production and distribution of electricity under 36 power purchase agreements (2017: 26 agreements). The agreements are summarised as follows:

|  | The electricity generating system | Company        | Number of agreement | Production capacity (MW) | The term of the agreements  |
|--|-----------------------------------|----------------|---------------------|--------------------------|---|
| Production and distribution of electricity | Combined Cycle Cogeneration       | Subsidiaries   | 14                  | 1,841.4                  | The agreements are for a period of 21 to 25 years commencing from the first commercial operation date ("COD"). According to the PPA, the subsidiaries are required to comply with the conditions set out in the PPA. Furthermore, the subsidiaries are required to provide bank guarantees for the obligation of the agreements. The collateral is to be return to such subsidiaries upon the expiry of the agreements (Note 37.3).   |
|  |                                   |                |                     |                          |   |
|  | Solar Farms                       | The Company    | 4                   | 18.6                     | The agreements are for a period of 25 years commencing from the first COD. According to the PPA, the Group is required to comply with the conditions set out in the PPA.  |
|  |                                   | Subsidiaries   | 12                  | 80                       |   |
|  |                                   | Joint Ventures | 6                   | 46.5                     |   |
| In development                             | Combined Cycle Cogeneration       | Subsidiaries   | 2                   | 240                      | The agreements are for a period of 25 years commencing from the first COD and can be extend for another period with the conditions mutually agreed by the parties. According to the PPA, the subsidiaries are required to comply with the conditions set out in the PPA. Furthermore, the subsidiaries are required to provide bank guarantees for the obligation of the agreements. The collateral is to be return to such subsidiaries upon the expiry of the agreements (Note 37.3). |
|  | Wind Energy                       | Subsidiaries   | 2                   | 16                       | The agreements are for a period of 5 years and will be automatically renewed for an additional 5 years everytime until the contracts are terminated.  |
|  | Industrial Waste                  | Joint Venture  | 1                   | 4                        | The agreement is for a period of 20 years commencing from the first COD. According to the PPA, joint venture is required to comply with the conditions set out in the PPA.  |

### **37 Commitments and significant agreements (Cont'd)**

#### **37.4 Significant agreements (Cont'd)**

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

##### *Overseas*

As at 31 December 2018, the Group has 9 power purchase agreements operated in overseas (2017: 7 agreements) with the Electricite Du Laos ("EDL") and the Electricite du Vietnam ("EVN"). Currently, the Group has commenced the production and distribution of electricity under 1 power purchase agreement (2017: 1 agreement). The overseas agreements are summarised as follows:

|  | The electricity generating system | Company      | Country of incorporation | Number of agreement | Production capacity (MW) | The term of the agreements   |
|--|-----------------------------------|--------------|--------------------------|---------------------|--------------------------|--|
| Production and distribution of electricity | Hydro Power                       | Subsidiaries | Lao PDR                  | 1                   | 20.1                     | The subsidiaries were awarded concession agreements by the Government of the Laos People's Democratic Republic ("GOL") to build, own, and operate a Hydropower project ("the Project") to provide generating capacity and distributing electricity to EDL. The concessions period are effective for a period of 50 years commencing from the date of concession agreement. At the end of the concession period, subsidiaries are subjected to transfer all of its right title and interest in the Project to GOL. According to a concession agreement, the overseas subsidiaries entered into PPA with EDL. The PPA is effective for a period of 25 years commencing from the first COD. |
| In development                             | Hydro Power                       | Subsidiaries | Lao PDR                  | 6                   | 112.5                    | The agreements are for a period of 20 years commencing from the first COD. According to the PPA, subsidiaries are required to comply with the conditions set out in the PPA.   |
|  | Solar Farms                       | Subsidiaries | Vietnam                  | 2                   | 677                      |  |

##### *Gas Purchase Agreements*

- a) 15 subsidiaries entered into Gas Purchase Agreement with PTT Public Company Limited. The agreements are effective for periods of 21 and 25 years commencing from the trading dates. The sale quantities and their prices must be complied with the agreements. The agreements can be extended by the parties upon the conditions as specified in the agreements.

##### *Water Purchased Agreements*

- b) 15 subsidiaries have entered into Water Purchased Agreements with the sellers in industrial parks to provide water to be used in the electricity generating system. The agreements are effective for a period of 21 and 25 years and can be extended for another period with the conditions mutually agreed by the parties.

**37 Commitments and significant agreements (Cont'd)**

**37.4 Significant agreements (Cont'd)**

*Electricity assets and land lease agreements*

- c) On 10 April 1997, a subsidiary entered into a lease agreement with the industrial estate company in Vietnam to lease the electricity generation, transmission, distribution assets and a portion of the land of the industrial estate company in order to produce, sell and distribute electricity to tenants in the industrial park. The subsidiary obtained control and use of these assets in September 1997. The ownership rights and title on these assets will not transfer to the subsidiary at the end of the lease term.

*Other agreements*

- d) 11 subsidiaries entered into Long-Term Service Agreement for power plant equipment. The agreements are effective for periods of 8 and 9 years commencing from the commercial operation dates and it can be extended for another period with the conditions as specified in the agreements.

On 27 September 2018, a subsidiary extended period of such agreement from 8 years to 22 years. The extension incurred incremental contract cost amounting to Swedish Krona 270.54 million and Bath 87.44 million.

- e) On 18 May 2016, a subsidiary entered into Land Sale and Purchase Agreements ("the Agreements") with 2 sellers ("the Sellers") for the purpose of developing 33 solar farm projects. There are 33 agreements, totalling contracts amount is Baht 8,277.25 million. As at 31 December 2018, the subsidiary has remaining deposit for land purchase under such agreements totalling of Baht 450.52 million (2017: Baht 1,369.56 million). Under the Agreements, a subsidiary is entitled to receive the return of deposit in case of the transfer of each land is no longer beneficial to a subsidiary.
- f) The Company had entered into a Sponsor Support Agreement facility to secure borrowing of a subsidiary amounting to US Dollar 29.12 million.
- g) During 2017, the Group had entered into Joint Investment Agreements for granting right to sell electricity with the War Veterans Organization of Thailand and the Agricultural Cooperative under the state agencies' and agricultural cooperatives' solar farm projects B.E. 2560 (2017), totalling 7 projects with the total capacity of 30.83 megawatts. Under such agreements, the Group are required to comply with the conditions specified in the agreements.
- h) On 10 December 2018, a direct subsidiary in Lao PDR entered into a share purchase agreement for the 15% additional investment in its subsidiary. The direct subsidiary paid US Dollar 2 million (equivalent to Baht 64.90 million) (Note 19) as down payment for the investment. The direct subsidiary is entitled to receive the down payment refunded with interest from the seller if the seller fail to comply with conditions specified in the agreement.
- i) On 24 December 2018, two subsidiaries entered into two land purchase agreements from a seller totalling Baht 387.15 million for future power plant development projects. As at 31 December 2018, the two subsidiaries had made down payment for land purchase totalling Baht 193.57 million. The subsidiaries are entitled to receive the down payment refunded if the seller cannot comply with conditions specified in the agreements.

**38 Promotional privileges**

The Group has been granted promotional privileges by the Office of the Board of Investment (“BOI”) under promotion certificates in respect of electricity and steam generation. The Company and 20 subsidiaries have been granted exemption from certain taxes and duties as detailed in the certificates including exemption from corporate income tax for a period of 8 years from the date of first revenue. As promoted entities, these subsidiaries are required to comply with the terms and conditions specified in the promotion certificates. 4 subsidiaries in Lao PDR are also granted with promotional privileges from the Investment Promotion Department in Lao PDR for operating business in generating electricity and investing in electric power business. The privileges provide four subsidiaries with exemption from certain taxes and duties as stated in promotion certificates. Privileged period could varies from 3 to 10 years depending on the Investment Promotion Department in Lao PDR, grantor of the right.

**39 Events occurring after the reporting date**

On 22 February 2019, B.Grimm Power Service (Laem Chabang) Limited which is an indirect subsidiary of the Company has entered into a share purchase agreement to acquire 100% interests in Glow SPP1 Company Limited which engages in the business of generating and distribution of electricity and steam in industrial estate area. The investment cost is Baht 3,300 million. According to the precedent conditions specified in such agreement, the transaction must be approved by the Energy Regulatory Commission of Thailand (“ERC”).