

**Sustainable Business**



**Sustainable Society**

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## Vision

We are a leading power generation company providing sustainable and reliable energy solutions based on innovative use of diversified energy sources.

## Mission

- Create value for our shareholders and customers in a sustainable manner through reliable products, profitable growth and knowledgeable employees with network of expertise.
- Perform the business by developing and implementing environmentally and socially responsible projects while improving the quality of life of communities in areas where we do business.


## Business Fundamentals

### Operational Excellence

- No compromises in environment, health and safety
- Maintain high customer satisfaction
- Continuously improve supply reliability
- Continuously improve project execution processes
- Continuously improve reporting and management tools and processes
- Reduce production costs and increase productivity
- Reduce cost of capital

### Profitable Growth

- Expand Cogeneration businesses in Thailand with high-load industrial customers who value reliability
- Expand IPP business in Thailand
- Expand and seek business in neighboring countries



Reliability  
Drive

# Sustainable Business

Open to New  
Possibilities

A group of smiling children, mostly of Asian descent, are gathered in a circle, looking towards the camera. They are wearing light-colored shirts. The image is framed within a circular cutout on a teal background.

Enhancing  
the Quality  
of Life

A large industrial facility, possibly a refinery or chemical plant, is shown at night. The complex is illuminated with numerous bright lights, creating a glowing effect against the dark sky. The structure consists of many interconnected pipes, tanks, and buildings. The image is framed within a circular cutout on a teal background.

# Sustainable Society

Environmental  
Management

# Reliability drive

We consider ensuring the reliability of our supply as core to our mission. Our sizeable asset base, the fact that our cogeneration facilities are interconnected, and the deep understanding we have built up of our customers' technical and commercial needs are key enablers in this respect. As part of our focus on Operational Excellence we continue to invest in the improvement of our assets, our processes, and the training of our teams.







# Open to new possibilities

Glow Group focuses its development of new projects exclusively on low carbon technologies. For example, the Chonburi Clean Energy (CCE) industrial waste-to-energy plant uses state-of-the-art technology to transform non-hazardous industrial waste into energy, which is a safe and sustainable solution to dispose industrial waste.





# Environmental Management

Environmental compliance is core to our operating philosophy. We maintain a “zero non-compliance” target, and where possible we try to perform better than the levels defined under the applicable regulations. We aim to communicate openly and transparently to all our stakeholders on our environmental performance.







# Enhancing the quality of life

We take our social responsibility as a leading corporate in Thailand very seriously. Our CSR program is structured around 3 main axes, which are education, environmental conservation and the improvement of the quality of life. Our CSR effort focuses on the local communities in the areas where our plants are located, but we also carry out initiatives in other, more remote locations.

# ● Financial Highlights

(Unit : Million Baht)

	2014	2015	2016	2017
<b>Financial Position (Consolidated)</b>				
Total Revenue	73,324 <sup>(5)</sup>	65,369 <sup>(5)</sup>	53,092 <sup>(5)</sup>	<b>52,537<sup>(5)</sup></b>
Operating Revenue	72,991	64,225	52,567	<b>50,878</b>
EBITDA	20,898	20,379	18,770	<b>18,053</b>
Net Profit	9,139	8,355	8,953	<b>9,076</b>
Normalized Net Profit <sup>(6)</sup>	9,668	9,797	9,391	<b>8,709</b>
Total Assets	120,322	116,864	110,076	<b>106,031</b>
Total Liabilities	67,752	60,906	53,305	<b>48,022</b>
Shareholders' Equity	52,571	55,958	56,771	<b>58,009</b>
Dividend Per Share (Baht)	3.004 <sup>(1)</sup>	3.593 <sup>(2)</sup>	5.820 <sup>(3)</sup>	<b>5.823<sup>(4)</sup></b>

Note : <sup>(1)</sup> 1.904 Baht/ share paid from 2013 results, 1.100 Baht/ share paid from 2014 results (interim)

<sup>(2)</sup> 2.205 Baht/ share paid from 2014 results, 1.388 Baht/ share paid from 2015 results (interim)

<sup>(3)</sup> 4.362 Baht/ share paid from 2015 results, 1.458 Baht/ share paid from 2016 results (interim)

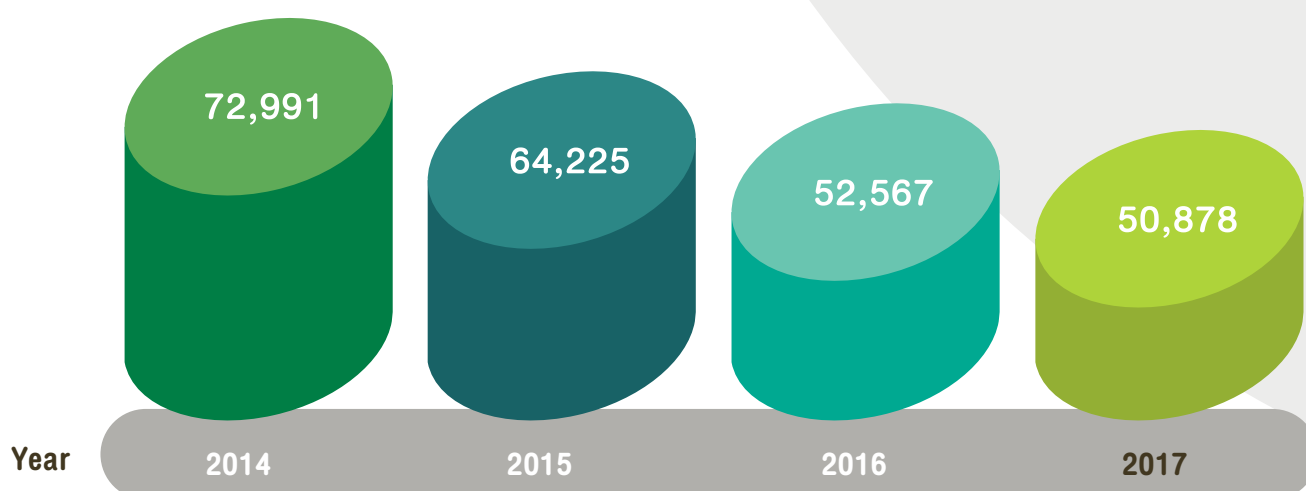
<sup>(4)</sup> 4.292 Baht/ share paid from 2016 results, 1.531 Baht/ share paid from 2017 results (interim)

<sup>(5)</sup> Including the adjustment of financial lease accounting of GIPP

<sup>(6)</sup> Net profit excluding net exchange gain or loss and net change in deferred tax asset (revenues) or liability (expenses)

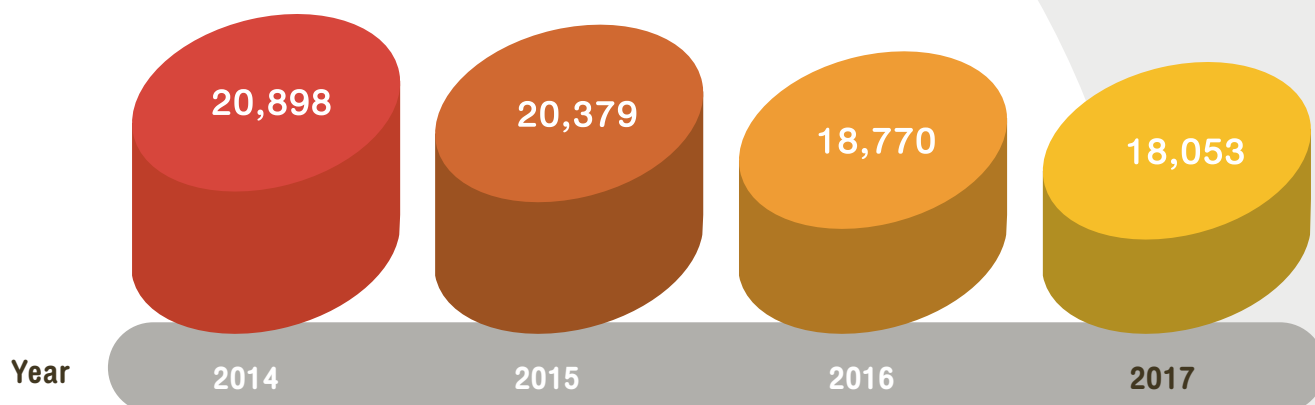
## Operating Revenue

(Unit : Million Baht)



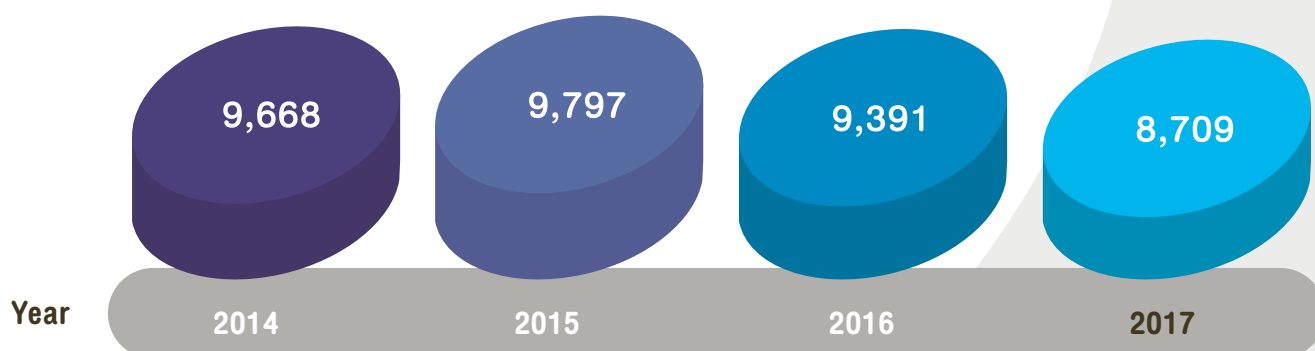
## EBITDA

(Unit : Million Baht)



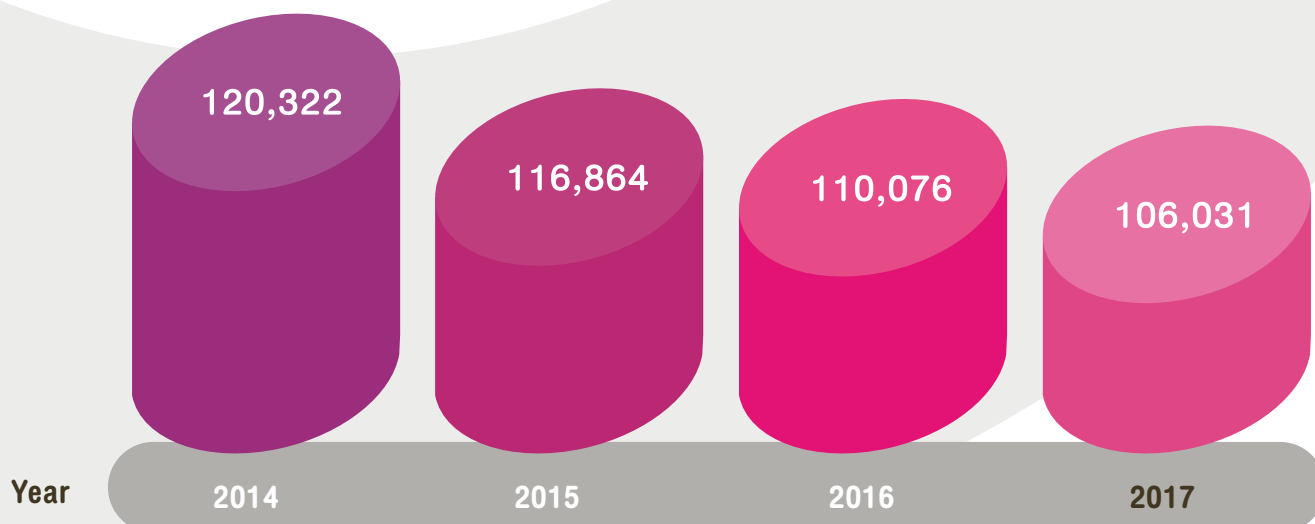
## Normalized Net Profit (NNP)

(Unit : Million Baht)



## Total Assets

(Unit : Million Baht)



## ● Message from the Chairman



Glow has consistently strived to pursue value creation along with operational excellence in the best interest of all its stakeholders. For instance, in 2017 Glow successfully completed a planned maintenance of our GHECO-One facility earlier than scheduled, and the post-maintenance availability level was exceptional. The reliability of our cogeneration fleet was also remarkable, which is of course of the utmost importance for our customers.

We have also continued to deliver a robust financial performance in 2017, with Normalized Net Profit ("NNP") coming in at THB 8.7 billion. This year sales of electricity and steam to our industrial customers reached record highs at 5.3 TWh and 7,885 ktonnes, respectively.

Our commitment to Operational Excellence principle is also illustrated by the further strengthening of our improved capital structure. This has resulted in the upgrade of our credit rating by TRIS (to AA- stable). The Board of Directors proposes a full-year dividend of 5.75 THB/share to the 2018 Annual General Meeting. This includes, for the third consecutive year, a "special" dividend component.

In November 2017, we have started the construction activities for our CCE (Industrial Waste-to-Energy) project, which is scheduled to begin commercial operations by the end of 2019.

On behalf of the Board of Directors, I would like to express heartfelt gratitude and thank all valued shareholders, customers, financial institutions, suppliers, authorities, and all stakeholders in local communities for their unwavering trust and support. Our sincere appreciation also goes to the Glow team, whose dedication constitutes the foundation of Glow's success in 2017 and beyond.

**"Our commitment to Operational Excellence principle is also illustrated by the further strengthening of our improved capital structure."**



Mr. Jan Flachet  
Chairman of the Board

## ● Message from the CEO



2017 has truly been an “Operational Excellence” year for Glow: in a very maintenance-intensive year, our teams have managed (for the second calendar year in a row) to avoid any Lost Time Accidents, and to achieve outstanding (post-outage) availability and reliability levels throughout our fleet.

We have maintained our strong focus on cost control through our “SmartSave 2018” program, which focuses, among others, on the optimization of our procurement activities and on identifying other “smart” savings in our operating costs.

The strength of our balance sheet (TRIS has upgraded Glow’s rating to AA- in the course of 2017) continues to enable us to raise funds at very attractive conditions.

In early 2017, Chonburi Clean Energy (CCE), the waste-to-energy project we are developing together with our partners WHA Energy and SUEZ, signed a Power Purchase Agreement (PPA) with Provincial Electricity Authority (PEA) and in November we issued Notice-To-Proceed to our EPC contractor for the construction of the plant, which is scheduled to be completed by the end of 2019.

Energy markets are transitioning, also in Thailand. Lower carbon, more decentralized and more digitalized customer solutions will gradually become more important. Glow is positioning itself for this “energy transition”.

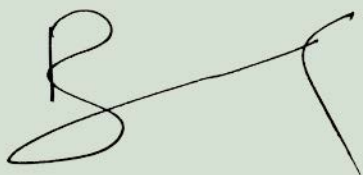
In 2017, we have, for instance, started to offer rooftop solar solutions for commercial and industrial customers, and we intend to accelerate this effort in 2018. This is, in a way, a very natural evolution for Glow. Indeed, B2B utility sales are part our DNA: in our Cogeneration business line, we have been supplying reliable power and steam to industrial customers for more than 20 years.

We have also worked on a number of initiatives in the digital sphere (with respect to our workplace, our plants, and our customer interfaces), and we have allocated significant resources to improve our resilience in the area of cybersecurity.

Our business development teams continue to prospect opportunities in low-carbon power generation in the geographic markets we cover (i.e. Thailand, Laos, Myanmar, Cambodia, Vietnam and Malaysia).

We ended the year 2017, and I would like to end this note, on a positive note: just before Christmas the team at one of our plants saved the life of a worker who had suffered a heart attack. This was for me the perfect illustration of what competent and alert teams, who are well trained in the area of health and safety, and who have access to the right (AED) equipment, can achieve.

On behalf of the Executive Management Committee I would therefore, as always, like to thank all of our employees for their professionalism and dedication. They remain the foundation of Glow’s success.



Mr. Brendan Wauters  
Chief Executive Officer

**“Glow is  
positioning itself  
for this  
energy transition.”**

# ● Board of Directors



**1 Mr. Jan Franciscus Maria Flachet**

Chairman of the Board of Directors and  
Chairman of Nomination and  
Remuneration Committee

**2 Mr. Brendan G.H. Wauters**

Director, Vice Chairman of the Board  
of Directors and Chief Executive Officer

**3 Mr. Anut Chatikavanij**

Director

**4 Mr. Marc J.Z.M.G. Verstraete**

Director

**5 Mr. Vitthaya Vejajiva**

Independent Director,  
Chairman of Audit Committee Member,  
and Nomination and Remuneration Committee Member

**6 Em. Prof. Supapun Ruttanaporn**

Independent Director,  
and Audit Committee Member



**7 Mrs. Saowanee Kamolbutr**

Independent Director,  
and Audit Committee Member

**8 Prof. Dr. Borwornsak Uwanno**

Independent Director

**9 Mrs. Csilla Kohalmi-Monfils**

Director

**10 Mr. Paul Francis Maguire**

Director and Nomination  
and Remuneration Committee Member

**11 Mr. Devarajen Mooroooven**

Director

**12 Mr. Benoit Rene Mignard**

Director

# ● Management Team



**1 Mr. Brendan G.H. Wauters**

Chief Executive Officer

**2 Mrs. Sriprapha Sumruatruamphol**

Chief Commercial Officer and  
Executive Vice President - Human Resources

**3 Mr. Pajongwit Pongsivapai**

Chief Financial Officer and  
Executive Vice President

**4 Mr. Arjan van den Broek**

Chief Operating Officer and  
Executive Vice President

**5 Mr. Narongchai Visutrachai**

Senior Vice President – Government and Public Affairs

**6 Mr. Gert Meersman**

Head of Business Development and  
Senior Vice President

**7 Mr. Akarin Prathuangsit**

Chief Procurement Officer and  
Senior Vice President

**8 Mr. Louis Stephen Holub**

Plant Manager – GHECO-One

**9 Mr. Wisit Srinuntawong**

Senior Vice President – Engineering  
and Maintenance Management



**10 Mrs. Mantana Kunakorn**

Senior Vice President – Human Resources and Administration

**11 Mr. Sutthi Chuesook**

Senior Vice President – Rayong Facilities Management

**12 Mr. Suratchai Bangluang**

Plant Manager – GIPP and Cogenerations Pluak Daeng

**13 Dr. Somgiat Dekrajangpetch**

Senior Vice President – Asset Optimization

**14 Mrs. Chamaiporn Soonthorntasanapong**

Vice President – Legal and Insurance

**15 Mr. Anutarachai Nathalang**

Vice President – Environmental, Health and Safety

**16 Mr. Sakda Lacharochana**

Vice President – Reliability and Integrity

**17 Ms. Sirichan Chotchaisathit**

Vice President – Industrial Customer Sales

**18 Mr. Tananchai Chairsakaew**

Vice President – Engineering



**19 Mr. Prateep Puthamrugsa**  
Vice President – Supply Chain Management

**20 Mr. Somchai Klinsuwanmalee**  
Vice President – CSR and Public Affairs

**21 Mr. Apichart Jamjuntr**  
Plant Manager – Gas Fired Units Complex

**22 Mr. Renaud Pilleul**  
Vice President – Industrial Customer Relations

**23 Mr. Sichanh Gnabandith**  
Plant Manager – HHPC

**24 Ms. Suttasinee Pengsupaya**  
Vice President – Accounting

**25 Mr. Chaiwut Rattanapornsinchai**  
Vice President – Internal Audit



**26 Mr. Eralp Gullep**  
Vice President – Business Quality

**27 Mr. Banthom Krasang**  
Plant Manager - Glow SPP 1/Glow Demin Water

**28 Mr. Rujirote Kasirerk**  
Plant Manager – Coal Fired Units Complex



**29 Mr. Apidech Siriphornopphakhun**  
Plant Manager – Glow Energy Site (Phase1&2)



**30 Mr. Pisut Boonvongsobhon**  
Vice President – Central Maintenance



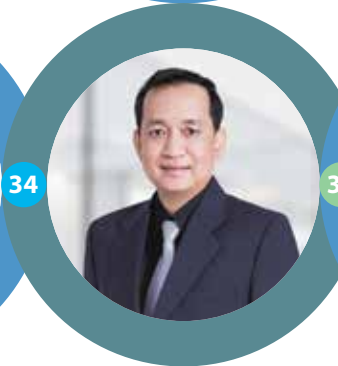
**31 Mrs. Unchana Kittipiyakul**  
Vice President – Budget



**32 Mrs. Patchara Jaroenvuthitham**  
Vice President – Budgeting and Business Controlling



**33 Ms. Anchana Tidsadikhun**  
Vice President – Training and Talent Development



**34 Mr. Aungsuthon Puboonterm**  
Vice President – System Optimization



**35 Mr. Nunsilp Janvarin**  
Vice President – Information and Communication Technology



**36 Mr. Robin Merlier**  
Head of Legal-Business Development



**37 Mr. Prapon Chinudomsub**  
Vice President – Finance and Treasury



**38 Mr. Ping Yang Li**  
Vice President – Business Development



# Sustainable Development

## Report 2017

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You can find more information and details of our Sustainable Development Practices in GLOW on <http://www.glow.co.th/index.php?op=publications-index&cid=1> or scan the QR code.



# Overview of sustainability policies and practices

Sustainability is our approach to managing current and future economic, environmental and social opportunities and risks in order to achieve profitable growth and to provide sustainable and reliable energy solutions to our customers.

## Our sustainability vision

To become a leading power generation company providing sustainable and reliable energy solutions based on innovative use of diversified energy sources.

## Our core values on sustainability

- Operational excellence and profitable growth
- Providing reliable energy solutions
- Occupational health and safety
- Having knowledgeable employees who are part of a network of expertise
- Strong corporate governance, ethics and compliance
- Environmental sustainability
- Improving the quality of life for communities in areas where we do business

## Our commitment to sustainability

- Reduce production costs and increase productivity
- Satisfy and retain existing customers, and attract new customers
- Ensure Health and Safety of all stakeholders
- Skills development and vocational training for staff
- Compliance with applicable laws, relevant rules and regulations
- Control and improve emission levels
- Build relationships and maintain trust with communities

## Sustainable Development Policy

Glow Energy and its affiliated companies (hereinafter collectively referred to as “Glow Group”) are committed to conducting all its business operations responsibly with due regard to sustainable development. We work with governments, inter-governmental and non-governmental organizations and other interested parties to develop and support projects that benefit the communities associated with our business operations. We are committed to achieving the economic, environmental and social responsibility objectives of Sustainable Development. We recognize that integrating sound Sustainable Development principles into our operational safety, business conduct, social, environmental and economic practices is both good for society and good for our business.

We adhere to the following Sustainable Development Policy statements that direct our efforts towards achieving these objectives:

- 1) We shall operate in compliance with our Code of Conduct and Anti-Bribery Policy, as well as all applicable sustainable development laws and regulations and international norms of behavior.
- 2) We shall establish a culture of integrity in our company, and encourage all employees to strictly follow business ethics and rules specified in the Code of Conduct Policy.
- 3) We shall consistently identify and implement policies and standards to continuously improve Sustainable Development practices in our business operations.

- 4) We respect the protection of human rights, and shall not tolerate any form of workplace discrimination, bullying, harassment or physical assault. We value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias.
- 5) We shall implement all projects by taking into account the expectations and interests of our stakeholders, and shall be accountable for the impact of our activities and operations, both direct and indirect, on employees, society, environment (both our natural and human environment) and stakeholders.
- 6) All our projects shall be managed in accordance with applicable health and safety rules and regulations, without bringing harm to any community, employee or the environment.
- 7) We shall continue to ensure and improve the availability and reliability of our services to all our customers and remain good business partners.
- 8) We shall encourage employees to identify and act upon opportunities to improve Sustainable Development practices in the areas where they work. We shall also promote Sustainable Development practices among our contractors, suppliers and customers.
- 9) We shall focus our business development efforts exclusively on “low – carbon” solutions, including gas-fired units, hydro plants and (non-hydro) renewable projects.
- 10) We shall regularly review our performance and report on our progress publicly in an open and transparent manner. We shall also provide communication channels for all stakeholders, so that they are able to submit their complaints and suggestions.
- 11) We shall engage our stakeholders on our objectives and targets, and shall periodically communicate our progress to the Board of Directors, shareholders, customers and members of the public.

## Sustainability

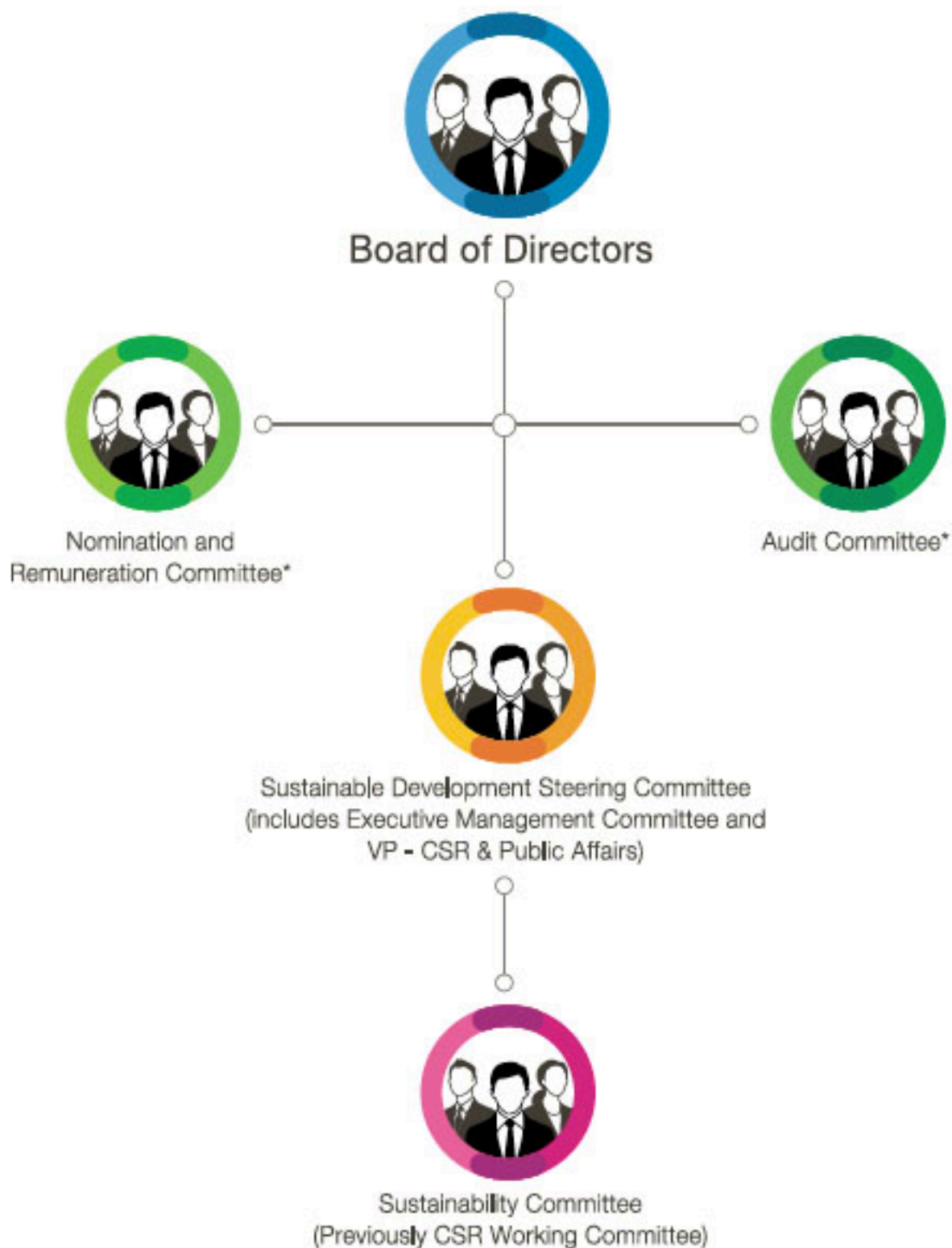
### Approach to managing sustainability

#### 1. Governance

Glow acknowledges that our decisions and activities can impact society and the environment. We recognize the importance of our stakeholders and their roles in our sustainable development.







The Board of Directors and Executive Management Committee (“EMC”) are Glow’s highest governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of the performance. The EMC, which as of end 2017 was comprised of six men and one woman, meets monthly to discuss performance and future plans. The Board of Directors, which as of end 2017 was comprised of nine men and three women from five different countries, being Thailand, Belgium, France, Australia and Hungary, meets quarterly, as well as on other occasions, to approve the quarterly operational performance, financial statements and to provide guidance on strategic matters, including in the area of sustainable development.

In an effort to go beyond our CSR program and strive further towards sustainability, we have put in place a “Sustainable Development Steering Committee”. This Committee is to define our strategies and targets in the area of sustainability, and will report to and seek advice and support from the Board of Directors on sustainability-related issues. The steering committee has worked closely with the Sustainability Committee. In 2017, the Committee has announced the “Sustainable Development Plan 2020” to push our sustainability practices into a more systematic planning with concrete targets.



\*Note : The Nomination and Remuneration Committee and Audit Committee are existing committees under the Board of Directors.

# 2020 Sustainability Targets

 Vision:	Become a leading power generation company providing sustainable and reliable energy solutions based on innovative use of diversified energy sources							
 Mission:	<ul style="list-style-type: none"> <li>Create value for our shareholders and customers in a sustainable manner through reliable products, profitable growth and knowledgeable employees with network of expertise.</li> <li>Perform the business by developing and implementing environmentally and socially responsible projects while improving the quality of life of communities in areas where we do business.</li> </ul>							
 Aspect:	Business Development	Operational Excellence / Environment		Employees		Ethics and Compliance	Environment	Communities
 Core Value:	Profitable growth	Operational Excellence	Reliable energy solutions	OH&S	Knowledgeable employees	Corporate governance, ethics, and compliance	Environmental sustainability	Quality of life for communities in areas where we operate
 Material Issues:	Energy Security, Sustainability, and Affordability		Climate Change	OH&S	Human Capital Development	Anti-Corruption	Environmental Compliance	Livelihood of Local Communities
 Target:	SAIFI: Interruption per customer per year less than 0.4	Ensure water efficiency not more than 0.8 (m <sup>3</sup> /KWh for electricity generation)	Establish at least 5 low carbon projects	<ul style="list-style-type: none"> <li>100% of liaison persons (including contractors) have received H&amp;S training</li> <li>Less than 1 frequency rate of occupational accidents for employees, contractors</li> </ul>	<ul style="list-style-type: none"> <li>80% staff participation in employee engagement</li> <li>100% of employees complete at least 1 training course per year</li> </ul>	100% of executives received anti-corruption training	All plants in MTP certified as Eco-Factory	<ul style="list-style-type: none"> <li>10,000 beneficiaries of "Solar for Schools" or other energy-related CSR projects in off-grid areas in Thailand</li> <li>Establish at least 1 CSV (Creating Shared Value) project</li> <li>100% of sites have integrated environmental management plan drawn up in collaboration with stakeholders</li> </ul>

## 2. Compliance

Glow's activities and operations are carried out in full compliance with all applicable laws and relevant rules and regulations of the countries in which we operate which are in line with the Ethics Charter of ENGIE, our parent company.

ENGIE regards compliance with anti-bribery laws as crucially important and everyone who works for ENGIE is expected to apply the highest standards of integrity to all their activities and to comply fully with the ENGIE ethical principles, policies, procedures and processes.

Glow established its first Code of Conduct in 2005 and we have updated and revised this code several times, to include new clauses such as human rights and anti-bribery which will help us achieve our sustainability goals. Our Code of Conduct (and related policies) sets out ethical principles that guide the work we undertake and our interactions with stakeholders, including

government agencies, customers and suppliers, and communities. The principles cover accountability, transparency, integrity, ethical behavior, respect for stakeholder interest, respect for the rule of law and human rights.

Glow's Ethics Officer ensures implementation of ethical principles in Glow's development strategies and activities; answers employees' questions and gives advice on ethics and compliance; runs awareness-raising, training and communication initiatives; and identifies the entity's ethical risks.

To fight against corruption and fraud in all forms, Glow also has an Anti-Corruption Section in every Operations and Maintenance ("O&M") Agreement to ensure that our suppliers comply with Glow's business practices.

To view the Code of Conduct and all related policies mentioned above, please visit our website at <http://www.glow.co.th/index.php?op=policies-index>.

## What matters

### 1. Value Chain

Our vision is to become a leading power generation company providing sustainable and reliable energy solutions based on innovative use of diversified energy sources. We have crafted a business strategy that takes into account four perspectives: commercial, operational, financial and human resources. We balance short-term and long-term objectives to create a well-defined set of priorities and action plans.

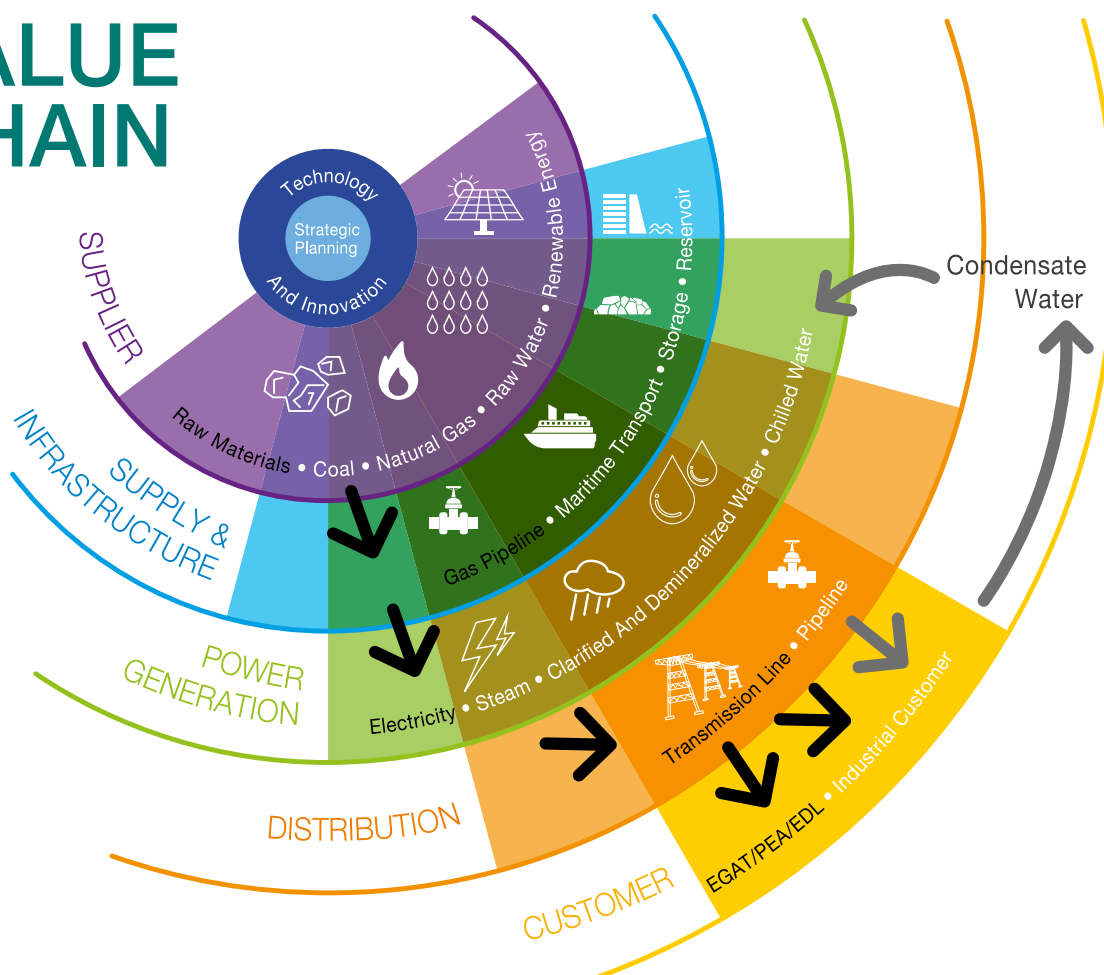
To provide sustainable and reliable energy solutions, we use diversified energy sources, including, hydropower, solar, natural gas and high quality bituminous coal with a sulfur content of less than 1%. Transportation, coal handling and ash management systems are efficient and in line with our Environmental Management Systems ("EMS"). We use a closed coal conveyor system and dust suppression devices to prevent dust dispersion.

We use state-of-the-art and environmentally-friendly technology, such as Supercritical Pulverized Coal Boiler Technology, a high - efficiency boiler system that consumes less fuel than conventional boilers and which results in lower emissions. As part of our plan to diversify fuel sources for electricity and steam generation, and in order to be responsible for waste management in Thailand, we, together with our partners, bid successfully for an electricity generation project using non - hazardous industrial waste as fuel. The project is anticipated to start generating electricity within 2019.

Glow provides electricity to the Electricity Generating Authority of Thailand ("EGAT") as well as electricity, steam, clarified and demineralized water to industrial customers in Map Ta Phut Industrial Estate ("MIE") and Siam Eastern Industrial Park ("SEIP"). To ensure a continuous utility supply, many of our cogeneration facilities are interconnected to each other by high voltage underground transmission lines and this is further enhanced by a back-up supply from EGAT and the Provincial Electricity Authority ("PEA") for power and package boilers for steam. We are a highly - reliable energy source for our customers due to dedicated (and, in the case of our facilities in Map Ta Phut, underground) transmission lines and a steam piping network covering the entire service area. This network reduces the risk of supply interruption and pressure loss.

Knowing our value chain helps us to improve our sustainability by increasing opportunities to reduce environmental impact and increasing resource efficiency across the entire value chain. By working closely with value chain partners and other key stakeholders, we can discover optimal solutions and drive impactful action.

# VALUE CHAIN






## 2. Stakeholder engagement

Stakeholder management is considered of the utmost importance within the ENGIE group. Preventing conflicts before they happen is good for business, and a good knowledge of stakeholders' needs helps companies to develop new products and services. We have a range of internal and external stakeholders that we engage through a variety of mechanisms. The frequency of engagement is designed to enable regular communication with stakeholders on key issues and is adapted as needed. By finding out what stakeholders' needs are, we identify valuable information that will help us to make choices in terms of our future business strategy.

Glow has applied stakeholder mapping and management tool developed by ENGIE to map stakeholders in relation to issues that matter to Glow. The stakeholder list, originally prepared in 2014, was reconfirmed during a management meeting in 2017 in order to ensure that it remains relevant and comprehensive. There are 18 main categories of stakeholders as follows:

- |   |                                     |
|---|-------------------------------------|
| 1) Employees                                  | 10) Fuel Suppliers                  |
| 2) Customers                                  | 11) Technology Suppliers            |
| 3) Local Communities                          | 12) Private Industrial Estates      |
| 4) NGOs and Non-profit Organizations ("NPOs") | 13) Media                           |
| 5) Analysts                                   | 14) Competitors                     |
| 6) Financial Institutions                     | 15) Government Authorities (Energy) |
| 7) Shareholders/Partners                      | 16) Government Authorities (Others) |
| 8) Professional Consultants                   | 17) Independent Organizations       |
| 9) Contractors                                | 18) Embassies                       |

We show below, and for illustration only, engagement channels and the target frequency for selected stakeholder categories: employees, customers, and local communities.

STAKEHOLDERS	ENGAGEMENT CHANNELS	FREQUENCY	ENGAGEMENTS CARRIED OUT IN 2017
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Internal Activity Committee (IAC) meetings</li> <li>• Welfare Committee meetings</li> <li>• Quarterly Briefings</li> <li>• Suggestion box</li> <li>• Ethics Officer</li> <li>• Intranet</li> <li>• E-mail/Telephone</li> <li>• G-Power Magazines</li> <li>• Glow website</li> </ul>	<ul style="list-style-type: none"> <li>• At least 4 times/year</li> <li>• Quarterly</li> <li>• Quarterly</li> <li>• Regularly</li> <li>• Regularly</li> <li>• Regularly</li> <li>• Regularly</li> <li>• Regularly</li> <li>• Biannually</li> <li>• Regularly</li> </ul>	✓
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• E-mail/Telephone</li> <li>• Annual Report</li> <li>• Glow website</li> <li>• Seminar</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Occasionally</li> <li>• Once a year</li> <li>• Regularly</li> <li>• Occasionally</li> </ul>	✓
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Tripartite Committee meetings</li> <li>• Green Star Committee plant visits</li> <li>• EIA Monitoring Committee meetings</li> <li>• Environmental Monitoring Committee meetings</li> <li>• Knock-door visits</li> <li>• Open-house</li> <li>• Plant visits</li> <li>• Public hearings</li> <li>• Jai Diaw Kan (One Heart) newsletters</li> <li>• Local media, such as newspapers, radio, billboards, etc.</li> <li>• Glow website</li> <li>• E-mail/Telephone</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Biannually</li> <li>• Annually</li> <li>• Monthly (during construction phase)</li> <li>• Monthly</li> <li>• At least once a year</li> <li>• Upon request; historically 20 times/year on average</li> <li>• Every time there is a new project</li> <li>• Quarterly</li> <li>• Occasionally</li> <li>• Regularly</li> <li>• Occasionally</li> </ul>	✓

Glow communicates with these stakeholders through multiple channels and always take into consideration transparency and openness. Our Sustainability Committee, for instance, conducts dialogues with relevant stakeholders at regular intervals to identify and respond to their needs and expectations. These regular dialogues allow us to meet the needs and expectations of our stakeholders better.

In addition to those mechanisms, the company also has procedures that enable internal and external stakeholders to file complaints or make recommendations at all times. The channels or steps to file complaints are as follows:

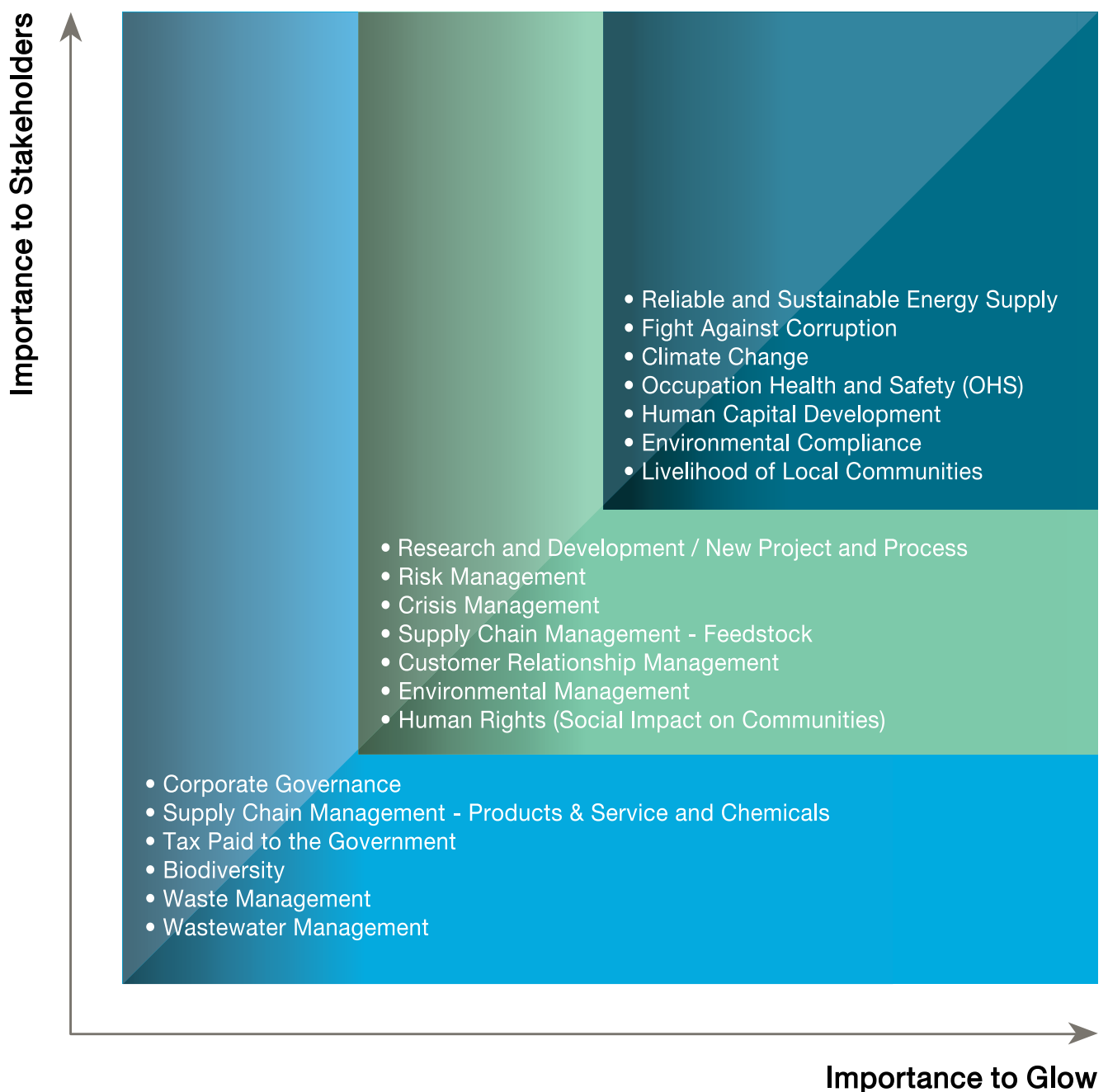
- 1) The procedure for employees to file a complaint is included in the employees' manual to inform them of their rights, with complaint and settlement procedures, investigation and verification procedures and protection for informers and relevant parties;
- 2) The Ethics Reporting Process is available for all employees and outside stakeholders to file their complaints in the case that a discriminatory or unethical practice is found. The company has a designated ethical officer to be directly responsible for the code of conduct governance to ensure fair treatment to all parties. In addition, we have put in place an "ethics box" which is a channel allowing "whistle blowing" with respect to any ethical issues and which all employees and external parties can access;

- 3) Suggestion Boxes are available for employees to submit complaints and recommendations to the company. The suggestion boxes are placed in different spots which are easily visible; and
- 4) Complaints or recommendations may be made by telephoning the Bangkok office 02 670 1500 or the Rayong (Map Ta Phut) office 038 698 400-10 or by sending an Email to pr@glow.co.th.

Apart from providing channels for receiving complaints, the company has also set a deadline to address an issue. If a complaint is verified and proven to be valid, the company will assign a responsible person to resolve the issue within seven days, or within 24 hours for an emergency case.

### 3. Material aspects

We have reviewed our list of material aspects that we identified last year and conducted a stakeholder mapping to select issues that are most material to us. This list has also been confirmed through a stakeholder engagement process conducted in 2017.



Our materiality matrix highlights seven “highest priority” aspects for Glow and its stakeholders as follows:

- |   |                                    |
|---|------------------------------------|
| 1) Reliable and Sustainable Energy Supply | 5) Human Capital Development       |
| 2) Fight Against Corruption               | 6) Environmental Compliance        |
| 3) Climate Change                         | 7) Livelihood of Local Communities |
| 4) Occupational Health and Safety (“OHS”) |                                    |

As the largest producer and supplier of electricity for industrial customers in Thailand, the above aspects are considered important factors for Glow to obtain a “social license to operate” from our stakeholders. We have furthermore identified 13 other aspects which are important for Glow to meet different levels of stakeholders’ expectations in three areas: economic, environmental and social.



We recognize the need to engage regularly with our stakeholders to understand, prioritize and manage our sustainability impacts better. As part of our commitment to be a highly responsible business, we have continued to engage with our key stakeholders and improve our processes.

## Most material aspects

By mapping our value chain and engaging our stakeholders at all levels, we can identify the aspects that are most important to our business. These “most material aspects” are the elements of our business requiring our greatest focus.

## 1. Reliable and sustainable energy supply

Supplying reliable and sustainable energy are central to our vision. It is one of our aims to provide reliable energy to both Electricity Generating Authority of Thailand (“EGAT”) and our industrial customers.

We believe that operational efficiency and reliability of our power plants not only reduce our costs and improve our financial performance but also contribute to conserving resources, protecting the environment and minimizing our impact on the global ecosystem.

As part of our aim to continuously improve our customer service, Glow is continuously maintaining and improving the efficiency and reliability of the power plants. To measure the performance of the cogeneration plants under SPP contracts, Glow’s optimization team annually reports both electrical and thermal cogeneration efficiency to EGAT. EGAT expects an electrical efficiency that is greater than 45%, a thermal process that has an efficiency greater than 10% and Primary Energy Saving (“PES”) capacity that is in line with the SPP contract. If our efficiency is lower than the stated efficiencies, then our prices will be impacted.

Glow’s Operation and Maintenance Team monitors, maintains and improves the operational excellence and effective maintenance in order to supply quality products with high power plant efficiency.

Continuous focus on reliability is fundamental in our aim to satisfy and retain our existing customers, and to attract new customers. It is our commitment to provide reliable products to our customers by the continual supervision and maintenance of our facilities, including our transmission, distribution system, and steam piping network covering the entire service area in accordance with the best engineering practices.

Customer satisfaction is fundamental as we strive to maintain business excellence and increase and solidify Glow’s good reputation to retain customers and to attract new customers. We aim to avoid unplanned incidents and to eliminate unsafe conditions at our plants.

To ensure a continuous utility supply, all cogeneration facilities at Map Ta Phut are interconnected and further enhanced by a back-up supply from the Electricity Generating Authority of Thailand (“EGAT”) for power and by package boilers to support our steam supplies. In Siam Eastern Industrial Park (“SEIP”), our two cogeneration plants are connected and supported by fast-start gas engine units for peak supply. As in Map Ta Phut, a back-up power agreement with the Provincial Electricity Authority (“PEA”) provides the final element of security.

One key challenge with respect to the availability and reliability of transmission lines is to prevent unplanned supply disturbances. Glow’s Operations and Maintenance Team, therefore, constantly monitors our transmission and distribution system, and engages in maintenance activities on an ongoing basis. We use the System Average Interruption Frequency Index (“SAIFI”), an indicator for reliability widely used in the power industry, as one of Glow’s core KPI’s (with respect to both our electricity and steam supply).

To conform to global standards such as the EEMUA 191 and ISA 18.2, we upgraded our Distributed Control System (“DCS”), to avoid false alarms and to help us in identifying issues rapidly.

An important decision which our Board made in late 2015 is that going forward we will not invest in any additional coal-fired units to be added to our generation fleet. We will, therefore, focus our business development efforts exclusively on “low-carbon” solutions, including gas-fired units, hydro plants and (non-hydro) renewable projects.

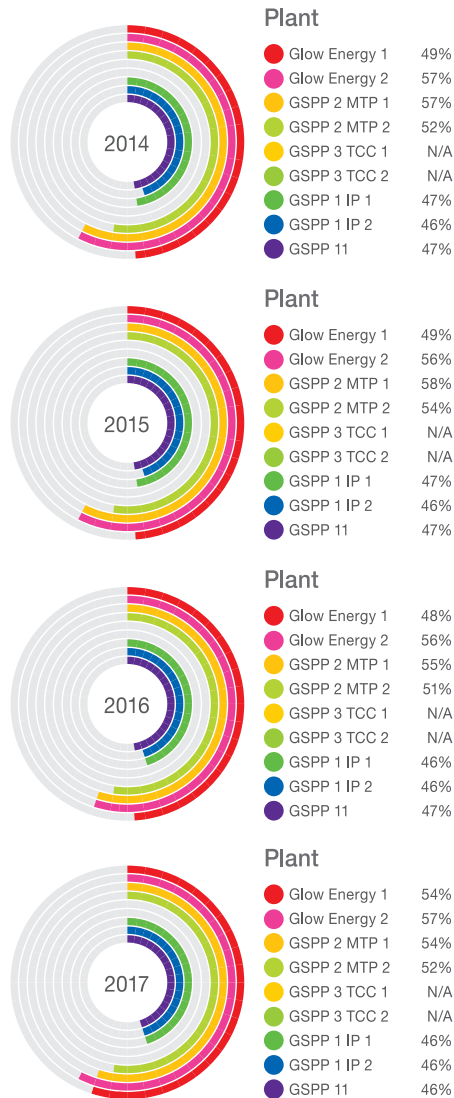
As Glow has embraced the digital era, we have implemented many digitalization projects to ensure we “walk-the-talk”. For example, we have implemented an advanced control system “Balance+” at our CFB units. The system employs a machine learning method to optimize quantity and rates of fuel, air, water, and other factors necessary for power generation, resulting in better efficiency and reliability of the plant.

Our CSR effort is well aligned with our decision to focusing our business development efforts exclusively on “low-carbon” solutions, and with our ongoing focus on energy efficiency. Initiatives such as the “Energy Conservation for the New Generation”, and “Solar for Schools” are good examples in this respect.

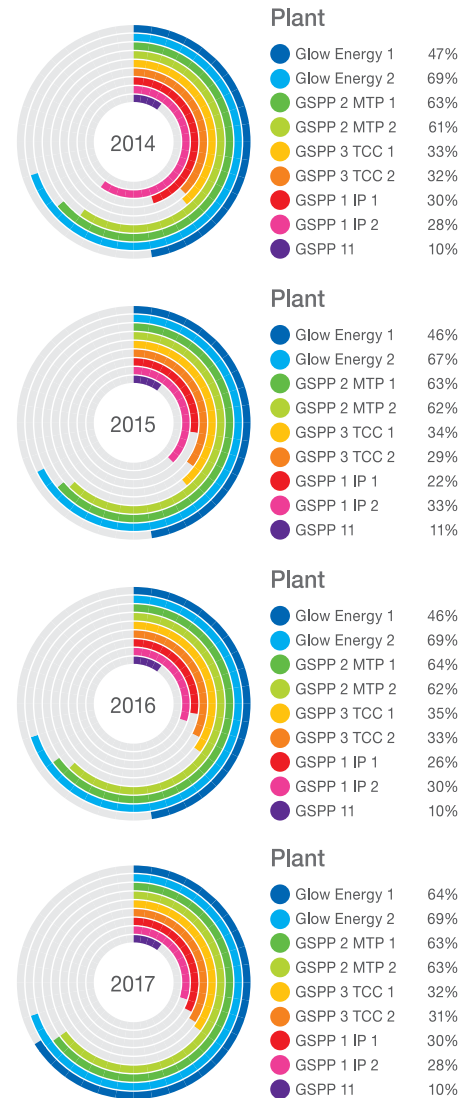
# ENERGY CONSUMPTION EFFICIENCY



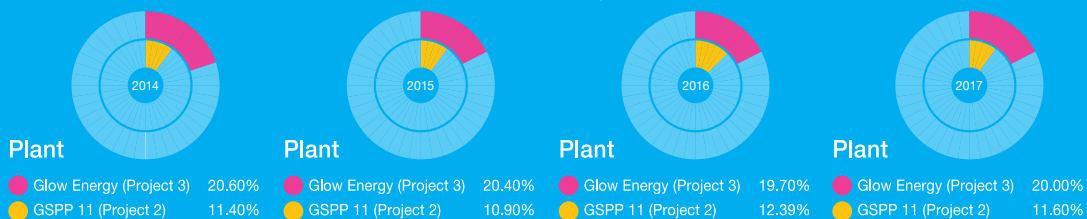
## Electrical Efficiency KPI : > 45%



## Thermal Process KPI : > 10%



## PES KPI : > 10 %



- **Energy conservation for new generation**

Our ambition towards clean energy sources resonates with our CSR activities. Glow launched the 3<sup>rd</sup> “Energy Conservation for New Generation” project to encourage university students to identify innovative ways to use alternative fuels that contributes to the society they live in. For the projects selected in 2017, please refer to section “Livelihood of Local Communities”.

- **Solar for Schools**

Glow’s corporate social responsibility team inaugurated in 2014. The “Solar for Schools” project with an ambition to make electricity accessible and affordable to people in the remote areas that are not covered by PEA’s distribution network. The team had cooperated in installing solar electric systems and energy-efficient lighting for schools and childcare centers in the area around Thailand-Myanmar border. For the projects selected in 2017, please refer to section “Livelihood of Local Communities”.

## **2. Fight against corruption**

Glow is committed to conducting all its activities and operations in strict compliance with all applicable laws, relevant rules, and regulations of the countries in which we operate.

We take into account the strong focus on ethics at the level of, among others, our parent company (“ENGIE”), the Federation of Thai Industries (“FTI”), the Institute of Directors (“IOD”), the Stock Exchange of Thailand (“SET”) and the Securities and Exchange Commission (“SEC”). We promote ethics and compliance awareness among all Glow employees, our executive management, and our board members. Our target is to provide training to all employees on ethics and compliance practices.

Anti-corruption has been a part of our core philosophy. We established our first Code of Conduct in 2005 and we have updated and revised this code several times, including in 2017, to include new clauses (for instance with respect to human rights and anti-bribery). Our Anti-Bribery Compliance Procedure, as well as Gifts and Hospitality Procedure (which emphasizes that gifts and hospitality must be made in good faith, be of a professional nature and be linked to promoting Glow’s activities, developing business or improving the quality of working relationships between Glow and its customers and partners), have been reviewed. Any employee who is found to be in willful violation of this policy is subject to disciplinary action as deemed appropriate by his/her Division Head, in consultation with SVP - Human Resources & Administration and/or the CEO. We have also updated our Conflict of Interests and Insider Trading policies, and have briefed our employees on all material aspects.

In 2014, we joined the Private Sector Collective Action Coalition Against Corruption (“CAC”) to demonstrate that the private sector does not tolerate any corruption activities. We updated our policies as well as procedures to align to CAC. We have maintained our CAC-certified company (level 4) since 2016. Please visit Glow’s website to view our Anti-Bribery Policy and related policies.

## **3. Climate Change**

We have implemented various improvement projects to our facilities that are directly reducing greenhouse gas emissions (e.g. boiler efficiency improvement). Our replacement of conventional lighting fixtures to LED in our power plants received the formal recognition of reduced greenhouse gas (“GHG”) under Low Emission Support Scheme (“LESS”) scheme from Thailand Greenhouse Gas Management (Public Organization) (“TGO”) - Thailand’s Designated National Authority for the Clean Development Mechanism.

We also obtained Carbon Footprint for Organization (“CFO”) certifications of our carbon footprint, which is an indicator for the quantity of GHG emitted (in tons of carbon dioxide equivalent) from all activities of an organization; such as fuel combustion, electricity use, waste management, and transportation. Moreover, we are taking steps beyond Carbon Footprint of Product (“CFP”) certification by obtaining the Carbon Footprint Reduction (“CFR”) label – the label given to a product that contributes less GHG than the baseline. As the first of its kind in Thailand, Glow’s steam, clarified water and demineralized water production from Glow Energy Phase 2 is CFR-certified.



Glow places a strong emphasis on optimizing our use of resources, not only at our operating sites but also in our headquarters. All our team members are encouraged to reuse, recycle, and minimize usage of the resources.

#### 4. Occupational Health and Safety (“OHS”)

We are committed to achieving the best possible health and safety performance and developing correct safety behavior throughout our organization. Every effort is made to sustain an excellent safety culture.

We aim to take all necessary precautions to limit accidents. We are utilizing international best practices available through the extensive network of our parent company ENGIE. Such best practices target is to reduce and ultimately eliminate the occurrence of accidents by focusing on structural protection, eliminating the possible causes of accidents, training employees and enhancing vigorous job safety analysis. Glow is extending the same principles beyond its own organization and aims to apply the same standards to its contractors.

If, despite all our efforts, an incident occurs, we have defined procedures with respect to investigation and reporting. Through an in-depth analysis of possible causes, we aim to identify corrective and preventive actions and to communicate such actions to all relevant parties.

Glow has defined the following fundamental principles that direct our efforts towards reducing occupational accidents at work:

- Making the initial **commitment** that health and safety is a primary responsibility of all Glow employees.
- Maintaining **compliance** with the applicable health and safety legislation and Glow's safety rules.
- **Involving** employees at all levels to promote effective working relationships with appropriate health and/or safety agencies and to avoid working situations that may have an unfavorable effect on an employee's health.
- **Integrating** health and safety in our management systems to drive a proactive and shared safety culture throughout the organization.

It is our goal to reduce the number of occupational accidents by implementing a Five-Year Safety Culture Roadmap (2014-2018). We continually measure our safety performance through core KPIs, including Frequency Rate of Occupational Accidents ("FR") and (absence of) Major Incidents.

In 2017, we have continued progress on our safety roadmap, by conducting safety culture assessment workshops. The workshops aimed to understand the existing maturity level of the safety culture at the power plant sites in the Group with the following objectives:

- To obtain the baseline data and look for the directions to improve safe behavior of employees;
- To know the level of safety culture, strengths, and weaknesses of the existing management systems;
- To select and implement the right tools and to set priorities for improvements;
- To understand the employees' thoughts and attitude on managing the health and safety system; and
- To promote safety awareness and involvement of employees and contractors.

Results and feedback from the workshops and our employees will help us to develop and prioritize specific actions needed for safety culture improvements.

## 5. Human capital development

The energy business requires skills from a diverse field to meet the growing demands of our business. At Glow, we encourage and motivate our employees to show their capabilities and to share their different ideas with one another to increase their capacity and to prepare them for the changing business environment. Employee development begins with attracting and hiring talented individuals and students.

Glow has continued its internship program "Student Career Experience Program" ("SCEP"). SCEP aims to develop and increase the capabilities of students who will be able to apply their academic knowledge for practical use and get a hands-on work experience. On-the-job training will make the interns ready for work in the future. In 2017, we received 19 students from 11 institutions who have worked as interns in various departments.

## 6. Environmental compliance

Government regulations set the mandatory level of our environmental compliance. In our operations and the development of new business, we take into consideration international best practices and standards. It is our goal to be in full compliance with all applicable environmental regulations at all times. We, therefore, maintain a "zero environmental non-compliance target" on the "fines or non-monetary sanctions for non-compliance with environmental laws and regulations" KPI. In addition, all Glow's power plants in Thailand are accredited under ISO 14001 standard.

Our operational and environmental performance meets Thailand's environmental regulations and any other applicable regulation. Glow strictly follows the environmental impact mitigation and the monitoring measures presented in the Environmental Impact Assessment ("EIA") action plan. Glow's Environment Health and Safety ("EH&S") Team report on a bi-annual basis the results of the implementation of our action plan to the Office of Natural Resources and Environmental Policy and Planning ("ONEP"). We conform to all of ONEP's reporting processes and meet all standards established by the environmental regulations, site permits and corporate objectives. We respond promptly and effectively to any incident resulting

from our operations and in so doing we co-operate with industry organizations and authorized government agencies. To ensure quality and reliability of our data, third parties assess the environmental performance of our power plants on a regular basis, measuring progress and conducting periodic audits of environmental performance.

Glow is committed to controlling emission levels to meet, and where possible to be below, all applicable standards as well as to fully comply with the EIA's and Environmental, Health, Impact Assessment ("EHIA")'s requirements at all times. We have installed online measurement systems for continuous measurement and control at the source of emissions.

Glow has invested significantly in technologies to reduce NO<sub>x</sub>, SO<sub>2</sub>, and TSP pollution. We purchase low sulfur bituminous coal with less than 1% sulfur content and use limestone injection techniques in the combustion of coal in our Circulating Fluidized Bed ("CFB") boilers. GHECO-One, our coal-fired power plant, incorporates a sea water flue gas desulfurization system to reduce SO<sub>2</sub> emissions significantly. NO<sub>x</sub> reduction is achieved in the CFBs by ammonia injection into the flue gas and in GHECO-One by using Low NO<sub>x</sub> burners and a Selective Catalytic Reduction ("SCR") unit.

In the Map Ta Phut area, the government has put in place an 80:20 measure in accordance through a resolution from the National Environmental Board ("NEB"), which requires reducing NO<sub>x</sub> and SO<sub>2</sub> emissions from existing facilities in order to enable the expansion of existing facilities or the construction of a new plant. In compliance with this rule, Glow has for instance successfully implemented an air emission reduction program at the GSPP3 power plant located in Map Ta Phut Industrial Estate which has enabled the construction of GHECO-One.

Glow's Community Relations Team engages with local communities and gathers feedback on an ongoing basis. We aim to maintain a relationship of trust by practicing open communication with the community, authorities, policy-makers, customers and other stakeholders who could have concerns regarding the environmental impact of our business and facilities. Every quarter, we organize a tripartite meeting among Glow and key stakeholders to report our environmental monitoring results, new and on-going issues, actions taken to remedy such issues, and to gather feedback from those key stakeholders.



In 2017, all Glow's power plants in Map Ta Phut have been certified by the Federation of Thai Industries ("FTI") as an "Eco-Factory", a standard demonstrating a clear focusing on continuous and sustainable improvement of the production process and environmental management, based on social responsibility principles both inside and outside the organization, and including its supply chain.



## ENVIRONMENTAL REPORTING

### Results of Stack Emissions Monitoring at Glow Group Power Plant Sites in 2017

Power Plant	Type of Fuel	Power Generation Business	NOx (ppm) <sup>(1)</sup>		SO <sub>2</sub> (ppm)		TSP (mg/Nm <sup>3</sup> ) <sup>(2)</sup>	
			Emission (% better than standard)	EIA <sup>(3)</sup> Standard	Emission (% better than standard)	EIA <sup>(3)</sup> Standard	Emission (% better than standard)	EIA <sup>(3)</sup> Standard
Glow IPP	Natural Gas	Gas - fired combined cycle unit 1 - 2		100		20 <sup>(5)</sup>		20
Glow Energy Phase 1	Natural Gas	Natural gas - fired boiler unit A/S		96	-	-	-	-
Glow Energy Phase 2	Natural Gas	Gas - fired combined cycle unit 1 - 6		120		20	-	-
Glow Energy Phase 4	Natural Gas	Gas - fired cogeneration unit 1 - 2		103 - 105		0.95		5
Glow Energy Phase 5	Natural Gas	Gas - fired combined cycle		55		0.95		5
Glow Energy CFB 3	Bituminous Coal	Coal - fired thermal cogeneration		100		170		55
Glow SPP 1	Natural Gas	Gas - fired combined cycle unit 1 - 2		108	-	-	-	-
Glow SPP 2	Natural Gas	Gas - fired cogeneration unit 1 - 6		101 - 118		0.95		5
Glow SPP 3	Bituminous Coal	Coal - fired cogeneration CFB1/CFB 2		100		180		55
Glow SPP 11 <sup>(4)</sup> (Project 1)	Natural Gas	Gas - fired combined cycle unit 1 - 2		108	-	-	-	-
Glow SPP 11 (Project 2)	Natural Gas	Gas - fired combined cycle unit 1 - 2		35		10		27
GHECO - One	Bituminous Coal	Coal - fired supercritical boiler		56		53		55



<0%



0 - 30%



30 - 60%



>60%

Note : (1) ppm means part per million

(2) mg/Nm<sup>3</sup> means milligram per normal cubic meter

(3) EIA Standard means Control values as required by Environmental Impact Assessment (EIA) and/or Environmental Health Impact Assessment (EHIA) for GHECO - One

(4) Glow SPP 11 (Project 1) included gas engine unit 1 - 6 in operation

\*Stack sampling in August (Twice a year)

(5) Controlled standards as announced in the Notification of Ministry of Industry B.E. 2547 (2004)

## 7. Livelihood of local communities

Community relations and development is an activity that Glow is actively involved in, not only to obtain a license to operate but also to coexist with communities and to maximize the benefits for society. Building relationships and maintaining trust with communities requires open communication and engagement. Our Community Relations team proactively communicates with the community through regular visits and meetings.

We have carried out many community development activities, either by ourselves or in collaboration with other business partners and alliances, such as the Community Partnership Association (“CPA”), Microsoft Thailand, and the First Naval Area Command to demonstrate our responsibility towards the community, society and the environment in parallel with the company’s business operations.

Glow organizes activities aimed at creating benefits to society in three main areas, including education, the improvement of the quality of life, and environmental conservation at both local and national levels. Our CSR flagship projects in 2017 include:

### Education

- **Teach the Kids**

As experts in the energy business, Glow’s employees have volunteered to share their knowledge and experience in energy and safety with students in nearby schools. To motivate the students to consider working with us in the future, we have also invited them to visit our power plants. This project will benefit society by creating energy efficiency and safety awareness to children who in turn can become advocates for this issue or may become interested in working in the energy sector. In 2017, we shared our knowledge and experience in energy and safety with 75 students from Bann Map Toey School and Baan Khao Kansong School in Rayong, and with 70 students from Bann Khao Hin School in Chonburi. We plan to continue this program and involve more schools.



- **Energy Conservation for the New Generation**

To attract promising young research talent in the engineering field as part of a CSR activity which is closely related to our core business, Glow has invited students of target universities, including King Mongkut’s University of Technology Thonburi (“KMUTT”), King Mongkut’s Institute of Technology Ladkrabang (“KMITL”), King Mongkut’s University of Technology North Bangkok (“KMUTNB”) and Khon Kaen University, to team up and submit energy-related project ideas to the company. The team which comes up with the most creative energy saving innovation idea that can be applied in practice can win up to THB 300,000 to implement the proposed project.

For 2017, Glow supported the “Developing Energy Storage as Home Decoration” research project proposed by students from College of Nanotechnology, King Mongkut’s Institute of Technology Ladkrabang (“KMITL”). The objective of this project is to develop a prototype for an energy storage unit that utilizes local materials and can be modified as a decorative unit in a household/commercial setting.



## Environmental Conservation

- **Reforestation and Check Dam Project**

Glow started the reforestation project in 2013 by growing 2,500 trees in the degraded forest of Houay Mahad Hill. Since the beginning of the project, we have planted 2,500 trees every two years. We have monitored the growth of the planted trees and the availability of wildlife in the forest. Monitoring results have been provided by the Community Forest Committee on a yearly basis. In 2017, we planted approximately 10,600 trees at Houay Mahad Hill.



For 2017 we also continued the Check Dam Project by building 25 check dams on Phudorn - Houy Mahad Hill, in collaboration with the Baan Chang Municipality and local communities. Apart from the environmental advantages of the dams, i.e. to control water velocity, conserve soil, and improve land, they also provide economic benefits to people in the communities by increasing their income from selling natural products which they can find in the evergreen forest.

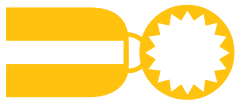


## Improvement of the quality of life

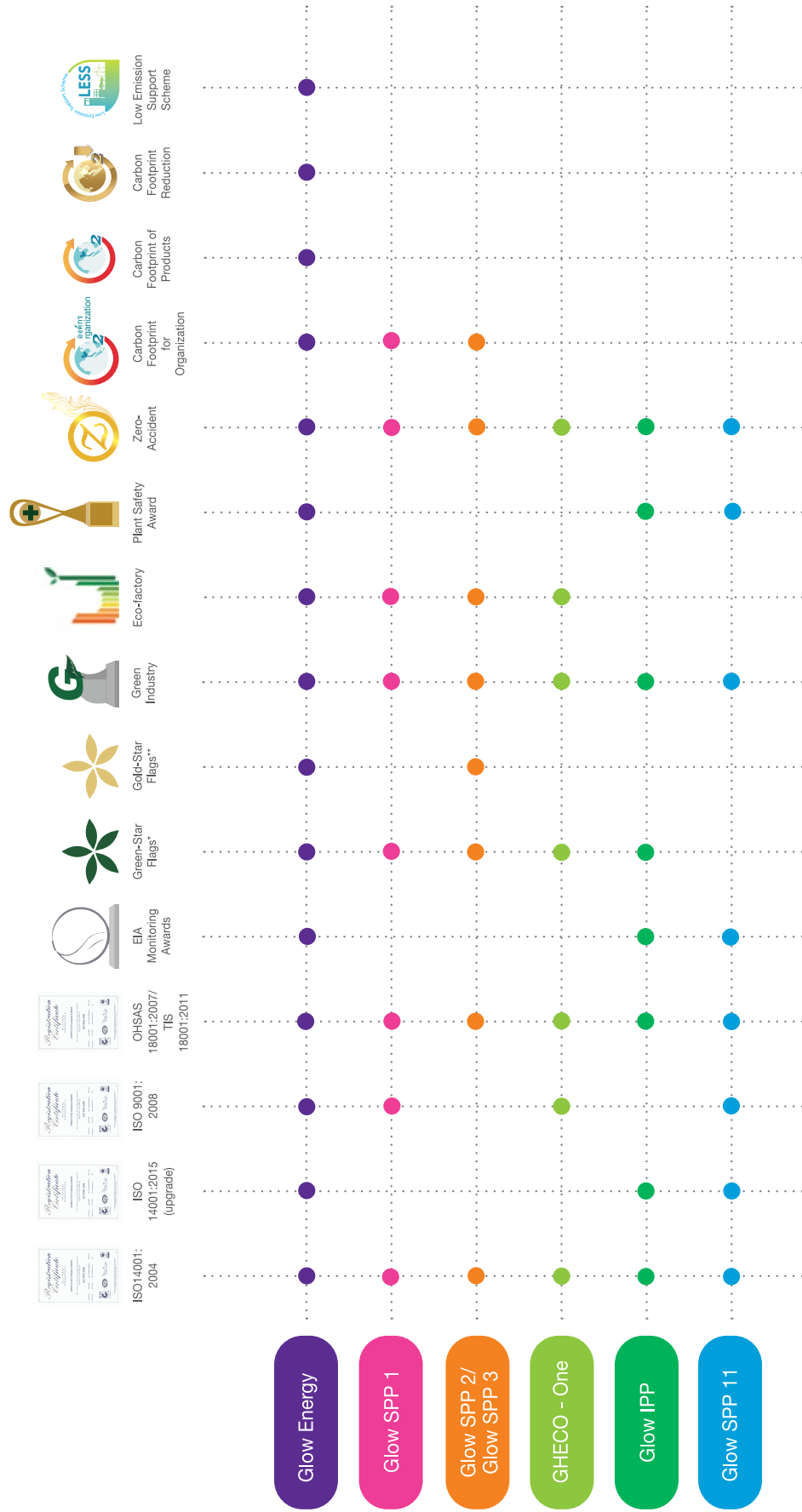
- Solar for schools

Glow, together with its parent company ENGIE, have embarked on a new round of support for solar electric systems at off-grid schools and childcare centers along the Thailand/Myanmar border in Mae Sot, with support from the Border Green Energy Team ("BGET"), an NGO based in Mae Sot. BGET also hosted short-term and long-term training on sustainable living and other employable and income generating skills for orphaned refugee children and other marginalized people. In 2017, we supported off-grid schools with solar panels and lighting fixtures that benefit 168 students as well as instructors.





# ACHIEVEMENT AND AWARDS



\* An award given by the Industrial Estate Authority of Thailand (IEAT) to a company with good environmental governance.

\*\* An award presented to those who have joined the IEAT program and received green - star flags for six consecutive years.

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# General Information

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## Glow Energy Public Company Limited

Initial	GLOW
Registered Number	0107538000461
Type of Business	Generate and supply of electricity, steam and processed water to industrial customers and electricity to Electricity Generating Authority of Thailand (EGAT)
Registered Capital	14,828,650,350 Baht (as of 31 December 2016)
Paid up Capital	14,628,650,350 Baht (as of 31 December 2016)
Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2610 1548-9
Website	<a href="http://www.glow.co.th">www.glow.co.th</a>
Plant Location	5, I-4 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150 Tel: 66 (0) 3868 4078-80 Fax: 66 (0) 3868 4061

### Other References

Registrar	Siam Commercial Bank Public Company Limited Registrar 1 15 <sup>th</sup> Floor, North Wing, G Tower Grand Rama 9 9 Rama 9 Road, Huaykwang, Bangkok 10310 Tel: 66 (0) 2128 2324-9 Fax: 66 (0) 2128 4625
Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited AIA Sathorn Tower, 23 <sup>rd</sup> - 27 <sup>th</sup> Floor 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120

## Other subsidiary companies that the Company holds shares of more than 50 percent

### 1. Glow Company Limited

Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2670 1548-9
Type of Business	Provide management services, consultant services and management advisory for related companies

### 2. Glow IPP Company Limited

Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2670 1548-9
Plant Location	42 Moo 8, CIE - 8 Road, Hemaraj Chonburi Industrial Estate Bowin, Sriracha District, Chonburi 20230 Tel: 66 (0) 3838 5900-5 Fax: 66 (0) 3834 5906
Type of Business	Generate and supply electricity to EGAT

### 3. Glow SPP 1 Company Limited

Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2670 1548-9
Plant Location	10, Soi G - 2, Pakornsongkrawhrat Road, Hemaraj Eastern Industrial Estate (Map Ta Phut), Huaypong, Muang District, Rayong 21150 Tel: 66 (0) 3868 5589 Fax: 66 (0) 3868 5104
Type of Business	Generate and supply electricity, steam and processed water to industrial customers and electricity to EGAT

### 4. Glow SPP 2 Company Limited

Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2670 1548-9
Plant Location	11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150 Tel: 66 (0) 3869 8400-10 Fax: 66 (0) 3868 4789
Type of Business	Generate and supply electricity and steam to industrial customers and electricity to EGAT

### 5. Glow SPP 3 Company Limited

Head Office Location	1 Empire Tower, 38 <sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel: 66 (0) 2670 1500-33 Fax: 66 (0) 2670 1548-9
Plant Location	11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150 Tel: 66 (0) 3869 8400-10 Fax: 66 (0) 3868 4789
Type of Business	Generate and supply electricity, steam, and processed water to industrial customers and electricity to EGAT

#### 6. Glow IPP 3 Company Limited

Head Office Location 1 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel: 66 (0) 2670 1500-33  
Fax: 66 (0) 2670 1548-9  
Type of Business Develop power generation projects

#### 7. Glow IPP 2 Holding Company Limited

Head Office Location 1 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel: 66 (0) 2670 1500-33  
Fax: 66 (0) 2670 1548-9  
Type of Business Invest in other companies

#### 8. GHECO-One Company Limited

Head Office Location 11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150  
Tel: 66 (0) 3869 8400-10  
Fax: 66 (0) 3868 4789  
Branch Office 1 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel: 66 (0) 2670 1500-33  
Fax: 66 (0) 2670 1548-9  
Plant Location 11, I - 5 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Muang District, Rayong 21150  
Tel: 66 (0) 3869 8400-10  
Fax: 66 (0) 3868 4789  
Type of Business Generate and supply electricity to EGAT

#### 9. Houay Ho Power Company Limited

Head Office Location Vieng Vang Tower (Unit 15), 5<sup>th</sup> Floor, No. 502A, Bouluchan Road, Dongpala Thong Village, Sittasarak District, Vientiane Capital, Lao PDR.  
Tel: (856) 21 414932-3  
Fax: (856) 21 414934  
Plant Location P.O. Box 661 Pakse, Lao PDR.  
Tel: (856) 36 211720-1  
Fax: (856) 36 211719  
Type of Business Generate and supply electricity to EGAT and the Electricité Du Laos ("EDL")

#### 10. Glow SPP 11 Company Limited

Head Office Location 60/19 Moo 3, Siam Eastern Industrial Park, Mabyangporn, Pluak Daeng, Rayong 21140  
Tel: 66 (0) 3889 1324-8  
Fax: 66 (0) 3889 1330  
Plant Location 60/19 Moo 3, Siam Eastern Industrial Park, Mabyangporn, Pluak Daeng, Rayong 21140  
Tel: 66 (0) 3889 1324-8  
Fax: 66 (0) 3889 1330  
Type of Business Generate and supply electricity and chilled water to industrial customers and electricity to EGAT

#### 11. ENGIE Myanmar Company Limited

Registered office Room number 6004 Pyay Garden Office Tower, 346/354 Pyay Road, Sanchaung Township, Yangon  
Type of Business Technical and consultancy services in power sector

## Other affiliate companies that the company holds shares of less than 50 percent

### 1. Houay Ho Thai Company Limited

Head Office Location 1 Empire Tower, 38<sup>th</sup> Floor-Park Wing, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
Tel: 66 (0) 2670 1500-33  
Fax: 66 (0) 2670 1548-9  
Type of Business Holding company

### 2. Glow Hemaraj Wind Company Limited

Head Office Location 9/241-242, UM Tower, 24<sup>th</sup> Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok 10250  
Tel: 66 (0) 2719 9555  
Fax: 66 (0) 2719 9548  
Type of Business Develop waste-to-energy projects

### 3. Eastern Seaboard Clean Energy Company Limited

Head Office Location 9/241-242, UM Tower, 24<sup>th</sup> Floor, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok 10250  
Tel: 66 (0) 2719 9555  
Fax: 66 (0) 2719 9548  
Type of Business Holding company

### 4. Rayong Clean Energy Company Limited

Head Office Location 9/241-242, UM Tower, 24<sup>th</sup> Floor, Ramkhamhaeng Road, Suanluang, Suanluang Bangkok 10250  
Tel: 66 (0) 2719 9555  
Fax: 66 (0) 2719 9548  
Type of Business Develop waste-to-energy projects

### 5. Chonburi Clean Energy Company Limited

Head Office Location 9/241-242, UM Tower, 24<sup>th</sup> Floor, Ramkhamhaeng Road, Suanluang, Suanluang Bangkok 10250  
Tel: 66 (0) 2719 9555  
Fax: 66 (0) 2719 9548  
Type of Business Develop waste-to-energy projects

# Risk Factors



## We are exposed to fluctuations in fuel prices

Fuel is our most significant operating cost, accounting for 72.9 percent of our total expenses in 2017. Whether and to what extent we can pass fuel price fluctuations through to our electricity and steam customers depends on the specific terms of our sales agreements.

- Under the terms of Glow IPP's and GHECO-One's power purchase agreement with Electricity Generating Authority of Thailand ("EGAT"), which accounted for 25.5 percent of our total revenues in 2017, our fuel costs are passed through to EGAT at contracted heat rates.
- Under the terms of our SPP power purchase agreements with EGAT relating to our gas-fired facilities, which together accounted for 22.0 percent of our total revenues in 2017, our fuel costs are passed through to EGAT at contracted heat rates.
- Under the terms of our SPP power purchase agreements with EGAT relating to two of our coal-fired facilities (90 MW contracted capacity each), which together accounted for 4.2 percent of our total revenues in 2017, our fuel costs are only partially passed through to EGAT at contracted heat rates and at a certain coal price benchmark, as relating to our purchase of coal. The freight charges, which are an important component of fuel costs, are not passed through to EGAT. Increase in overall coal costs, including freight costs, may have an adverse effect on our profit margins.
- Under the terms of our power supply agreements with industrial customers, which together accounted for 29.9 percent of our total revenues in 2017, we mainly sell electricity at prices that are based on the retail electricity tariff charged by the Provincial Electricity Authority of Thailand ("PEA"), the state-owned electricity distribution authority for the areas of Thailand in which we operate. Although the PEA tariff is designed to reflect fluctuations in fuel prices through a fuel transfer charge ("Ft"), it does so by reference to a fuel index, which is not designed to and may not necessarily reflect our actual fuel costs and only factors in the costs of coal (which we also use to generate up to 186 MW of electricity that we supply to our industrial customers) to a very limited extent. In addition, the Ft does not always function as designed. See "We price a portion of our electricity sales by reference to the PEA tariff, which does not reflect our actual costs and may not be adjusted as designed to reflect fluctuations in, among other things, fuel costs and inflation".
- Under the terms of our steam supply agreements with industrial customers, which together accounted for 13.3 percent of our total revenues in 2017, we sell steam based on prices that are indexed to fluctuations in the price of natural gas, but not coal (which we also use to produce the steam that we sell).

Because we cannot pass through all of the changes in our fuel costs to our customers, we are exposed to fluctuation in the prices of fuel (and in particular coal). If there are material increases in our cost of fuel and we are unable to pass these increases through to our customers, this will directly reduce our profit margins and could have a material adverse effect on our business, results of operations, financial condition and prospects.

## We price a portion of our electricity sales by reference to the PEA tariff, which does not reflect our actual costs and may not be adjusted as designed to reflect fluctuations in, among other things, fuel costs and inflation

Under the terms of our electricity supply agreements with our industrial customers, which together accounted for 29.9 percent of our total revenues in 2017, we mostly sell electricity at prices that are based on the retail tariff charged by the PEA. The PEA's tariffs are regulated by the Energy Regulatory Commission ("ERC") and take into account the electricity generation, purchase, transmission and distribution costs of the PEA, the Metropolitan Electricity Authority of Thailand ("MEA") and EGAT.

Since our cost structure is different, the PEA tariff rates, and consequently the prices at which we sell electricity to our industrial customers, do not necessarily reflect our actual costs of producing and supplying this electricity.

The PEA tariff is designed to reflect fluctuations in fuel prices, inflation, foreign exchange rates and other factors by application of the Ft. However, the most significant component of the Ft, the fuel cost component, refers to a general fuel index that does not necessarily reflect our actual fuel costs and only factors in the cost of coal, which we also use to generate electricity that we supply to our industrial customers, to a limited extent. In addition, the Ft, which is normally adjusted only every four months, does not always function as designed. When the Ft adjustment is not applied or not fully applied to the PEA tariff in a rising fuel cost environment, the prices at which we sell electricity to our customers are not increased to reflect higher prevailing fuel prices, and consequently, our profit margins are reduced, and vice versa. For the foregoing reasons, our reliance on the PEA tariff could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We are highly dependent on EGAT**

EGAT is our largest and most important customer and is committed to purchasing electricity from us under our EGAT power purchase agreements, which are long-term contracts with durations from 21 to 25 years. The EGAT power purchase agreements are material to our business, accounting for 52.8 percent of our revenues in 2017. EGAT is the dominant participant in the Thai electricity market. In addition to being the single wholesale buyer and controlling all of the wholesale transmission of electricity in Thailand, EGAT is also Thailand's largest electricity generator. A number of our important contracts contain unclear terms which have led to disagreements with EGAT regarding the operation of our business, as discussed below in "We have had a number of significant disputes with EGAT in the past" and which could result in further disputes in the future. Any material disputes or disagreements that we have with EGAT could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We are highly dependent on a small number of industrial customers concentrated in the petrochemical sector**

In addition to EGAT, we are also highly dependent on a small number of industrial customers. Our 10 largest industrial customers (which, for the avoidance of doubt, exclude EGAT) accounted for 30.4 percent of our total revenues in 2017 or 69.1 percent of total sales to industrial customers, whereas total sales to industrial customers accounted for 44.1 percent of our total revenue in 2017. A disruption of our relationship with one or more of our industrial customers could have a material adverse effect on our business, results of operations, financial condition and prospects. Further, our industrial customers are highly concentrated both geographically and in terms of industrial classification. Most of our industrial customers are located in the Map Ta Phut Industrial Estate ("MIE") or elsewhere within the MIE Area, accounting for 94.7 percent of our total sales to industrial customers. This exposes us to increased risk of regulatory changes in respect of operation in MIE, an accident, natural disaster, infrastructure or other failure or breakdown disrupting the facilities of the MIE, the other industrial estates in which our industrial customers are located or the MIE Area generally.

In addition to their geographic concentration, many of our industrial customers are companies operating in petrochemical or petrochemical-related industries. This exposes them, and indirectly us, to the performance of the petrochemical sector. Many petrochemical products are commodities and the petrochemical industry is highly competitive. In addition, significant price fluctuations and business cyclicality are common in many petrochemical-related industries. These factors may affect our ability to conclude new agreements with these customers or negatively affect our demand and load factor, customer creditworthiness, the timing of our customers' expansions and thereby the terms on which we are able to reach any such new agreements and may, for these reasons or otherwise, have a material adverse effect on our business, results of operations, financial position and prospects.

Although we have successfully extended many of the long term contracts with industrial customers for which the initial term has expired or is due to expire, we cannot assure that we will be able to retain all contracts which are expiring in the medium term, or to find new customers to replace them on commercially reasonable terms. In addition, it is important to our business to maintain minimum levels of steam and chilled water sales in order to meet applicable generating efficiency requirements (and failure to do so could result in termination of certain of our SPP power purchase agreements with EGAT). If we are unable to retain our customers or to find new customers to replace them on commercially reasonable terms and along the product lines that we require, this could have a material adverse effect on our business, results of operations, financial position and prospects.

Under our power supply and steam supply agreements with industrial customers, our companies may be subject to liquidated damages liability in an event of interruption in the supply of power and/or steam and/or a failure to meet an annual guarantee of availability of power or steam, subject to the conditions indicated in each agreement, which may vary from one to another. We cannot predict whether liabilities will be incurred or not, and what the materiality of the potential liabilities, if any, would be.

## **We face significant competition**

We face significant competition, particularly in respect to our supply of electricity and steam from our cogeneration facilities to industrial customers in the MIE Area and in the Siam Eastern Industrial Park ("SEIP"). In the MIE Area, although our customers are party to long-term agreements with us, we compete with PEA, and Global Power Synergy Public Company Limited ("GPSC"). GPSC and PEA have certain competitive advantages over us. GPSC is affiliated with PTT, the principal natural gas supplier in Thailand and, through this relationship, with a number of companies in the MIE Area (including many of our important customers). PTT also has an equity interest in a number of our industrial customers (most significantly PTTGC). Sales to PTTGC accounted for 5.7 percent of our total revenue from electricity sold to industrial customers, 21.1 percent of our total revenue from sales of steam and 5.5 percent of our total revenues in 2017. PEA, on the other hand, does not typically require its customers to enter into long-term contracts. In SEIP, we compete with only PEA.

We believe the level of competition that we face for industrial customers in the future will be maintained, particularly in the following respects: (i) certain of our important customers are PTT affiliates; (ii) certain of our existing customers already do business with PTT and its affiliates; and (iii) some potential projects in the MIE area are joint ventures involving PTT. See "Business Competition" for more discussion of the competition risk that we believe GPSC poses to our business.

## **We are subject to significant contractual risks under our SPP power purchase agreements**

EGAT is our largest and most important customer, and sales to EGAT from our SPPs accounted for 26.2 percent of our total revenues in 2017 (see "We are highly dependent on EGAT"). EGAT is the sole purchaser of wholesale electricity in Thailand. Due in part to the foregoing, our SPP power purchase agreements with EGAT are standard form contracts that we were not given an opportunity to negotiate. This means that these contracts are not tailored to our specific operating circumstances and contain a number of ambiguous provisions. Certain of the terms of our SPP power purchase agreements from the first round of SPP contracts (COD before 2012) that we believe present risks to our business are as follows:

- A power purchase agreement may be terminated before the end of its term due to the default of either party and our only remedy may be to bring a claim in arbitration and prove damages;
- Although the power purchase agreements do not include liquidated damages provisions, penalties are imposed in the form of reduced capacity or energy payments from EGAT or refunds by us where (i) we supply less than the contracted capacity, (ii) we provide electricity for less than 7,008 hours in a year, (iii) the cogeneration efficiency is less than 45 percent or (iv) thermal energy accounts for less than 10 percent of our total energy sold;

- If a force majeure event affecting EGAT or a governmental force majeure event (as defined in the power purchase agreement) prevents us from supplying electricity to EGAT, EGAT will continue to make its capacity payment (the payment that is designed to allow us to recover our fixed costs for constructing and operating the power generating facility over the life of the contract) to us for only up to six months. In addition, failure by PTT to deliver gas to us is not considered to be a governmental force majeure event for these purposes, so in the event of a PTT supply failure, EGAT will only pay us for capacity actually made available and energy actually delivered; and
- Our SPP power purchase agreements with EGAT contain only a general commitment for both parties to negotiate in good faith to amend to our contractual arrangement in response to any adverse change in law, including changes in environmental standards, which provide us with only limited change-in-law protection. This is particularly relevant if new laws were to impose more stringent environmental conditions on our existing facilities, which could require significant operational and capital expenditure.

We also have operational SPP power purchase agreements with EGAT from the second round of SPPs. In 2009, we have entered into a 74 MW power purchase agreement (for Glow Energy), which became operational in June 2012 and a 90 MW agreement (for Glow SPP 11 Phase 2), which became operational in December 2012. These agreements have some different terms, in addition to the general provisions described above, and certain new provisions, such as:

- The SPP requirement for thermal energy production and efficiency will be tested and reviewed once a year by a third party; and
- In case we do not meet the thermal energy production and/or efficiency requirement mentioned above, there is no penalty but we will not receive the Primary Energy Savings component, which was introduced in the tariff.

These contractual risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We are subject to certain risks with respect to the expiry of our SPP power purchase agreements**

We sell to EGAT under 11 SPP power purchase agreements. (including 2 SPP power purchase agreements which have been extended; see below). The total capacity so contracted currently amounts to 784 MW. These power purchase agreements will expire in the period up to 2037 (latest expiry). At or before the relevant expiry dates, we may or may not enter into extension and/or replacement power purchase agreements with EGAT. If we do not enter into extension and/or a replacement power purchase agreements, or if the capacity contracted under such extension and/or a replacement power purchase agreements is significantly different from the capacity currently contracted, then this may result (in addition to the direct effect i.e. the reduction in revenues from sales under SPP power purchase agreements) in a less efficient running regime (and hence higher fuel costs) for one or more units in our Cogeneration fleet and, potentially, in an inability to balance our electricity and steam load.

The National Energy Policy Committee (“NEPC”) has announced, in May 2016, the main parameters of a “replacement scheme” which would apply, under certain conditions, to gas-fired SPP power purchase agreements expiring in the period up to 2025 (which could, if confirmed, apply to at least 7 out of the 11 SPP power purchase agreements under which we currently sell to EGAT). The proposed capacity to be contracted under such replacement power purchase agreements is lower than the capacity contracted under the current agreements.

As of 31 December 2017, we have not yet entered into any replacement power purchase agreements under the schemes defined under the NEPC resolution of May 2016. We have, however, entered into agreements which extend the term of the SPP power purchase agreements for Glow Energy Phase 2 for a period of 3 years, at a reduced (lower) tariff. In the process leading up to the extension of those agreements, a dispute has arisen with EGAT with respect to the end date under the original SPP power purchase agreements.

Any unfavorable outcome with respect to the extension and/or replacements of our SPP power purchase agreements (at the time they expire) could have a material effect on our business, results of operations, financial conditions and prospects.

## **We operate in a highly regulated industry that is subject to change**

The regulatory framework applicable to electricity generating companies in Thailand has undergone significant structural changes in the past and may undergo significant changes in the future. In addition, there have been a variety of proposals for reform of the Thai electricity industry in the past which, once made, have subsequently been delayed, cancelled, or significantly modified prior to their implementation.

Thailand has been considering deregulation of the electricity industry for a number of years. The EGAT power purchase agreements for our SPPs do not contain any provisions dealing with the potential future privatization of EGAT or the restructuring of the electricity sector. We are unable to predict what impact deregulation or privatization would have on our contractual arrangements and on the electricity sector in Thailand in general. If such deregulation were to for example have the impact of abolishing the PEA tariff which is the reference price that we use to price our electricity sales to most of our industrial customers, we would likely have to renegotiate the pricing structure with our industrial customers, which we may not be able to do on reasonable commercial terms or at all.

As we operate a number of SPPs (and our companies account for a material portion of all SPP electricity sold to EGAT), which are higher-cost wholesale electricity generators compared to IPPs and many of EGAT's generating facilities, we are exposed to regulatory changes that seek to increase generating efficiency or to penalize high-cost generating facilities. This could take the form of changes in law and many of our key sales contracts do not contain specific mechanisms for compensating us in the event of adverse changes in law.

These or other regulatory or structural changes affecting the Thai electricity industry could require us to significantly change the way that we operate our business and could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We have had significant disputes with EGAT in the past**

In the past, we have been involved in discussions with EGAT regarding important aspects of our business. Although we do not characterize these as material disputes, we believe that, because of the structure of the Thai electricity supply industry and the nature of our power purchase agreements, we will likely continue to maintain an ongoing dialogue with EGAT to resolve these and similar types of issues in order to continue to clarify certain aspects of our contractual relationship. There is the potential for disputes to arise in connection with any such issues or points of discussion. As EGAT is our most important customer and disputes with EGAT may involve some of our most important contracts, any disputes that we may have with EGAT in the future may require us to materially change the way in which we operate our business and could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **Our business operations are dependent on the availability of fuel**

Our business is dependent on the availability of fuel, in particular natural gas and coal. In 2017, purchases of natural gas accounted for 54.2 percent of our cost of sales and purchases of coal accounted for 20.2 percent of our total cost of goods sold. Shortages in natural gas or coal, or an inability of our suppliers to provide these fuels to us, could prevent some or all of our facilities from being able to generate electricity and steam, which could prevent us from fulfilling our contractual obligations.

We have entered into long-term natural gas supply agreements with PTT. Due to the structure of the Thai fuel supply industry (and notwithstanding the fact that some progress has been made towards the implementation of third party access for

gas pipelines and LNG terminal infrastructure), PTT is currently still the only entity that is able to supply us with natural gas to allow us to operate our business. In the event that PTT fails to supply us with adequate quantities of natural gas under our gas supply agreements, we could face significant disruptions to our business. Although there is a compensation provision in the gas supply agreements between our SPPs and PTT which requires PTT to compensate us for its inability to deliver contracted quantities of natural gas to us, this compensation only extends to natural gas that we use to produce electricity to sell to EGAT and not to our industrial customers. Most of our gas-fired facilities are designed to be able to run on diesel fuel as an alternative fuel source, but we could incur significant costs and operating inefficiencies in switching to and operating by using diesel fuel. Moreover, our cogeneration facilities may not be able to operate on diesel fuel for sustained periods of time, as, when operating on diesel fuel, we consume diesel fuel faster than we are able to re-fill our diesel fuel storage tanks.

There is a risk of natural gas supply disruption resulting from defects in or the requirement for maintenance of the pipeline including the change in the quality of natural gas supply, over which we have no control. The current limitations on the supply of natural gas to the areas in which we operate, or any disruption in the supply of natural gas, or change in the quality of natural gas supply could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have entered into medium term coal supply agreements with a number of international and Thai coal suppliers/traders to satisfy our coal requirements for our three CFBs and GHECO-One. Our coal risk management policy for our CFBs is to diversify our procurement to at least three contracts with different expiry years, subject to market condition.

There is a risk of coal supply disruption resulting from various circumstances, including a situation where our medium-term coal supplier could not fulfill its obligations and we could not arrange substitute supply from our other suppliers or from the spot market. In such situation, we also cannot assure that the cost of substitute supply would be commercially competitive.

## **We are highly dependent on PTT**

As discussed under “Our business operations are dependent on the availability of fuel”, we rely heavily on PTT for the supply of natural gas to our operating facilities. Purchases of natural gas, which were almost all purchased from PTT, accounted for approximately 54.2 percent of our total cost of goods sold in 2017. In addition to being a key supplier, PTT has an equity interest in GPSC, our principal competitor in our Cogeneration business line in Map Ta Phut (as discussed above under “We face significant competition”). PTT also has an equity interest in a number of our industrial customers (most significantly PTTGC). See “We face significant competition”.

If the fact that we compete with a subsidiary of PTT in our Cogeneration business line, or any other reason, were to adversely affect PTT’s willingness to, or the terms on which it will, enter into new agreements to supply natural gas to us (including at the time of expiry and potential extension and/or replacement of our SPP power purchase agreements), or if our relationship with PTT deteriorates for any other reason, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We are subject to significant contractual risks under our SPP gas supply agreements with PTT**

PTT is our largest and most important fuel supplier (see “We are highly dependent on PTT”). PTT is majority-owned by the government and currently has an effective monopoly with respect to supply of natural gas in Thailand. Due in part to the foregoing, our gas supply agreements with PTT are standard form contracts that we were not given an opportunity to negotiate. This means that, among other things, our gas supply agreements with PTT are not tailored to our specific operating circumstances and contain a number of ambiguous provisions. Although the terms of our PTT gas supply agreements vary from each other, certain of the terms contained in at least some of our PTT gas supply agreements that we believe present risks to our business are as follows:

- A gas supply agreement may be terminated before the end of its term due to the default of either party and our only remedy may be to bring a claim in arbitration and prove damages (rather than allowing us to require PTT to continue to supply gas to us pending resolution of the dispute);
- PTT only undertakes to use its “best efforts” to deliver the specified daily quantity and is not under an absolute obligation to deliver gas to us;
- The terms relating to PTT’s requirement to compensate us if PTT fails to deliver gas at contractually-designated specifications are unclear and, in any case, the amount of any compensation that it would pay to us is capped;
- Non-compliance with any term in a gas supply agreement by either party that is not remedied within 60 days of a notice of default thereof constitutes an event of default and enables the non-defaulting party to terminate the gas supply agreement; and
- Even though we design our units to be able to operate throughout the (wide) range of acceptable gas specifications, we cannot ensure that we would be able to operate if there were to be a change in the range of acceptable specifications, or that we would be fully compensated for modifications required in such a case.

These contractual risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **We face risks with respect to opposition to further expansions in Map Ta Phut, the declaration of Map Ta Phut as a Pollution Control Zone, and the Administrative Court ruling in this respect**

In March 2009, the Rayong Administrative Court declared Map Ta Phut a “Pollution Control Zone”. This was later confirmed also by National Environmental Board. In June 2009 certain individuals together with some NGOs filed a petition to Central Administrative Court (“CAC”), claiming that certain permits issued after revision of the Thai constitution in 2007 were issued illegally, and requested of revoking such permits. In addition, the claimants requested the CAC to provide temporary protection by suspending 76 projects in MIE Area. CAC’s ruling to order injunction was enforced by the Supreme Administrative Court while reducing the number of suspended projects to 65. Although our operations have all necessary permits and are not included in the suspended projects, some of our existing new and/or potential customers may have been affected by the court orders.

In June 2010, we learned from the Industrial Estate Authority of Thailand (“IEAT”) that The Stop Global Warming Association (“Plaintiff”) had filed a complaint with the CAC, and that GHECO-One’s and Glow SPP 3’s Project names are in the list attached to the complaint (the “Second NGO Complaint”). Even though we are not named as a defendant, the complaint involved, among other things, a motion to suspend the projects named in the complaint.

In addition to the above cases, Stop Global Warming Association has filed a statement of claim to the Rayong Administrative Court against the competent authorities, namely Energy Regulatory Commission (“ERC”), Industrial Estate Authority of Thailand (“IEAT”), National Environment Board (“NEB”), Secretary of Office of Natural Resources and Environmental Policy and Planning (“ONEP”), alleging that such authorities unlawfully approved and granted permits to GHECO-One for operating a thermal plant in a pollution control area. The statement of claim also requests the court to order the relevant authorities to revoke any permits granted to GHECO-One and suspend any activities of GHECO-One. The court eventually ordered to include GHECO-One as a co-defendant of the case, since it is the owner of the power plant and could be affected by any court order and on verdict. All defendants of the cases prepared their statement of defenses and separately submitted the same to the court in October 2013. As of today, the Rayong Administrative Court is in the process of reviewing relevant documents. We are confident that GHECO-One has applied and obtained all permits in accordance with relevant laws and regulations, and has operated the plant in-line with the requirements in approved Environmental and Health Impact Assessment reports and relevant permits.

## **We are exposed to foreign exchange risk**

We are exposed to foreign exchange risk in a number of aspects. Many of our operating costs are denominated in (or, for instance in the case of our gas costs, partially indexed to.) USD and other currencies. Most of our USD-denominated operating costs can be serviced by USD-linked income. However, our coal and coal freight costs are USD-based and we cannot fully pass the fluctuations in these costs (including as a result of currency fluctuations) through to our customers. Further, while our revenues are partially linked to the USD, a significant amount of our indebtedness is THB-denominated. We have typically had a substantial degree of USD content or linkage in cash flows (and thus normalized net earnings) available to distribute to shareholders and, if this continue to be the case, any appreciation of the THB compared to the USD would reduce the THB amount of dividend payments to our shareholders. For these reasons, significant fluctuations in exchange rates could have a material adverse effect on our business, results of operations, financial condition and prospects.

## **Our insurance coverage may not adequately protect us against possible risk of loss**

Our operations are subject to operating and other risks typically associated with electricity generation. Insurance markets are cyclical. As a result, we may at times be unable to obtain appropriate insurance on commercially reasonable terms or at all, which may subject us to potentially significant financial loss upon the occurrence of a large uninsurable event.

We have all-risk and business interruption, third party liability, terrorism and other insurance coverage. Our principal insurance covers loss arising out of physical loss or damage to our plants and generating machinery as well as financial loss resulting there from, but contains certain customary exclusions and deductibles. If we suffer a large uninsured or excluded loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially adversely affected.

## **The operation of one of our subsidiaries is exposed to hydrology risk**

Houay Ho Power Company Limited (“HHPC”) is operator of a 152 MW hydro power plant in Attapeu province, Lao PDR., while Houay Ho Thai Company Limited (“HHTC”) is a holding company holding 25 percent stake of HHPC. Currently, we effectively hold 67.25 percent stake in HHPC, through both direct holding in HHPC and indirect holding through HHTC.

As for any hydro plant, HHPC’s operations are highly dependent on the amount of rainfall in any given year. In addition, the power purchase agreement with EGAT requires HHPC to sell a minimum amount of electricity per annum (although it does foresee the calling of a limited number of “drought years”), and not meeting this requirement may lead, among others, to a requirement to pay liquidated damages. For these and other reasons adverse rainfall conditions could materially affect the operations and results of HHPC.

## **We are exposed to (fresh water) drought risks in the Eastern Seaboard Areas (Chonburi and Rayong)**

Power generation requires large volumes of fresh water for cooling of equipment and production of clarified water and demineralized water for internal usage and industrial consumptions. Lack of fresh water supply could lead to a shutdown of our power generation units. In recent years, low rainfall has been observed in a number of cases (2004, 2012 and, to a lesser extent, 2014 and 2015). Over the years, several meetings have taken place with all parties and multiple initiatives have been rolled out. Notwithstanding this, there is a residual risk of drought and reservoir levels need to be monitored on an ongoing basis.

# Business



## Development of the company and the group companies

Glow Energy Plc. was incorporated as “The Cogeneration Public Company Limited” (“The Cogeneration Plc.”) in October 1993. ENGIE S.A. and its subsidiary through which it holds its stake in Glow Energy are hereafter collectively referred to as “ENGIE”), acquired its initial interest in Glow Company Limited. (“Glow Co., Ltd.”) in September 1997 and in Glow Energy Plc. in November 2000, after which the latter was delisted. In December 2004, the Company’s majority shareholders adjusted their internal shareholding structure by acquiring shares of Glow Co., Ltd. Under the new structure, Glow IPP Company Limited (“Glow IPP”), Glow SPP 1 Company Limited (“Glow SPP1”) and Glow Demin Water Company Limited (“Glow Demin”) became the Company’s subsidiaries.

In 2007, we formed two holding companies and one operating company: Glow IPP 2 Holding Company Limited (“Glow IPP 2 Holding”), Glow IPP 3 Company Limited (“Glow IPP 3”), and GHECO-One Company Limited (“GHECO-One”).

In September 2008, GHECO-One signed a long-term power purchase agreement with Electricity Generating Authority of Thailand (“EGAT”) and started construction of a 660 MW (Megawatts) coal fired project located in Map Ta Phut Industrial Estate (“MIE”). Glow Group owns a 65 percent stake in this project; Hemaraj Land and Development Public Company Limited. (“Hemaraj”) owns the remaining 35 percent stake.

In May 2009, Glow Co., Ltd. acquired a 49 percent stake in Houay Ho Thai Company Limited (“HHTC”) and a 55 percent stake in Houay Ho Power Company Limited (“HHPC”) from ENGIE. HHTC is a holding company with a 25 percent stake in HHPC. Therefore, we effectively hold a 67.25 percent stake in HHPC. HHPC owns and operates a 152 MW hydro power plant in Attapeu province, Lao PDR.

In July 2011, the Company acquired 100 percent stake in Thai National Power Company Limited (“TNP”) from International Power Plc. (“IPR”), our major shareholder at that time, which later became 100 percent owned by ENGIE. TNP holds 100 percent stake in two subsidiaries; Thai National Power 2 Company Limited (“TNP 2”) and Rayong National Power Company Limited (“RNP”). TNP, TNP 2, and RNP changed their names to Glow SPP 11 Company Limited (“Glow SPP 11” or “Glow SPP11 Phase 1”), Glow SPP 12 Company Limited (“Glow SPP 12” or “Glow SPP11 Phase 2”), and Glow SPP 13 Company Limited (“Glow SPP 13” or “Glow SPP11 Phase 3”) respectively in December 2011. In 2013, Glow SPP 12 and Glow SPP 13 were merged with Glow SPP 11, in which today operates gas-fired cogeneration facilities generating and supplying electricity to EGAT under SPP scheme and electricity and chilled water to industrial customers in Siam Eastern Industrial Park (“SEIP”) (located in Pluak Daeng, Rayong).

In 2016, Eastern Seaboard Clean Energy Co., Ltd. (“ESCE”) was structured as a joint venture (at 33 percent each) between Glow IPP 3, WHA Energy Co., Ltd., and SUEZ (South East Asia) Ltd., ESCE holds 100 percent stakes in each of Chonburi Clean Energy Co., Ltd. (“CCE”), Rayong Clean Energy Co., Ltd. (“RCE”), and Glow Hemaraj Wind Co., Ltd. (“GHW”). In 2017, CCE was awarded a PPA for a waste-to-energy project (gross capacity of 8.6 MW).

## The following timeline shows the key events in Glow Energy's history and development

October 1993	Glow Energy incorporated under the name "The Cogeneration Public Company Limited".
February 1996	The Cogeneration Plc. listed on the Stock Exchange of Thailand ("SET").
April 1996	The Cogeneration Plc.'s cogeneration plant began initial commercial operation.
September 1997	ENGIE formed a joint venture with Hemaraj, in which each party shared a 50 percent stake in Glow Co., Ltd. (formerly known as H-Power Company Limited). At the time, H-Power owned 100 percent of Glow SPP 1 (formerly known as Industrial Power Company Limited) and 51 percent of Glow IPP (formerly known as Bowin Power Company Limited).
February 1998	Glow SPP 1's 124 MW cogeneration plant began commercial operation.
March 1999	Glow SPP 2 / Glow SPP 3 (hybrid plant) began commercial operation.
May 1999	Glow Co., Ltd. acquired the remaining 49 percent stake in Glow IPP from International Generating Company Limited., increasing its interest to 100 percent.
June 2000	ENGIE increased interest in Glow Co., Ltd. to 75 percent.
2000 - 2004	ENGIE progressively increased its interest in Glow Co., Ltd. to 100 percent in a series of transactions involving the indirect sale of a 5 percent stake in Glow IPP to Hemaraj.
November 2000	ENGIE acquired a 62 percent stake in the Cogeneration from Sithe Pacific Holdings Limited.
February/ March 2001	ENGIE increased its shareholding in The Cogeneration to 99 percent by purchasing Banpu's shares and conducting a tender offer for the remaining outstanding shares.
August 2002	The Cogeneration's shares delisted from the SET.
January 2003	Glow IPP's 713 MW plant in Hemaraj Chonburi Industrial Estate ("CIE"), Bowin began commercial operation.
May 2003	Company name changed from The Cogeneration Public Company Limited to Glow SPP Public Company Limited.
December 2004	Glow SPP Public Company Limited ("Glow SPP Plc.") acquired 100 percent of Glow Co., Ltd. from ENGIE.
February 2005	Company name changed from Glow SPP Plc. to Glow Energy Plc.
April 2005	Glow Energy Plc. listed shares on the SET.
September 2008	Signed Power Purchase Agreement with EGAT and started construction of GHECO-One project in October 2008.
May 2009	Glow Co., Ltd. acquired 49 percent stake in HHTC and 55 percent stake in HHPC from ENGIE S.A. subsidiaries.
November 2010	Glow Energy's 115 MWeq (Megawatt Equivalent) coal-fired plant ("CFB 3") started commercial operation.
December 2010	SUEZ-Tractebel Energy Holding Cooperative U.A. was merged with GDF SUEZ Energy Asia, Turkey and Southern Africa B.V. holding 25 percent in Glow Energy.
February 2011	ENGIE merged its Energy International Business with International Power Plc. ("IPR"). Stake of Glow Energy held by ENGIE is part of the merger. After the combination, GDF SUEZ holds 70 percent of enlarged IPR.
July 2011	Glow Energy Plc. acquired 100 percent stake in TNP, which holds 100 percent stake in TNP 2 and RNP.

September 2011	Glow Energy's 382 MWeq gas-fired cogeneration plant ("Phase 5") started commercial operation.
October 2011	Glow Energy Plc. started construction of 1.55 MW PV solar plant in Asia Industrial Estate ("AIE"), Banchang, Rayong, with expected start of commercial operation in 1 August 2012.
December 2011	TNP, TNP 2, and RNP changed names to Glow SPP 11, Glow SPP 12, and Glow SPP 13 respectively.
June 2012	ENGIE completed buyout of the minority shareholders of IPR.
August 2012	GHECO-One's 660 MW coal-fired IPP plant started commercial operation.
August 2012	Glow's 1.55 MW PV-Solar plant started commercial operation.
December 2012	Glow SPP 12's 110 MW gas-fired cogeneration plant started commercial operation.
June 2013	Glow SPP 12 and Glow SPP 13 transferred their entire business to Glow SPP 11.
August 2014	The liquidation process for Glow SPP 12 and Glow SPP 13 was completed.
April 2015	Glow SPP 11's 19 MW new gas engine units (expansion of Glow SPP 11 Phase 3 plant) started commercial operation.
October 2016	Chonburi Clean Energy ("CCE") was awarded a waste-to-energy project (gross capacity of 8.6 MW). CCE is a joint venture (at 33 percent each) between Glow IPP 3, WHA Energy Co. Ltd., and SUEZ (South East Asia) Ltd.
October 2016	ENGIE Myanmar Limited is established, as a wholly-owned-subsiary of Glow Co., Ltd.
November 2017	CCE's 8.6 MW waste-to-energy plant started construction.

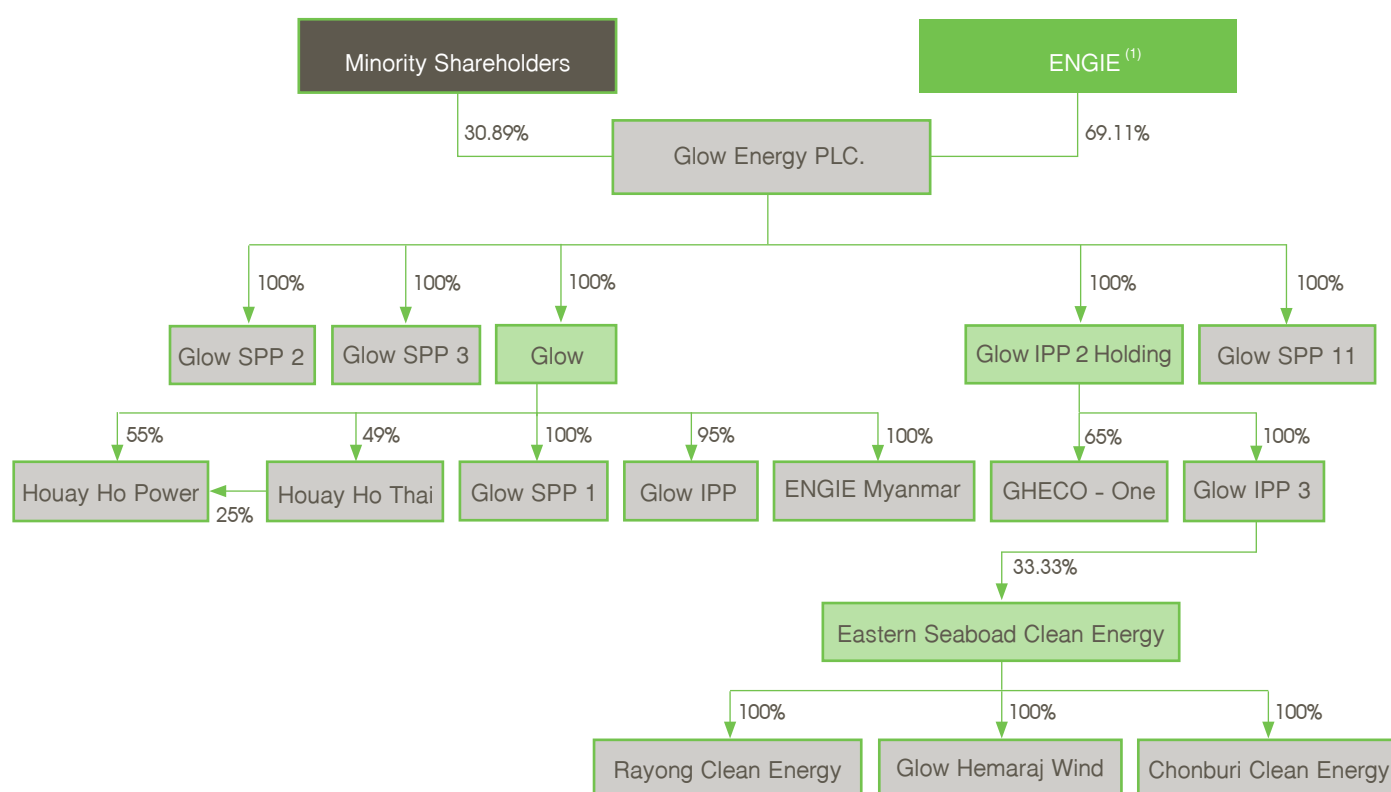
## Shareholding Structure of GLOW Group<sup>(1)</sup>

Glow Energy Public Company Limited ("Glow Energy Plc." or "the Company"), together with its subsidiaries, is one of the largest private electricity generators and provider of industrial utilities in Thailand, with operations in Thailand and the Lao People's Democratic Republic ("Lao PDR"). We operate Independent Power Producers ("IPP") and cogeneration facilities, most of which operate as Small Power Producers ("SPP") under Thailand's SPP program. Our core business is to produce and supply electricity to the Electricity Generating Authority of Thailand ("EGAT"), and to produce and supply electricity, steam, processed water and chilled water to industrial customers in the Map Ta Phut Industrial Estate ("MIE"), other industrial estates in the immediate vicinity of the MIE (together, the "MIE Area"), and Siam Eastern Industrial Park ("SEIP") in Pluak Daeng, Rayong.

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Notes: <sup>(1)</sup> "Glow Group" mentioned in this attachment including 1) Glow Co., Ltd., 2) Glow SPP 1 Co., Ltd., 3) Glow SPP 2 Co., Ltd., 4) Glow SPP 3 Co., Ltd., 5) Glow SPP 11 Co., Ltd., 6) Glow IPP Co., Ltd., 7) Glow IPP 2 Holding Co., Ltd., 8) Glow IPP 3 Co., Ltd., 9) Glow Hemaraj Wind Co., Ltd., 10) Eastern Seaboard Clean Energy Co., Ltd., 11) Rayong Clean Energy Co., Ltd., 12) Chonburi Clean Energy Co., Ltd., and 13) ENGIE Myanmar Ltd.

The following diagram displays our current organizational and ownership structure as of 31 December 2017



Note: <sup>(1)</sup> ENGIE, formerly known as GDF SUEZ, holds its interest in Glow Energy Plc. through its two wholly-owned subsidiaries, ENGIE Holding (Thailand) Co., Ltd. (formerly "GDF SUEZ Energy (Thailand) Co., Ltd."), which holds a 50.64 percent in Glow Energy Plc. and ENGIE Global Developments B.V. (formerly "GDF SUEZ Energy International Global Developments B.V."), which holds a 18.47 percent in Glow Energy Plc.

Although separate companies within our corporate group own our key operating assets, we maintain a single and centralized management structure for all of our group's companies and assets. This allows us to effectively monitor and coordinate our production facilities' operations.

## Relationships with Major Shareholders

Glow Energy Plc. is 69.11% held by and considered as part of ENGIE.

ENGIE is committed to take on the major challenges of the energy revolution, towards a more decarbonised, decentralised and digitized world. The Group aims to becoming the leader of this new energy world by focusing on three key activities for the future: low carbon generation in particular from natural gas and renewable energies, energy infrastructures and efficient solutions adapted to all its clients' needs (individuals, businesses, territories, etc.). The customers' satisfaction, innovation and digital are at the heart of ENGIE's development. ENGIE is active in around 70 countries, employs 150,000 people worldwide and achieved revenues of €65 billion in 2017. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance). To learn more : [www.engie.com](http://www.engie.com)

The Company is the sole entity of ENGIE for investment and operation of electricity generation business in Thailand, Laos, Myanmar, Malaysia, Vietnam and Cambodia.

## Business

Glow Energy Plc. and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand. We operate Independent Power Producers (“IPP”) and cogeneration facilities, most of which also operate as Small Power Producers (“SPP”) under Thailand’s SPP program. Our core business is to produce and supply electricity to EGAT, and to produce and supply electricity, steam, processed water and chilled water to industrial customers in the MIE Area and SEIP.

We have operated in Thailand since 1993. Our six principal production facilities are located in the industrial eastern seaboard of Thailand in Rayong and Chonburi Provinces. We also own hydroelectric plant in Lao PDR’s Attapeu Province. As of 31 December 2017, we had a total generating capacity of 3,207 MW of electricity, 1,206 tons per hour of steam, 5,482 cubic meters per hour of processed water and 3,400 refrigerated tons of chilled water.

Electricity generation and sales are the most important components of our business, accounting for 82.7 percent of total revenues in 2017. The generation and sale of steam is also a significant part of our business, accounting for 13.3 percent of total revenues in 2017. We currently own and operate eight principal production facilities. Their operating characteristics as of 31 December 2017, are:

- Glow IPP plant: Located in the Hemaraj Chonburi Industrial Estate (“CIE”), 713 MW of electrical generating capacity;
- HHPC hydroelectric IPP plant: Located in Attapeu province, Lao PDR., 152 MW of electrical generating capacity;
- GHECO-One plant: Located in the Map Ta Phut Industrial Estate (“MIE”), 660 MW of electrical generating capacity;
- Glow Energy cogeneration plants (“Phase 1&2”): Located in the Map Ta Phut Industrial Estate (“MIE”), 281 MW of electrical generating capacity; 550 tons per hour of steam; and 2,520 cubic meters per hour of processed water;
- Glow SPP 1 cogeneration plant: Located in the Hemaraj Eastern Industrial Estate (“EIE”) 124 MW of electrical generating capacity; 90 tons per hour of steam; and 190 cubic meters per hour of processed water;
- Phase 3 cogeneration plants: Located in the MIE. The complex consists of:
  - Glow SPP 2/ Glow SPP 3 plant: 513 MW of electrical generating capacity; 190 tons per hour of steam; and 150 cubic meters per hour of processed water;
  - Glow Energy Phase 4 plant: 77 MW of electrical generating capacity; 137 tons per hour of steam and 2,050 cubic meters per hour of processed water;
  - Glow Energy CFB 3 plant: 85 MW of electrical generating capacity; 79 tons per hour of steam; and
  - Glow Energy Phase 5 plant: 328 MW of electrical generating capacity; 160 tons per hour of steam.
- Pluak Daeng cogeneration plants: Located in SEIP, consisting of:
  - Glow SPP11 Phase 1 plant (formerly known as Glow SPP 11 plant): 120 MW of electrical generating capacity; 2,200 refrigerated tons of chilled water;
  - Glow SPP11 Phase 2 plant (formerly known as Glow SPP 12 plant): 110 MW of electrical generating capacity; 1,200 refrigerated tons of chilled water;
  - Glow SPP11 Phase 3 plant (formerly known as Glow SPP 13 plant): 23 MW of electrical generating capacity; and
  - Glow SPP11 Phase 3 plant expansion: 19 MW of electrical generating capacity.

- Glow Energy Solar plant: Located in Asia Industrial Estate (“AIE”), 1.55 MW electrical generating capacity by photovoltaic technology (solar cells).

In 2017, we had total consolidated revenues of THB 52,537 million and a net profit of Baht 9,076 million. As of 31 December 2017, we had total assets of THB 106,031 million.

## Revenue Structure

We derive revenue primarily from sales of electricity to EGAT and sales of electricity, steam, clarified water, demineralized water and chilled water to industrial users in the MIE Area and SEIP. The following table breaks down our revenues by source for the periods indicated:

	Revenues					
	Year to Date Ended December 31,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
Revenues from Sales of Goods and Rendering of Service						
Electricity						
Sales to EGAT by IPPs	13,408.7	25.5	14,364.1	27.1	(955.4)	(6.7)
Sales to EGAT by SPPs	13,747.7	26.2	15,125.7	28.5	(1,378.0)	(9.1)
Sales to Industrial Customers	15,722.9	29.9	15,031.8	28.3	691.1	4.6
Financial Lease Income (Glow IPP)	567.3	1.1	665.4	1.3	(98.1)	(14.7)
Total	43,446.6	82.7	45,187.0	85.2	(1,740.4)	(3.9)
Steam	6,984.7	13.3	6,925.9	13.0	58.8	0.8
Other Products	447.2	0.8	454.4	0.8	(7.2)	(1.6)
Total	50,878.5	96.8	52,567.3	99.0	(1,688.8)	(3.2)
Other Incomes	1,658.8	3.2	524.9	1.0	1,133.9	>100
<b>Total Revenue</b>	<b>52,537.3</b>	<b>100.0</b>	<b>53,092.2</b>	<b>100.0</b>	<b>(554.9)</b>	<b>(1.0)</b>

## Business Strategy

Our aim is to optimize profitability through operational excellence and value-creating growth in Thailand and neighboring countries. We have crafted a business strategy that takes into account four perspectives: commercial, operational, financial and human resources.

We have balanced our short- and long-term objectives to create a well-defined set of priorities and action plans. For our existing operations, this involves enhancements in utilization, efficiency and reliability of existing generation units and distribution networks. This will assist us in reducing overall costs and improving profit margins. We also place strong emphasis on the timely completion of new facilities within their respective budgetary frameworks, optimizing capital costs, and strengthening internal reporting systems and procedures. We are also focusing additional resources on sustainable growth in the areas of renewable energy. With the assistance of ENGIE, we will continue developing a highly motivated and competent team of Thai managers and staffs to support these efforts.

## 1. Commercial Perspective

From a commercial perspective, we are focused on: (i) growing our core business; (ii) proactively managing client relationships; (iii) optimizing fuel costs and securing fuel supply; and (vi) maintaining and enhancing our local knowledge and relationships.

### 1.1 Pursue growth of our core business

We intend to grow our core business by simultaneously increasing our capacity to meet growing industrial demand for electricity and steam, and by positioning ourselves to compete successfully for opportunities to install new generating capacity in Thailand and in neighboring markets.

We are considering opportunities to expand our power business in Thailand, Cambodia, Laos, Myanmar and Vietnam. It is also our intention to continue to grow our cogeneration business both in Thailand and other parts of South East Asia.

To achieve this, we will focus on maintaining and enhancing our operations, providing reliable and high-quality services to existing customers and new customers, meeting all obligations under the EGAT Power Purchase Agreements, and strengthening our institutional relationships within Thailand (including regulators and policy makers). It is our belief that this will put us in a favorable position to bid for new electricity generation projects in Thailand and neighboring countries in the future.

### 1.2 Proactively manage industrial customer relationships

Our industrial customer base is a key component of our business. The majority of our industrial customers in MIE Area are in the petrochemical industry, which relies upon a stable supply of electricity and steam to avoid start-up costs associated with interruptions that occur during production. Our service reliability sets us apart from our competitors, and has made us the electricity and industrial utility supplier of choice in our markets. In particular, we target steam and high-load electricity customers who value reliability of supply. The majority of our industrial customers in SEIP are producers of automotive and motorcycle parts. With our reliability of supply and services, most factories in SEIP are our customers.

We place a high-degree of importance on strengthening relationships with existing customers, not only by providing them with a reliable supply of electricity and industrial utilities, but also by working closely with them to better understand their needs and enhance the provision of services. To do this, we use a variety of customer service based action plans designed to improve customer satisfaction. These action plans help us to understand each customer's respective needs, and improve supply reliability, communication, incident handling and problem solving.

We firmly believe that customer satisfaction is the key to retaining and expanding contracts with existing customers and also acquiring new customers.

### 1.3 Optimize our fuel management by reducing fuel cost and ensuring supply availability

Our business is constantly exposed to fluctuations in the price and availability of fuel (and in particular coal). The nature of our business also requires that we have fuel supply arrangements that ensure a sufficiency at all times. We also seek to maintain prudent levels of back-up fuel supplies. Both these factors are critical to our ability to operate.

As such, we commit significant resources to fuel management. We are perpetually seeking opportunities to enhance our coal procurement arrangements to reduce coal and freight costs, which for certain parts of our business have a direct impact on our profitability. To do this, we will continue to examine our open positions on fuel costs. In accordance with our coal risk management policy and in line with our ongoing efforts to protect against fuel price fluctuations, we entered into a hedging agreement with coal suppliers, financial institutions, and other hedge providers in 2017 for part of the coal to

be delivered in 2018, and we may enter into similar hedging arrangements in the future. In addition, for SPP and IPP PPAs for coal-fired units with EGAT, changes in fuel costs are substantially passed through to EGAT through the indexation of the Energy Charge.

#### **1.4 Maintain and enhance local knowledge and relationships**

Our core business is to generate and supply electricity and steam to customers in Thailand, and our business strategies reflect our long-term commitment to the country. In this light, we focus substantial resources on identifying and training key individuals to lead our company into the future. We also place a high priority on strengthening our institutional relationships with EGAT, the government, related government authorities, and regulators.

## **2. Operational Perspective**

From an operational perspective, our focus is on:

#### **2.1 Maintaining and improving reliability, availability and capacity utilization**

Our plant capacity utilization can be improved through capacity enhancement measures as well as by reducing the number of unplanned outages and days required for scheduled maintenance. We continually seek to improve our performance in all these areas through various measures, such as condition and performance monitoring, preventive and effective maintenance, and the reduction of forced outages through root cause analysis and enhanced operating procedures.

#### **2.2 Improving fuel consumption efficiency**

As fuel is a major cost item, fuel efficiency is an important driver of our profitability. Our aim is to continually improve operational efficiency by optimizing dispatch, monitoring the performance of critical equipment and work processes, optimizing the coal mixing prior to feeding to the boilers as well and energy loss monitoring and mitigation.

#### **2.3 Reduce operational costs**

It is our aim to minimize operational and maintenance costs without compromising plant reliability or contractual obligations to supply customers. We do this by ensuring the manner and timing at which costs are incurred is transparent and by exercising good judgment with respect to the need for those expenses. We use reliable systems and cost management procedures to ensure prudent cost management.

Since 2010, we have entered into long-term parts agreements with the original equipment manufacturers for the supply of gas turbine parts and reconditioning services to Glow IPP and Glow SPP 1 for the next three major inspections of each generating unit (approximately 8-9 years), which helps to reduce costs. In 2012, we have entered into another long-term parts and services agreement with IHI to cover the procurement of parts and inspection services scope for the three new gas turbines of Glow SPP11 Phase 2 plant. In 2017, we have entered in a new long-term service agreement for Phase 5 to supply both gas turbine parts and inspection services for a period of approximately the next 15 years.

Our relationship with, and technical support from, ENGIE and the increase in the number of gas turbine units owned within the group enables us to negotiate more effectively with suppliers and to source equipment and parts on competitive terms.

#### **2.4 Execute projects effectively**

We are, on an ongoing basis, either constructing new power plants to serve new customers' demand, implementing projects to enhance performance, and/or constructing new distribution lines to our customers. A dedicated team of employees handles these projects in an organized and prudent manner to avoid delay, poor performance and the financial consequences thereof.

### 3. Financial Perspective

#### Maintain and improve our financial position

Our focus on excellence also includes financial management. We actively evaluate opportunities to minimize the weighted average cost of capital by optimizing our capital structure while reducing our exposure to financial risks. We seek to mitigate foreign exchange risks by matching the currency costs and debt service payments with the currency, direct or indirect linkage, of free cash flow. We have a prudent but flexible interest rate risk management system that is supported by the expertise of the ENGIE finance departments, which assists us in determining the amount and timing of fixing interest rates. In addition, we also seek to maximize long term shareholder value by actively monitoring our cash balance in conjunction with our capital expenditure plans.

We also seek to improve our management reporting systems and procedures by enhancing the reliability of these systems, and continually perpetually reviewing and documenting the processes involved therein. To do this, we use ENGIE's proven "INCOME methodology" (Internal Control Management referred to as the Internal Control Management and Efficiency Programme).

The implementation of this methodology developed for the internal control management governance ensures our Group's compliance with ENGIE's, as well as with the laws and regulations of the jurisdictions that ENGIE operates (such as France's "Loi de Sécurité Financière" ("LSF"), United Kingdom's Turnbull Report and European Union's directives on internal control).

The aforementioned laws and regulations seek to promote corporate responsibility, increase public disclosure, and improve the quality and transparency of financial reporting and auditing. They also make company executives explicitly responsible for establishing, evaluating, and monitoring the effectiveness of the company's internal control structure.

## Competitive Strengths

We believe that our principal competitive strengths are:

### 1. Critical Scale and Reliability of Operations

We believe that we have achieved a critical scale of operations in Thailand. Glow IPP has 2 electrical generators, GHECO-One has one supercritical electrical generator, our cogeneration facilities in MIE Area and EIE Area have an aggregate of 23 electrical generators and 19 steam generators, and our cogeneration facilities in SEIP have an aggregate of 12 electrical generators.

Our size is critical in particular to our competitiveness in MIE Area, as our cogeneration facilities in MIE Area are interconnected to provide a reliable supply of electricity and steam to our industrial customers. Our steam network is of a size that ensures a substantial reduction in the risk of supply interruption and pressure loss in the event that any one or more units fail.

The interconnection of our facilities provides us with a number of advantages: it enables us to dispatch our lowest-cost generating units and improve the reliability of our electricity and steam supply to customers; it allows us greater flexibility to coordinate and rotate maintenance schedules; and it ensures our customers greater flexibility when scheduling maintenance outages and in supplying peak start-up demand. Overall, these factors have together allowed our cogeneration facilities to maintain high reliability rates and reduce operating costs.

It is our assertion that, in our view, our competitors cannot replicate the scale of our cogeneration operations in the near term, giving us a distinct competitive advantage. The scale of our operations also allows us to capitalize on synergies between our various businesses, including but not limited to: (i) the presence of system redundancies that limit the risk of system of failure; (ii) the presence of economies of scale that improves profitability; (iii) more efficient spare parts management; (iv) improved operational expertise; (v) large-scale system automation; (vi) highly qualified, trained, and (vii) experienced personnel able to carry out tasks and procedures more effectively; and leverage with regard to suppliers.

Our size and long-term presence in the marketplace also allows us to attract a highly motivated and competent workforce that gives us key market know-how and credibility as a serious player in the Thai energy industry. We operate IPP and cogeneration facilities -most of which operate as SPPs under Thailand's SPP program- giving us a major presence in two distinct sectors of the Thai electricity supply market.

Our business "footprint" in Thailand is diverse, which allows us to attract high-value commercial customers while simultaneously sustaining and increasing cooperation with public sector customers in Thailand. Additionally, our full or near-full ownership and sole operational control of our key assets enables us to control strategic business decisions and react quickly and in a coordinated manner to market developments. We are confident that these factors place us firmly in a position to acquire new business in the future.

## 2. Strategic Location and Assets

### 2.1 The MIE Area <sup>(1)</sup>

In addition to a critical scale of operations, the location and concentration of our assets also provides us with a key competitive advantage. We are the principal private electricity supplier and one of the largest industrial utilities suppliers in the MIE Area, the largest and most important industrial estate for petrochemical companies operating in Thailand.

We operate a centralized utility park that enables us to apply strategic resources in a focused manner reflected in operational strengths. Our presence in the MIE Area provides us with an established business presence in a key commercial area of Thailand. This has generated a number of significant opportunities to develop important business relationships with some of Thailand's largest companies.

Our facilities are located centrally within the MIE and are surrounded by several key petrochemical producers. We have a supply infrastructure that connects our facilities to clients via an underground electrical network as well as an above-ground steam pipe network.

Our assets are also diversified. We operate both gas- and coal-fired generating units; sell to industrial customers as well as to EGAT; sell material amounts of both electricity and steam; and operate IPP, SPP and non- SPP cogeneration facilities. Together, this diversified portfolio of products, customers and plants ensures our long-term competitiveness as a major player in the Thai energy supply market.

### 2.2 The SEIP Area

The SEIP Area is located in industrial estate with high concentration on automobile and motorcycle parts manufacturing. Our advantage is that we are the only private utilities supplier in the SEIP Area. We own generating units, power transmission lines and chilled water distribution pipeline. Any expansion of existing industrial users and/or new clients will likely choose our reliable utility supply.

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Notes: <sup>(1)</sup> The MIE Area or Map Ta Phut Complex covers the area of MIE, AIE and EIE.

### 3. Established Track Record as a Reliable Supplier Focusing on Customer Satisfaction

Having operated in Thailand since 1993, we have an established reputation as a reliable provider of electricity and steam. Reliability of supply is particularly important to our industrial customers, especially in the petrochemical industry. As such, we focus on developing and constantly improving our supply reliability to differentiate ourselves from our competitors. For example, our generating park in the MIE Area is centralized and interconnected. We also have a dedicated transmission network. Our reliability of supply to industrial customers is further enhanced through the implementation of critical redundancies and underground cabling for electricity customers.

We also pride ourselves on providing a high level of customer service to clients, as we see customer satisfaction as a key driver to retaining and increasing business with existing clients, as well as acquiring new clients. We believe our track record of solid performance, particularly with industrial customers in the MIE Area and the SEIP Area, has strengthened our reputation.

That our core business is the generation and supply of electricity and steam helps differentiate us from our competitors, many of whom have a broader scale of operations and lack our specialization. This allows us to focus management resources on business development and operational excellence in a manner that our competitors cannot, while simultaneously capitalizing on support from ENGIE, which is also principally engaged in the supply and production of electricity and industrial utilities.

### 4. Relationship with ENGIE

As a subsidiary of ENGIE, a worldwide group whose expertise spans most major areas of the global electricity and gas industries, we have access to their critical experience and technical know-how. This allows us to capitalize on, and benefit from, group-wide relationships.

We have formalized certain aspects of this relationship in a Support Service Agreement that GLOW Group signed with a wholly-owned subsidiary of ENGIE which, among other benefits, provides us with access to control, operational and project consulting support from ENGIE. We have also signed a separate agreement with ENGIE in which it has agreed not to compete directly with us in Thailand's electricity generation sector for a period of 15 years from the date of this separate agreement which was on 3 March, 2005.

As ENGIE's sole vehicle for investment in the electricity generation business in Thailand, we believe that we will continue to benefit from this relationship going forward, under the terms of these agreements and otherwise.

### 5. Stability of Revenues and Cash Flows

For MIE Area, most of our electricity and steam sales are made under long-term sales contracts with durations of approximately 15 years for industrial customers, and between 21 to 25 years for sales to EGAT. Although we had some contracts with industrial customers with original term having already expired or due to expire over the next few years, we have been able to extend majority of those agreements for additional 10-15 years term. Thus, only about 5 percent of our current MWeq sold to industrial customers in MIE Area will expire within 2018 and we are currently negotiating to extend those contracts. For electricity supply contracts with industrial customers in SEIP, we extended most of those agreements for another 2-10 years. Recently, we were able to extend longer chilled water agreement term from 2017 to 2025.

The EGAT Power Purchase Agreements expire gradually through 2037 for SPPs and in 2028 for Glow IPP. The EGAT Power Purchase Agreement with GHECO-One will be expired in 2037. This provides our business, as a whole, an element of stability and predictability that affords us some level of insulation from competition.

In addition, and as previously noted, most of our industrial customers are in the petrochemical industry and due to the nature of petrochemical production processes, they have relatively high load factors and stable levels of demand.

# Products and Production Facilities



## Products and Production Facilities

Our core business is the generation and supply of electricity to EGAT and the Provincial Electricity Authority (“PEA”), and the generation and supply of electricity and steam, with clarified, demineralized water and chilled water as secondary products, to industrial customers within the MIE Area and nearby industrial estates and SEIP.

### Products

#### Electricity

We produce electricity for sale to EGAT, PEA (for our solar plant under the VSPP program) and to industrial customers. Electricity sold to EGAT, Thailand’s single wholesale buyer of electricity, is routed into EGAT’s national transmission system. EGAT sells this electricity to both the Provincial Electricity Authority and Metropolitan Electricity Authority (“PEA” and “MEA”), which distribute it through their respective distribution networks to end users throughout Thailand.

We also own and operate an interconnected system of supply sources and transmission lines. The various companies within GLOW group have entered into contracts to sell electricity to industrial customers in the MIE Area and SEIP. Although the contracts of Glow Energy, Glow SPP 2 and Glow SPP 3 are principally with industrial customers in the MIE, each company also has additional industrial customers in the MIE Area. Glow SPP 1 sells to industrial customers in Thailand’s Eastern Industrial Estate while Glow SPP 11 sells to industrial customer in the SEIP area. All electricity in MIE Area is supplied to customers through dedicated transmission lines. Our industrial customers use this electricity for a variety of industrial purposes, the majority of which are associated with petrochemical, petrochemical-related and automobile/motorcycle manufacturing and production processes.

#### Steam

We also supply steam to industrial customers in the MIE Area. Glow Energy, Glow SPP 2 and Glow SPP 3 sell primarily to industrial customers in the MIE and AIE, whereas Glow SPP 1 sells to industrial customers in the EIE. Steam is sold to our customers at varying pressure levels and used for a multitude of industrial purposes. Due to the inherent limitations of transporting steam over long distances, most of our steam customers are located within four kilometres of steam generating facilities.

#### Processed water

We also sell clarified and demineralized water to industrial users in the MIE Area. Although this is not one of our group’s core businesses, it is complementary to our electricity and steam generation businesses. As such, we initially entered into the business to generate water for our own production purposes. We do, however, sell excess processed water to industrial customers.

#### Chilled water

At the SEIP, we supply chilled water to two industrial clients for cooling in their manufacturing processes. Unlike in the MIE Area the industries at the SEIP Area do not require steam in their manufacturing processes.

## Production facilities

The following table lists our production facilities' key capacity statistics as of 31 December 2017:

Plant Name	Location	Production Capacity					Power Plant Commercial Operation Date
		Electricity (MW)	Steam (tons/hr)	Chilled water (RT)	Processed Water (cu.m./hr)		
					Clarified	Demin	
Production Facilities							
Glow IPP	CIE	713	-	-	-	-	Jan. 2003
GHECO-One	MIE	660	-	-	-	-	Aug. 2012
Houay Ho Power Plant	Laos	152	-	-	-	-	Sep. 1999
Glow Energy Phase 1	MIE	-	250	-	1,110	230	Jul. 1994
Glow Energy Phase 2	MIE	281	300	-	900	280	Apr. 1996
Glow Energy Phase 4	MIE	77	137	-	1,500	550	Jan. 2005
Glow Energy Phase 5	MIE	328	160	-	-	-	Sep. 2011
Glow Energy CFB 3	MIE	85	79	-	-	-	Nov. 2010
Glow Energy Solar	AIE	1.55	-	-	-	-	Aug. 2012
Glow SPP 1	EIE	124	90	-	-	190 <sup>(1)</sup>	Feb. 1998
Glow SPP 2/Glow SPP 3 (Phase 3)	MIE	513	190	-	-	150	Mar. 1999
Glow SPP 11 Phase 1	SEIP	120	-	2,200	300 <sup>(2)</sup>	60 <sup>(2)</sup>	Oct. 2000
Glow SPP 11 Phase 2	SEIP	110	-	1,200	200 <sup>(2)</sup>	12 <sup>(2)</sup>	Dec. 2012
Glow SPP 11 Phase 3	SEIP	23	-	-	-	-	Oct. 2006
Glow SPP 11 Phase 3 expansion	SEIP	19	-	-	-	-	Apr. 2015
Total		3,207	1,206	3,400	4,010	1,472	

Source: Glow Energy.

Note: <sup>(1)</sup> The COD of the aforementioned processed water treatment plants may not be the same as power plant COD.

<sup>(2)</sup> Raw material for chilled water

Although separate legal entities within our corporate group own these plants, they are centrally managed through a single, coordinated management structure. This allows us to more effectively monitor and coordinate operations of our facilities and implement policies on a group-wide basis.

#### **Glow IPP plant**

Glow IPP plant is a natural gas-fired combined cycle plant that began commercial operation in January 2003. The plant, which generates and sells electricity to EGAT, operates as an independent power producer under Thailand's IPP program. The plant had an electrical generating capacity of 713 MW.

#### **GHECO-One plant**

GHECO-One plant located at MIE Area is a supercritical coal-fired thermal plant that began commercial operation in August 2012. The plant, which generates and sells electricity to EGAT, operates as an independent power producer under Thailand's IPP program. The plant has a net electrical generating capacity of 660 MW.

#### **Houay Ho Power plant**

Houay Ho Power plant is a hydro-power plant that began commercial operation in September 1999. The plant is located in Attapeu province, southern part of the Lao People's Democratic Republic. It has a net electrical generating capacity of 152 MW. The plant, which generates and sells electricity of 126 MW to EGAT and 2 MW to EDL, operates as an Independent Power Producer under Thailand's IPP program.

#### **Glow Energy Phase 1 plant**

Glow Energy Phase 1 plant, which began commercial operation in July 1994 and is located in the MIE, consists of a natural gas-fired "D" type boiler for steam generation and a water production plant. The plant is capable of generating 250 tons per hour of steam, 1,110 cubic meters per hour of clarified water, and 230 cubic meters per hour of demineralized water. Because this facility uses relatively inefficient boilers for steam generation, we do not enter into long-term steam supply contracts with respect to this facility. Instead, it is used primarily to satisfy short-term and start-up demand, provide excess capacity, and to strengthen our overall system reliability. The processed water generated by this facility is sold to industrial customers in the MIE.

#### **Glow Energy Phase 2 plant**

Glow Energy Phase 2 plant located in the MIE is a combined cycle natural gas-fired cogeneration plant that began commercial operation in April 1996. As of 31 December 2011, the plant had an electrical generating capacity of 281 MW and a steam generating capacity of 300 tons per hour. Electricity generated by this plant is sold both to EGAT and to industrial customers in the MIE. Steam is sold to industrial customers in the MIE. The Glow Energy Phase 2 plant is also equipped with water treatment facilities capable of producing 900 cubic meters per hour of clarified water and 280 cubic meters per hour of demineralized water, which are either consumed by the Glow Energy Phase 1 plant and/or sold to industrial customers in the MIE and nearby industrial estates.

#### **Glow Energy Phase 4 plant**

Glow Energy Phase 4 plant is a natural gas-fired cogeneration plant located in the MIE that began commercial operation in January 2005. The Glow Energy Phase 4 Plant has increased its clarified and demineralized water plant capacities since 2010 to serve additional demand in the area of MIE. Plant had an electrical generating capacity of 77 MW, steam generating capacity of 137 tons per hour, clarified water generating capacity of 1,500 cubic meters per hour, and demineralized water generating capacity of 550 cubic meters per hour. Electricity generated by this plant is wholly sold to EGAT. Steam and processed water from the plant are sold to industrial customers in the MIE and nearby industrial estates.

### **Glow Energy Phase 5 plant**

Glow Energy Phase 5 plant is located adjacent to the Glow SPP 3 plant in the MIE. The plant consists of gas turbine, heat recovery steam generator and steam turbine. It can generate electricity maximum of up to 382 MW, designed to have 328 MW of electricity and maximum of 160 tons per hours of steam. Electricity and steam produced from this unit are supplied to the existing Glow distribution networks. This unit is a relatively large cogeneration unit compared to the other cogeneration units we have in our fleet. Due to the size and its efficiency Glow Energy Phase 5 power plant is operated as a base load unit while other small cogeneration units are utilized to fulfill EGAT PPAs and balancing industrial load. The plant has been in commercial operations since September 2011.

### **Glow Energy CFB 3 plant**

Glow Energy CFB 3 plant, which began commercial operation in November 2010, is located adjacent to the Glow SPP 3 plant in the MIE. The plant consists of coal-fired circulating fluidized bed boiler and steam turbine. The plant was designed for an electrical generating capacity of 85 MW at a steam generating capacity of 79 tons per hour or a 115 MWeq electrical generating capacity without steam extraction. Electricity and/or steam generated by Glow Energy CFB 3 plant are distributed to the current electricity and steam networks for our industrial customers in the MIE Area.

### **Glow Energy Solar plant**

Glow Energy Solar plant is a photovoltaic solar power plant located at AIE that began commercial operation in August 2012. The plant generates and sells electricity to PEA. The plant has a net electrical generating capacity of 1.55 MW.

### **Glow SPP 1 plant**

Glow SPP 1 plant is a natural gas-fired combined cycle cogeneration facility. The plant is located in the EIE and began commercial operation in February 1998. The plant has an electrical generating capacity of 124 MW, a steam generating capacity of 90 tons per hour and a demineralized water production capacity of 70 cubic meters per hour. Electricity generated by the Glow SPP 1 plant is sold to EGAT, as well as industrial customers in the EIE. Steam produced at the plant is sold to industrial customers in the EIE. The Glow Demineralized Water plant is owned by Glow SPP 1 Company Limited and is located within the vicinity of the Glow SPP 1 plant in the EIE. It began commercial operation in November 1999 and is capable of producing a total of 120 cubic meters per hour of demineralized water. We sell processed water produced by the Glow Demineralized Water plant and Glow SPP 1 plant to industrial users in the EIE.

### **Glow SPP 2/ Glow SPP 3 plant (Phase 3)**

Glow SPP 2/ Glow SPP 3 plant is a hybrid natural gas- and coal-fired cogeneration facility located in the MIE that began commercial operation in March 1999. Although we manage the plant as a single generation facility, Glow SPP 2 owns the gas-fired generation portion of the facility and Glow SPP 3 owns the coal-fired portion.

The plant is divided into two parts: (i) two 35 MW gas turbines and two heat recovery units; and (ii) two 222 MW hybrid cogeneration units, each comprising a steam turbine and coal-fired circulating fluidized bed boiler. The Glow SPP 2/ Glow SPP 3 plant had an electrical generating capacity of 513 MW, a steam generating capacity of 190 tons per hour and a demineralized water production capacity of 150 cubic meters per hour. Electricity generated by the Glow SPP 2/ Glow SPP 3 plant is sold to EGAT and industrial customers in the MIE Area. The plant's steam and processed water are sold to industrial customers in the MIE and nearby industrial estates.

#### **Glow SPP 11 Phase 1 plant**

Glow SPP 11 Phase 1 plant is a natural gas-fired cogeneration plant located in the SEIP that began commercial operation in October 2000. The plant consists of two gas turbines, one steam turbine and an absorption chiller and electric chiller for a backup unit. The plant has electrical generating capacity of 120 MW and chilled water generating capacity of 2,200 refrigerated tons. Electricity from the plant is partly sold to EGAT, while electricity and chilled water sold to industrial customers in the SEIP are transmitted via our own transmission network and chilled water pipelines, respectively.

#### **Glow SPP 11 Phase 2 plant**

Glow SPP 11 Phase 2 plant is a natural gas-fired cogeneration plant located in the SEIP that began commercial operation in December 2012. The plant consists of two gas turbines, one steam turbine, an absorption chiller and electric chiller for augmenting the gas turbines output. The plant has electrical generating capacity of 110 MW and chilled water generating capacity of 1,200 refrigerant tons. Electricity from the plant is partly sold to EGAT, while electricity and chilled water sold to industrial customer in the SEIP are transmitted via our own transmission network and chilled water pipelines, respectively.

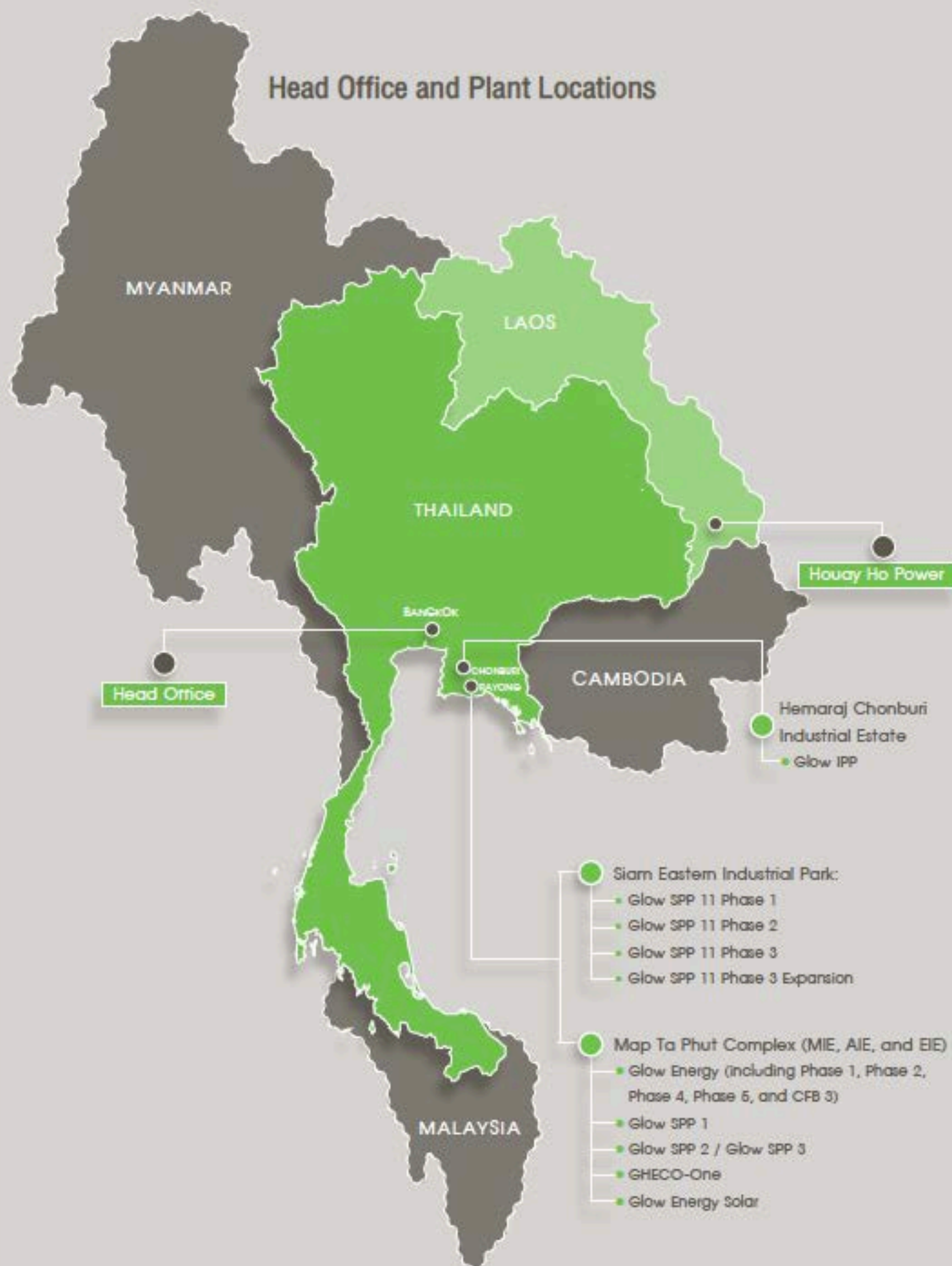
#### **Glow SPP 11 Phase 3 plant**

Glow SPP 11 Phase 3 plant consists of four electricity generating reciprocating gas-fired engines located in the vicinity of Glow SPP 11 plant, at the SEIP. The plant can generate a total output of 23 MW into the common network. All four engines were installed and commenced commercial operation in October 2006.

#### **Glow SPP 11 Phase 3 plant expansion**

Glow SPP 11 Phase 3 plant expansion consists of two electricity generating reciprocating gas-fired engines located in the vicinity of Glow SPP 11 plant, in SEIP. The plant can generate a total output of 19 MW into the common network. The two engines were installed and commenced commercial operation in April 2015.

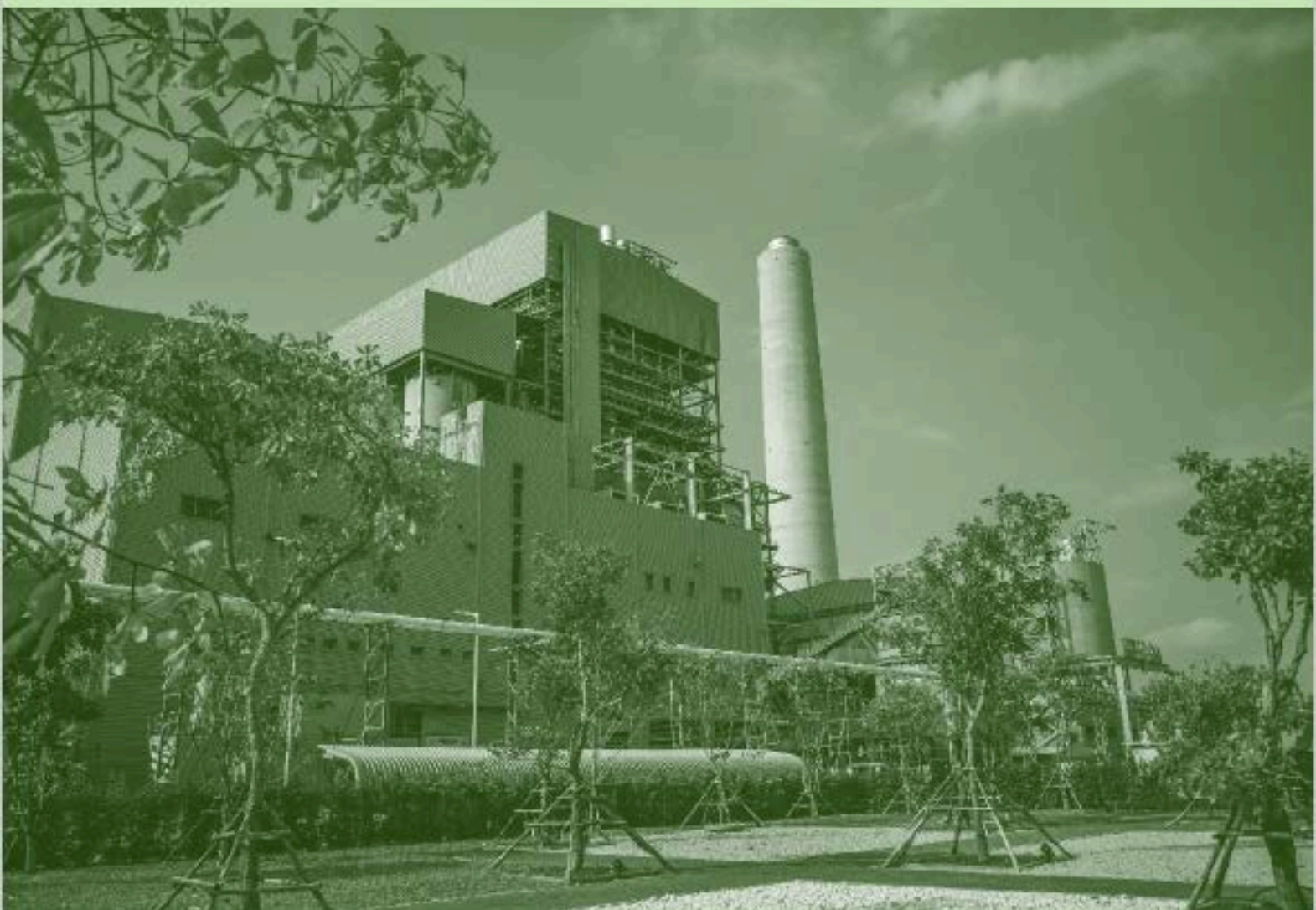
## Head Office and Plant Locations



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# Shareholding and Management Structure

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## Shareholders

The following table sets out our major shareholders as of 31 December 2017:

Major Shareholders	# Shares	Percentage
1. ENGIE Holding (Thailand) Co., Ltd. <sup>(1)</sup>	740,759,773	50.64%
2. ENGIE Global Developments B.V. <sup>(2)</sup>	270,216,260	18.47%
3. Thai NVDR Co., Ltd.	110,878,105	7.58%
4. South East Asia UK (Type C) Nominees Ltd	38,733,389	2.65%
5. Social Security Office	31,731,300	2.17%
6. State Street Europe Limited	29,039,258	1.99%
7. HSBC (Singapore) Nominees Pte Ltd	15,554,000	1.06%
8. BNY Mellon Nominees Limited	11,539,900	0.79%
9. HSBC (Singapore) Nominees Pte Ltd	9,495,000	0.65%
10. Nortrust Nominees Ltd-CL AC	9,149,900	0.63%
11. Chase Nominees Limited	8,889,915	0.61%
12. Boon Rawd Brewery Co., Ltd.	8,000,000	0.55%
13. The Bank of New York (Nominees) Limited	7,398,808	0.51%
14. Others	171,479,427	11.72%
	<b>1,462,865,035</b>	<b>100.00%</b>

Note: <sup>(1)</sup> ENGIE Holding (Thailand) Co., Ltd.

<sup>(2)</sup> ENGIE Global Developments B.V. are wholly owned subsidiaries of ENGIE S.A. (formerly known as "GDF SUEZ S.A.")

## Dividend Policy

Glow Energy's board of directors' decisions to declare dividends are, (in the case of annual dividends being available), subject to the approval of shareholders at each year's annual general meeting. Declarations of interim dividends, however, do not require shareholder approval.

Our Board of Directors' current policy with regard to annual dividends is to recommend to shareholders that dividends be distributed in an amount not less than 50 percent of our net income for each year. This amount is normalized by excluding net foreign exchange gains/losses, deferred tax revenues or expenses, and deducting all specified reserves, and is subject to our investment plans and other considerations deemed appropriate by the board.

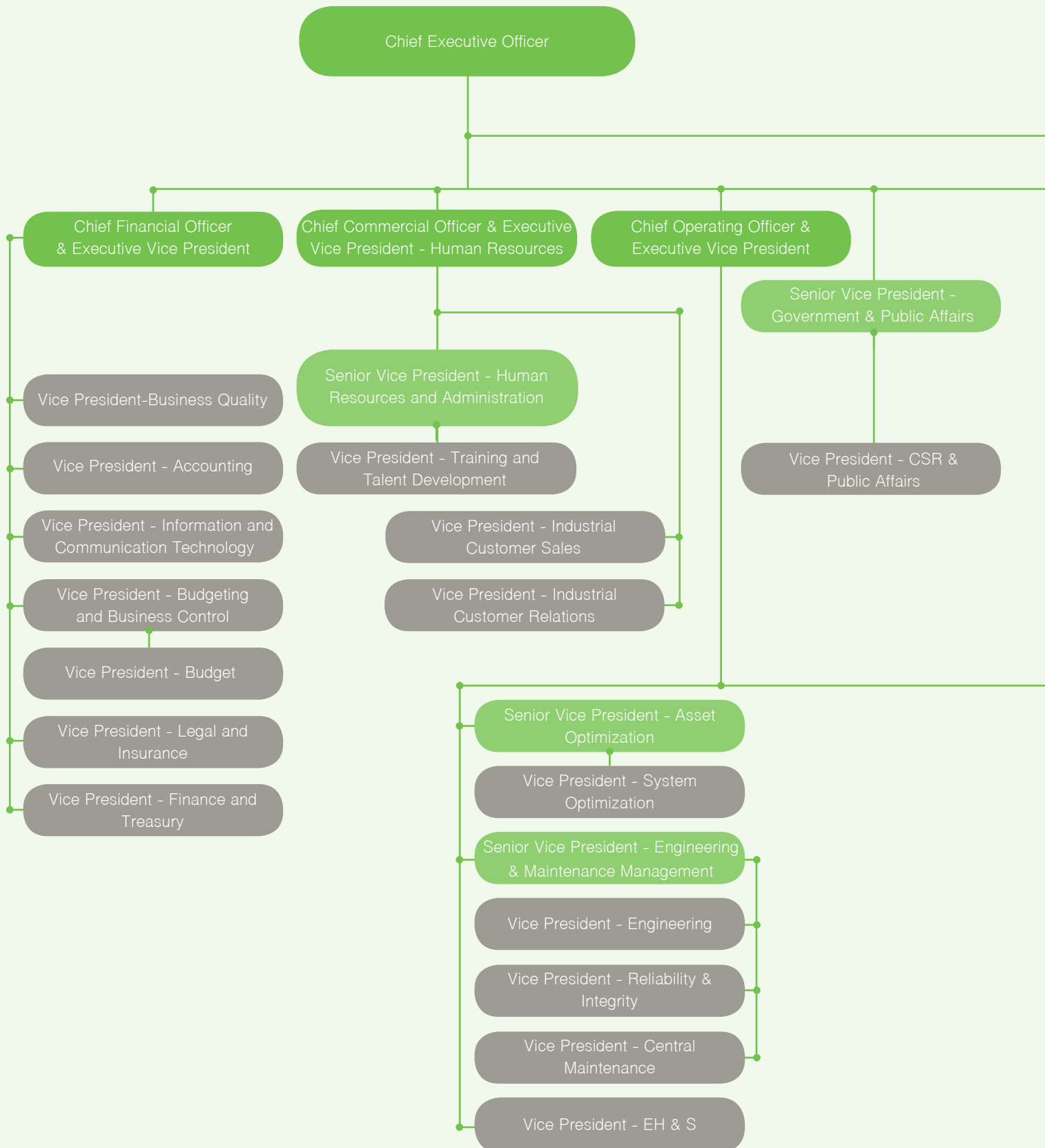
The Public Company Limited Act ("PLCA"), requires dividends to be distributed from our net income. It prohibits dividend payments if our retained earnings are negative, even when a positive annual net income is recorded. The PLCA also requires that we set aside a legal reserve equal to 5 percent of our annual net income until our total legal reserve is equal to at least 10 percent of our total registered capital. This can reduce the amount of net income available for dividend payments.

As of 31 December 2017, our registered capital was THB 14,828.7 million, our paid-up capital was THB 14,628.7 million, and our legal reserve was THB 1,598.3 million. Our total unappropriated retained earnings (company only) as of 31 December 2017 were THB 13,470.6 million.

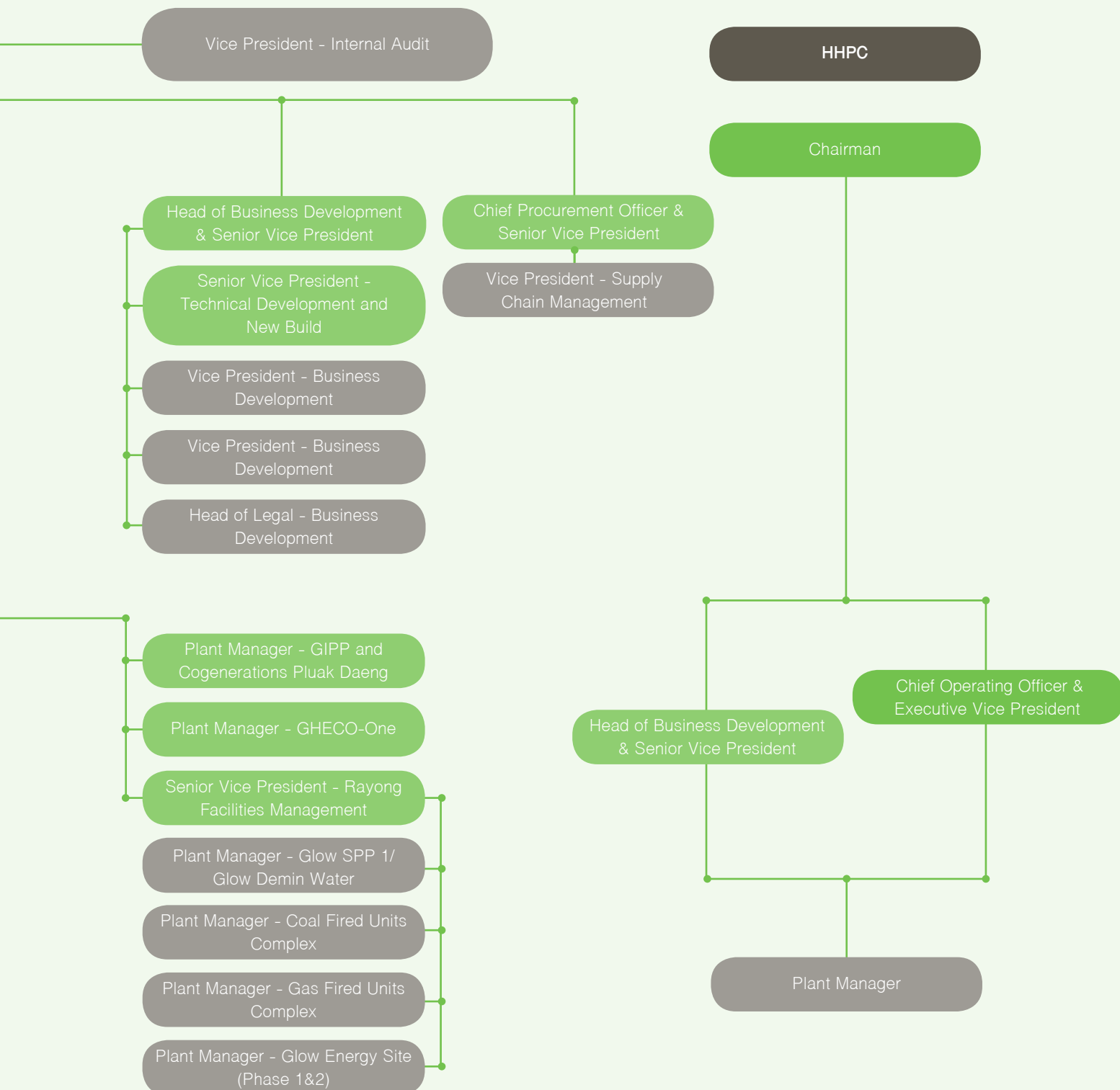
The Board of Directors of our other subsidiaries can declare interim dividend payout, but must submit dividend proposals to shareholders for approval for distributing annual dividends.

# Management Structure

Overview of Management Structure (as of 31 December 2017)



☐ Definition of executive according to SEC's notification



## Board of Directors

Name		Appointed as member of the Board since	Position
1.	Mr. Jan Franciscus Maria Flachet	24 February 2014	Chairman of the Board of Directors, and Chairman of Nomination and Remuneration Committee
2.	Mr. Brendan G.H. Wauters	14 August 2014	Director, Vice Chairman of the Board of Directors and Chief Executive Officer
3.	Mr. Esa Heiskanen <sup>(1)</sup>	29 October 2008	Director
4.	Mr. Anut Chatikavanij	9 November 2000	Director
5.	Mr. Marc J.Z.M.G. Verstraete	11 November 2013	Director
6.	Mr. Vitthaya Vejajiva	8 August 1995	Independent Director, Chairman of Audit Committee member, and Nomination and Remuneration Committee member
7.	Em. Prof. Supapun Ruttanaporn	28 October 1999	Independent Director, and Audit Committee member
8.	Mrs. Saowanee Kamolbutr	26 April 2016	Independent Director, and Audit Committee member
9.	Prof. Dr. Borwornsak Uwanno	25 March 2013	Independent Director
10.	Mrs. Csilla Kohalmi-Monfils	9 May 2014	Director
11.	Mr. Sven De Smet <sup>(2)</sup>	26 April 2016	Director
12.	Mr. Shankar Krishnamoorthy <sup>(3)</sup>	26 April 2016	Director, and Nomination and Remuneration Committee member
13.	Mr. Paul Francis Maguire <sup>(4)</sup>	26 April 2017	Director, and Nomination and Remuneration Committee member
14.	Mr. Devarajen Mooroooven <sup>(5)</sup>	26 April 2017	Director
15.	Mr. Benoit Rene Mignard <sup>(6)</sup>	9 November 2017	Director

Note: <sup>(1)</sup> Resigned from member of the Board of Directors on 26 April 2017.

<sup>(2)</sup> Resigned from member of the Board of Directors on 9 August 2017.

<sup>(3)</sup> Resigned from member of the Board of Directors, and Nomination and Remuneration Committee member on 26 April 2017.

<sup>(4)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Esa Heiskanen, and Nomination and Remuneration Committee as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017.

<sup>(5)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017.

<sup>(6)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Sven De Smet on 9 November 2017.

## 1. Authorized Directors

Any two of the eight directors listed below are authorized to jointly sign company documents, which must also be affixed with the Company's seal.

Mr. Jan Franciscus Maria Flachet, Mr. Anut Chatikavanij, Mr. Paul Francis Maguire, Mr. Brendan G.H. Wauters, Mrs. Csilla Kohalmi-Monfils, Mr. Benoit Rene Mignard, Mr. Marc J.Z.M.G. Verstraete, and Mr. Devarajen Mooroooven.

## 2. Scope of authority and responsibilities of the Board of Directors

- The Company's Board of Directors perform their duties in accordance with laws, objectives and articles of association of the Company, regulations of the SET as well as in accordance with the resolutions of Shareholders' Meeting. The Board of Directors may authorize one or more Directors or any person to act on its behalf.
- The Board of Directors has the power to make decisions, oversee, monitor and make recommendations to the directions, strategies, activities and operations of the Company, except in the following cases, for which an approval from the Shareholders' Meeting has to be obtained beforehand:
  - any activity that laws/regulations and/or articles of association of the Company, has specified that it must have approval from the Shareholders' meeting first;
  - any undertaking of any related transaction which shall comply with relevant laws/regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC"); and
  - any acquisition or disposal of the assets which shall comply with relevant laws/regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC").
- The Board of Directors has the authority to declare payment of interim dividends from time to time if it deems that the Company has enough profit and available cash flow to do so.
- The Board of Directors approves the vision, mission, key strategies and policies of GLOW Group each year, and has followed up and monitored progress of strategy implementation periodically.
- The Board of Directors has a policy to encourage the Board members to attend ongoing professional education programs, and assures the Board members participate in accredited Directors training programs.
- The Board of Directors ensures that any new Director appointed receives relevant corporate documents, manuals, guidelines to introduce GLOW Group, and the roles and responsibilities of being a Director of a listed company.

## 3. Board meeting

The Board of Director holds at least four fixed and confirmed meetings each year respectively scheduled for February, May, August and November, during which the quarterly financial statements are considered. Extraordinary meetings may be arranged if and when necessary. For each board meeting, clear agendas and supporting documents for the matters to be considered during the meeting is submitted to each board member at least seven days in advance. This is designed to provide each board member with sufficient time to study important information before attending the meeting. Each board member can openly discuss and express his/her opinion during board meetings. The Chairman of the Board of Directors collects and summarizes information addressed during the meeting.

The Company Secretary is responsible for organizing and facilitating the board meetings and the board committee meetings, recording the meeting's minutes in writing, and performing any other actions specified in the Securities and Exchange Act (Fifth Amendment) B.E. 2559 or related laws and regulations, including notifications from the Capital Market Supervisory Board.

In 2017, the Board of Directors organized four ordinary meetings and one extraordinary meeting. The participation of each director is summarized below:

## The attendance of the Directors in 2017

		Participation/Total Meeting					Total Attendance vs Total no. of 2017 meetings
		Ordinary Meeting (4 meetings)		Extraordinary Meeting (1 meeting)			
		Present at the meeting	Present via VDO or Call Conference	Present at the meeting	Present via VDO or Call Conference		
Name	Position Holding Since						
1. Mr. Jan Franciscus Maria Flachet	24 February 2014	3	1	1	-	5/5	
2. Mr. Brendan G.H. Wauters	14 August 2014	4	-	1	-	5/5	
3. Mr. Esa Heiskanen <sup>(1)</sup>	29 October 2008	-	1	1	-	2/2	
4. Mr. Anut Chatikavanij	9 November 2000	3	-	1	-	4/5	
5. Mr. Marc J.Z.M.G. Verstraete	11 November 2013	3	-	1	-	4/5	
6. Mr. Vitthaya Vejajiva	8 August 1995	3	-	1	-	4/5	
7. Em. Prof. Supapun Ruttanaporn	28 October 1999	4	-	1	-	5/5	
8. Mrs. Saowanee Kamolbutr	26 April 2016	4	-	1	-	5/5	
9. Prof. Dr. Borwornsak Uwanno	25 March 2013	2	-	1	-	3/5	
10. Mrs. Csilla Kohalmi-Monfils	9 May 2014	2	-	1	-	3/5	
11. Mr. Sven De Smet <sup>(2)</sup>	26 April 2016	-	1	-	-	1/4	
12. Mr. Shankar Krishnamoorthy <sup>(3)</sup>	26 April 2016	-	-	-	-	0/2	
13. Mr. Paul Francis Maguire <sup>(4)</sup>	26 April 2017	3	-	-	-	3/3	
14. Mr. Devarajen Mooroooven <sup>(5)</sup>	26 April 2017	-	1	-	-	1/3	

Note: <sup>(1)</sup> Resigned from member of the Board of Directors on 26 April 2017.

<sup>(2)</sup> Resigned from member of the Board of Directors on 9 August 2017.

<sup>(3)</sup> Resigned from member of the Board of Directors, and Nomination and Remuneration Committee member on 26 April 2017.

<sup>(4)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Esa Heiskanen, and Nomination and Remuneration Committee as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017.

<sup>(5)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017.

## The attendance of the Audit Committee in 2017

Name	Position	Position Holding Since	Participation / Total Meeting		
			Ordinary Meeting (4 meetings)	Extraordinary Meeting (1 meeting)	Total Attendance vs Total no. of 2017 meetings
			Present at the meeting	Present at the meeting	
1. Mr. Vitthaya Vejajiva	Independent Director	8 August 1995	3	1	4/5
2. Em. Prof. Supapun Ruttanaporn	Independent Director	28 October 1999	4	1	5/5
3. Mrs. Saowanee Kamolbutr	Independent Director	26 April 2016	4	1	5/5

## The attendance of the Nomination and Remuneration Committee in 2017

Name	Position	Position Holding Since	Participation / Total Meeting		
			Ordinary Meeting (2 meetings)		Total Attendance vs Total no. of 2017 meetings
			Present at the meeting	Present via VDO or Call Conference	
1. Mr. Jan Franciscus Maria Flachet	Non-executive Director	24 February 2014	2	-	2/2
2. Mr. Vitthaya Vejajiva	Independent Director	8 August 1995	2	-	2/2
3. Mr. Shankar Krishnamoorthy <sup>(1)</sup>	Non-executive Director	26 April 2016	-	-	0/2
4. Mr. Paul Francis Maguire <sup>(2)</sup>	Non-executive Director	26 April 2017	-	-	-

Note: <sup>(1)</sup> Resigned from member of the Board of Directors, and Nomination and Remuneration Committee member on 26 April 2017.

<sup>(2)</sup> Appointed to be Nomination and Remuneration Committee as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017

## Training Program of the Director in 2017

Director	Training Program
1. Mr. Vitthaya Vejajiva	Audit Committee Forum (IOD), Class 1/2017
2. Mrs. Saowanee Kamolbutr	Audit Committee Forum (IOD), Class 1/2017
3. Em. Prof. Supapun Ruttanaporn	TFRS15 Training, Department of Accountancy, Chulalongkorn University

## Details of the Board of Directors

### 1. Mr. Jan Franciscus Maria Flachet

Age 61 years

#### Education

- Diploma in Management  
UCL Institute of Management and Administration, England
- Electro Mechanical Engineer  
University of Leuven (KU Leuven), Belgium

#### Working experiences

##### Present

- Chairman of the Board of Directors  
Glow Energy Public Co., Ltd.
- Chairman of the Board of Directors  
Glow Group and Glow IPP 3 Co., Ltd.
- Board of Commissioners  
PT Supreme Energy Raja Basa
- Board of Commissioners  
PT Supreme Energy Muara Laboh
- Board of Commissioners  
PT Supreme Energy Rantau Dedap
- Board of Commissioners  
PT IPM Operation & Maintenance Indonesia (IPMOMI)
- Board of Directors  
Fifth Combine Heat & Power Plant LLC
- Board of Directors  
Senoko Power Limited
- Board of Directors  
Senoko Service Pte. Ltd.
- Board of Directors  
Senoko Gas Supply Pte. Ltd.
- Board of Directors  
Senoko Energy Supply Pte. Ltd.
- Board of Directors  
Senoko Energy Pte.Ltd.
- Chairman and Director  
International Power (Australia) Holdings Pty Ltd.
- Board of Directors  
ENGIE Services Singapore Pte Ltd.
- Board of Directors  
ENGIE Services Australia & New Zealand Holdings Pty.
- Board of Directors  
DSEA Australia Pty Limited

Shareholding Proportion (Percent)

None

Family Relation with Management

None

### 2. Mr. Brendan G.H. Wauters

Age 48 years

#### Education

- Master Degree in Business Administration  
University of Brussels, Belgium
- Commercial Engineering Degree  
University of Brussels (VUB), Belgium
- Certificate in Director Accreditation Program (DAP),  
Class 115/2015, Thai Institute of Directors Association (IOD)

#### Working experiences

##### Present

- Director, Vice Chairman of the Board of Directors and  
Chief Executive Officer  
Glow Energy Public Co., Ltd.
- Director and Chief Executive Officer  
Glow Group and Glow IPP 3 Co., Ltd.
- Chairman of the Board of Directors  
Houay Ho Power Co., Ltd.
- Chairman of the Board of Directors  
Houay Ho Thai Co., Ltd.
- Director  
Glow Hemaraj Wind Co., Ltd., Eastern Seaboard Clean  
Energy Co., Ltd., Rayong Clean Energy Co., Ltd., and  
Chonburi Clean Energy Co., Ltd.
- Director  
ENGIE Services (Thailand) Co., Ltd.

##### November 2009 - October 2014

- President & Chief Executive Officer  
Senoko Energy (Singapore)

##### 2004 - May 2011

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group (Except Glow IPP 3 Co., Ltd., GHECO-One Co.,  
Ltd., Houay Ho Thai Co., Ltd. and Houay Ho Power Co., Ltd.)

Shareholding Proportion (Percent)

None

Family Relation with Management None

### 3. Mr. Esa Heiskanen

Age 51 years

#### Education

- Master Degree in Science (Mechanical Engineering), Helsinki University of Technology, Finland
- Certificate in Director Accreditation Program (DAP) Class 83/2010, Thai Institute of Directors Association (IOD)

#### Working experiences

##### Present

- Chief Project Officer and Deputy CEO  
NuGeneration Ltd.

##### October 2008 – April 2017

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group

##### 2008 – September 2014

- Director, Vice Chairman of the Board of Directors and Chief Executive Officer  
Glow Energy Public Co., Ltd.
- Director and Chief Executive Officer  
Glow Group
- Chairman of the Board of Directors  
Houay Ho Power Co., Ltd.
- Vice Chairman of the Board of Directors  
Houay Ho Thai Co., Ltd. and Glow Hemaraj Wind Co., Ltd.

Shareholding Proportion (Percent) None

Family Relation with Management None

### 4. Mr. Vitthaya Vejjajiva

Age 81 years

#### Education

- Master Degree of Laws  
Harvard University, USA
- Bachelor Degree of Laws  
Cambridge University, England
- Role of Chairman Program  
Class 2/2001, Thai Institute of Directors Association (IOD)

### Working experiences

#### Present

- Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee  
Glow Energy Public Co., Ltd.
- Independent Director  
Glow Group
- Chairman  
K-Line (Thailand) Co., Ltd.

#### Position in other Listed Companies

- Independent Director Chairman of the Remuneration and Nomination Committee  
Bangkok Glass Public Co., Ltd.
- Independent Director and Chairman of the Audit Committee  
Finansa Public Co., Ltd.

Shareholding Proportion (Percent) None

Family Relation with Management None

### 5. Em. Prof. Supapun Ruttanaporn

Age 73 years

#### Education

- MBA (Accounting)  
Michigan State University, USA
- Bachelor of Accounting (Second Honors)  
Chulalongkorn University
- Certification Program (DCP)  
Class 15/2002, Thai Institute of Directors Association (IOD)

#### Working experiences

##### Present

- Independent Director and Audit Committee  
Glow Energy Public Co., Ltd.
- Independent Director  
Glow Group

#### Position in other Listed Company

- Independent Director and Audit Committee  
Charoen Phokpand Foods Public Co., Ltd.

##### Past

- Independent Director and Chairperson of the Audit Committee  
Delta Electronics (Thailand) Public Co., Ltd.

Shareholding Proportion (Percent) None

Family Relation with Management None

## 6. Prof. Dr. Borwornsak Uwanno

Age 61 years

### Education

- Doctorate Degree in Public Law  
Universite de Paris X (Nanterre) (mention tres bien)
- D.E.A. Public Law  
Universite de Paris X (Nanterre) (mention bien)
- D.S.U. Administrative Law  
Universite de Paris II
- Barrister At Law  
The Thai Bar Under The Royal Patronage
- Bachelor of Law  
Chulalongkorn University (First Class Honor)
- DAP Thai Air/ 2004  
Thai Institute of Directors Association (IOD)

### Working experiences

#### Present

- Independent Director  
Glow Energy Public Co., Ltd.
- Independent Director  
Glow Group

#### Position in other Listed Companies

- Chairman of the Board of Director and Independent Director  
Eternal Energy PLC.
- Chairman of the Board of Director  
General Engineering PLC.

#### Position in other Non-Listed Companies

- Member of the Board  
King Prajadhipok's Institute
- Fellow  
Royal Institute of Thailand
- Chairman of the 13<sup>th</sup> commission  
Office of the Council of State
- Advisor  
Constitutional Court and National Human Right Commission

#### 2015

- Chairman  
Constitutional Drafting Committee

#### 2014 - 2015

- Vice President  
National Reform Council

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

## 7. Mr. Anut Chatikavanij

Age 51 years

### Education

- Bachelor Degree from Lehigh University  
Pennsylvania, USA
- Certificate in Director Accreditation Program (DAP)  
Class 38/ 2005, Thai Institute of Directors Association (IOD)

### Working experiences

#### Present

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group and Glow IPP 3 Co., Ltd.

**Shareholding Proportion (Percent)** None

### Family Relation with Management

Relative of Mrs. Sriprapha Sumruatruamphol (Management)

## 8. Mr. Marc J. Z. M. G. Verstraete

Age 48 years

### Education

- Master of Business Administration  
International University of America, San Francisco, USA
- Military Service in the Infantry  
Arlon, Belgium
- Special License in Finance  
Vlerick School for Management, Ghent, Belgium
- Commercial Engineer  
Katholieke Universiteit, Leuven, Belgium
- Certificate in Director Accreditation Program (DAP)  
Class 115/ 2015, Thai Institute of Directors Association (IOD)

### Working experiences

#### Present

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group and Glow IPP 3 Co., Ltd.
- Director  
PTT Natural Gas Distribution Co., Ltd.
- Director  
ENGIE Holding (Thailand) Co., Ltd.
- Director and CFO  
ENGIE Asia-Pacific Co., Ltd.

- Director  
ENGIE Services Asia-Pacific Pte. Ltd.
- Director  
Elyo Pte. Ltd.
- Director  
ENGIE Its Pte Ltd
- Director  
ENGIE Services Malaysia Sdn Bhd
- Director  
ENGIE Services Australia & New Zealand Pty Limited
- Director  
DSEA Australia Pty Limited
- Alternate Director  
Senoko Power Limited
- Alternate Director  
Senoko Service Pte. Ltd.
- Alternate Director  
Senoko Gas Supply Pte. Ltd.
- Alternate Director  
Senoko Energy Supply Pte. Ltd.
- Alternate Director  
Senoko Energy Pte. Ltd.

#### April 2016 - December 2017

- Director  
ENGIE Services Australia Pty Limited
- Director  
ENGIE Fire Services Australia Pty Limited
- Director  
ENGIE Mechanical Services Australia Pty Limited
- Director  
ENGIE Investment Australia Pty Limited
- Director  
ENGIE Service New Zealand Pty Limited

**Shareholding Proportion (Percent)** None  
**Family Relation with Management** None

### 9. Mrs. Csilla Kohalmi-Monfils

Age 50 years

#### Education

- Master of Business Administration  
INSEAD Fontainebleau France  
(SASAKAWA scholarship recipient)
- Master Thesis in Molecular Biology  
CNRS - INSTITUT JACQUES MONOD Paris, France

- MSc in Bioengineering  
Technical University of Budapest, Budapest Hungary
- BSc Chemical Engineering  
Technical University of Budapest, Hungary

#### Working experiences

##### Present

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group

##### 2011 - Present

- Head of Strategy, New Business & Communication  
ENGIE Asia Pacific Co., Ltd.

##### 2010 - 2011

- Strategic Projects Director  
GDF SUEZ Energy (Budaors, Hungary)
- Director of Business Development  
E-STAR Alternative Plc (Budapest, Hungary)

##### 2016 - Present

- Director  
Pendinginan Megajana Sdn Bhd

**Shareholding Proportion (Percent)** None  
**Family Relation with Management** None

### 10. Mrs. Saowanee Kamolbutr

Age 65 years

#### Education

- Master of Political Science (Public Administration) (M.Pol.Sc.)  
Thammasat University
- Bachelor of Arts in Political Science (Public Administration)  
Thammasat University

#### Working experiences

##### Present

- Independent Director, and Audit Committee  
Glow Energy Public Co., Ltd.
- Independent Director  
Glow Group
- Honorary Director  
Rajapark Institute
- Honorary Advisor  
Small and Medium Enterprise Development Bank of Thailand  
(SME Bank)

- Advisor, The Committee on Economics, Monetary Affairs and Finance

The Committee of the National Legislative Assembly

#### Position in other Listed Companies

- Independent Director and Chairman of the Board of Director Pacific Pipe Public Co., Ltd.
- Independent Director, Member of the Audit Committee, Member of the Risk Management Committee, and Chairman of the Corporate Governance Committee FN Factory Outlet Public Co., Ltd.
- Independent Director and Chairman of the Audit Committee Carabao Group Public Co., Ltd.
- Independent Director and Chairman of the Audit Committee T.K.S. Technologies Public Co., Ltd.

#### October 2012 - September 2013

- Chairman of the Executive Director, Retail Business Unit Thai Yarnyon Co., Ltd.

#### April 2009 - May 2013

- Director Don Muang Tollway PLC

#### December 2009 - May 2013

- Chairman of the Board of Directors TMB Bank PLC

#### 2009 - October 2012

- Deputy Permanent Secretary Ministry of Finance

#### 2009 - September 2012

- Director and Chairman of the Audit Committee Provincial Waterworks Authority

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

## 11. Mr. Sven De Smet

Age 51 years

#### Education

- General Management Program CEDEP/INSEAD Fontainebleau, France
- Degree in Financial Analysis (ABAF/BVFA) ICHEC Brussels, Belgium
- Master in Financial Management VLEKHO Brussels, Belgium
- Postgraduate degree in Management University of Leuven (Campus Kortrijk), Belgium

- Engineering degree in electronics University of Ghent, Belgium

#### Working experiences

##### April 2016 - August 2017

- Director Glow Energy Public Co., Ltd.
- Director Glow Group

##### April - December 2015

- Executive Vice President in Charge of Finance, Legal, IT, Performance, Purchase and Insurance - Branch Energy Services GDF SUEZ (Paris, France)

##### January - March 2015

- Chargé de mission auprès d'Isabelle Kocher GDF SUEZ (Paris, France)

##### February 2012 - December 2014

- Group Director Acquisitions, Investments and Financial Advisory GDF SUEZ (Paris, France)

##### June 2010 - February 2012

- Deputy Director Acquisitions, Investments and Financial Advisory GDF SUEZ (Brussels, Belgium)

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

## 12. Mr. Shankar Krishnamoorthy

Age 58 years

#### Education

- Bachelor of Science (Electrical Engineering) University of Delhi, India

#### Working experiences

##### April 2016 - April 2017

- Director Glow Energy Public Co., Ltd.
- Director Glow Group
- Executive Vice President ENGIE, in charge of the Gas Chain, Centralized Production of Electricity, Decentralized Solutions for Cities and Territories, Solutions for Businesses, Solutions for Residential and Professional Customers Métiers, Strategy,

Business Development Oversight, and in charge of supervision of Tractebel and ENGIE Solar.

#### 2016

- Managing Director - Centralised Generation Métier and Chairman of Solairedirect, ENGIE SA, (London, United Kingdom)  
ENGIE, (London, United Kingdom)

#### 2014 - 2015

- Executive Vice President, Business Development  
ENGIE Energy International, (London, United Kingdom)

#### 2009 - 2013

- Chief Executive Officer, and CEO & President  
META/SAMEA, GDF SUEZ Energy International, Dubai

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

### 13. Mr. Paul Francis Maguire

Age 52 years

#### Education

- Master of Business Administration (MBA)  
RMIT University (Royal Melbourne Institute of Technology), Australia
- Diploma, Australian Institute of Company Directors, Australia
- Bachelor of Business (major in Accounting),  
Victoria University, Australian Society of Certified Practising Accountants ("CPA")

#### Working experiences

##### Present

- Director and Nomination and Remuneration Committee  
Glow Energy Public Co., Ltd.
- Director  
Glow Group and Glow IPP 3 Co., Ltd.
- Chairman of the Board of Directors  
GHECO-One Co., Ltd.
- President and CEO Asia Pacific  
ENGIE Asia Pacific Co., Ltd.
- President and CEO Asia Pacific  
ENGIE Holding (Thailand) Co., Ltd.

#### 2014 - 2017

- President and CEO  
Senoko Energy Pte Ltd

#### December 2010 - September 2014

- Chief Executive Officer  
Simply Energy Pty Ltd

#### May 2006 - November 2010

- Finance Director  
ENGIE (Australian Energy) previously called International Power - Australia

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

### 14. Mr. Devarajen Mooroooven

Age 39 years

#### Education

- Master Degree in Banking Finance and Commodities,  
Université de Bordeaux, France
- Master Degree in Econometrics Université de Bordeaux,  
France

#### Working experiences

##### Present

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group
- Senior Vice President, International Energy Markets  
ENGIE

#### May 2013 - January 2016

- Global Head of Coal, Freight and Biomass within Energy  
Management and Trading  
ENGIE

#### 2012 - 2013

- Management of the Gas, Power and Coal Origination and  
Trading  
Deutsche Bank

#### 2006 - 2012

- Head of Origination and Sales for EMEA  
Macquarie Bank

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

## 15. Mr. Benoit Rene Mignard

Age 58 years

### Education

- Master's degree in Science and Executive Engineering,  
MINES ParisTech, France

### Working experiences

#### Present

- Director  
Glow Energy Public Co., Ltd.
- Director  
Glow Group
- Group Operational Financial Director  
ENGIE

#### 2014 - 2015

- Executive Vice President, Exploration & Production  
International SA (EPI)  
ENGIE

#### 2012 - 2014

- Executive Vice President and Chief Financial Officer  
GDF SUEZ

#### 2008 - 2011

- Executive Vice President and then Corporate Director of  
Investments and Acquisitions  
GDF SUEZ

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

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**Note:** "Glow Group" mentioned in this case includes 1) Glow Co., Ltd., 2) Glow SPP 1 Co., Ltd., 3) Glow SPP 2 Co., Ltd., 4) Glow SPP 3 Co., Ltd., 5) Glow SPP 11 Co., Ltd., 6) Glow IPP Co., Ltd., and 7) Glow IPP 2 Holding Co., Ltd.; excluding 1) Glow IPP 3 Co., Ltd., 2) Glow Hemaraj Wind Co., Ltd., 3) Eastern Seaboard Clean Energy Co., Ltd., 4) Rayong Clean Energy Co., Ltd., and 5) Chonburi Clean Energy Co., Ltd.

## Management Team

The Management team is comprised of 38 individuals:

Name	Position
1. Mr. Brendan G. H. Wauters	Chief Executive Officer, and Executive Management Committee Member
2. Mrs. Sriprapha Sumruatruamphol	Chief Commercial Officer and Executive Vice President – Human Resources, and Executive Management Committee Member
3. Mr. Pajongwit Pongsivapai	Chief Financial Officer and Executive Vice President, and Executive Management Committee Member
4. Mr. Arjan van den Broek	Chief Operating Officer and Executive Vice President, and Executive Management Committee Member
5. Mr. Narongchai Visutrachai	Senior Vice President – Government and Public Affairs, and Executive Management Committee Member
6. Mr. Gert Meersman	Head of Business Development and Senior Vice President, and Executive Management Committee Member
7. Mr. Akarin Prathuangsit	Chief Procurement Officer and Senior Vice President, and Executive Management Committee Member
8. Mr. Louis Stephen Holub	Plant Manager – GHECO-One
9. Mr. Wisit Srinuntawong	Senior Vice President – Engineering and Maintenance Management
10. Mrs. Mantana Kunakorn	Senior Vice President – Human Resources and Administration
11. Mr. Sutthi Chuesook <sup>(1)</sup>	Senior Vice President – Rayong Facilities Management
12. Mr. Suratchai Bangluang	Plant Manager – GIPP and Cogenerations Pluak Daeng
13. Dr. Somgiat Dekrajangpetch	Senior Vice President – Asset Optimization
14. Mrs. Chamaiporn Soonthorntasanapong	Vice President – Legal and Insurance
15. Mr. Anutarachai Nathalang	Vice President – Environmental, Health and Safety
16. Mr. Sakda Lacharochana	Vice President – Reliability and Integrity
17. Ms. Sirichan Chotchaisathit	Vice President – Industrial Customer Sales
18. Mr. Tananchai Chairsakaew <sup>(2)</sup>	Vice President – Engineering
19. Mr. Prateep Puthamrugsa	Vice President – Supply Chain Management
20. Mr. Somchai Klinsuwanmalee	Vice President – CSR and Public Affairs
21. Mr. Apichart Jamjuntr	Plant Manager – Gas Fired Units Complex
22. Mr. Renaud Pilleul	Vice President – Industrial Customer Relations
23. Mr. Sichanh Gnabandith	Plant Manager – HHPC
24. Ms. Suttasinee Pengsupaya	Vice President – Accounting
25. Mr. Chaiwut Rattanaopornsinchai	Vice President – Internal Audit
26. Mr. Eralp Gullep	Vice President – Business Quality
27. Mr. Banthom Krasang	Plant Manager – Glow SPP 1/Glow Demin Water
28. Mr. Rujirote Kasirerk	Plant Manager – Coal Fired Units Complex
29. Mr. Apidech Siriphornopphakhun	Plant Manager – Glow Energy Site (Phase1&2)
30. Mr. Pisut Boonvongsobhon	Vice President – Central Maintenance
31. Mrs. Unchana Kittipiyakul <sup>(3)</sup>	Vice President – Budget
32. Mrs. Patchara Jaroonvuthitham <sup>(4)</sup>	Vice President – Budgeting and Business Controlling

Name	Position
33. Ms. Anchana Tidsadikhun <sup>(5)</sup>	Vice President – Training and Talent Development
34. Mr. Aungsuthon Puboonterm	Vice President – System Optimization
35. Mr. Nunsilp Janvarin <sup>(6)</sup>	Vice President – Information and Communication Technology
36. Mr. Robin Merlier	Head of Legal – Business Development
37. Mr. Prapon Chinudomsab <sup>(7)</sup>	Vice President – Finance and Treasury
38. Mr. Ping Yang Li <sup>(8)</sup>	Vice President – Business Development
39. Ms. Duangporn Kijlertbunjong	Company Secretary and Corporate Affair Manager

Note: <sup>(1)</sup> Appointed to be Senior Vice President – Rayong Facilities Management since 1 January 2017

<sup>(2)</sup> Appointed to be Vice President – Engineering since 1 January 2017

<sup>(3)</sup> Appointed to be Vice President – Budget since 1 April 2017

<sup>(4)</sup> Joined the group as Vice President – Budgeting and Business Control since 1 April 2017

<sup>(5)</sup> Joined the group as Vice President – Training and Talent Development since 2 May 2017

<sup>(6)</sup> Appointed to be Vice President – Information and Communication Technology since 1 April 2017

<sup>(7)</sup> Appointed to be Vice President – Finance and Treasury since 15 August 2017

<sup>(8)</sup> Joined the group as Vice President – Business Development since 1 April 2017

## Details of Management Team

### 1. Mr. Brendan G. H. Wauters

Age 48 years

#### Education

(See description at the Board of director profile no. 2)

### 2. Mrs. Sriprapha Sumruatruamphol

Age 54 years

#### Education

- Master of Business Administration  
Syracuse University, New York, USA
- Bachelor Degree in Science (Chemical Engineering)  
Michigan Technological University, Michigan, USA

#### Working experiences

##### Present

- Chief Commercial Officer and  
Executive Vice President – Human Resources  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2001 – 2015

- Chief Commercial Officer and Executive Vice President  
Glow Energy Public Co., Ltd.  
Glow Group

Shareholding Proportion (Percent) 0.002%

#### Family Relation with Management

Relative of Mr. Anut Chatikavanij (Director)

### 3. Mr. Pajongwit Pongsivapai

Age 49 years

#### Education

- Master Degree of Science in Chemical Engineering  
Oregon State University, USA
- Bachelor Degree in Chemical Engineering  
Chulalongkorn University
- General Management Course by Center Européen d'éducation Permanente – European Center for Executive Development)  
INSEAD Business School, Fontainebleau, France
- Finance for Executives Program  
The University of Chicago Graduate School of Business  
Illinois, USA
- Certificate in Executive Development Program (EDP)  
Class 9/2012, Thai Institute of Directors Association (IOD)

## Working experiences

### Present

- Chief Financial Officer and Executive Vice President  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

### 2013 - 2015

- Executive Vice President - Business Development  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

### 2007 - 2013

- Chief Operating Officer and Executive Vice President  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

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## 4. Mr. Arjan van den Broek

Age 46 years

### Education

- General Management Program Cycle 8, CEDEP
- Master of Science in Management General Management  
PDP2 - University Nyenrode, Netherlands
- Bachelor of Electronics Engineering - Technical Computer  
Science - College Rijswijk

### Working experiences

#### Present

- Chief Operating Officer and Executive Vice President  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

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## 5. Mr. Narongchai Visutrachai

Age 51 years

### Education

- Master Degree in Science (Economics)  
University of North Texas, USA
- Master Degree in Business Administration  
Kasetsart University

- Bachelor Degree in Political Science  
(Public Administration)  
Chulalongkorn University

### Working experiences

#### Present

- Senior Vice President - Government & Public Affairs  
Glow Energy Public Co., Ltd.  
Glow Group

**Shareholding Proportion (Percent)** None

**Family Relation with Management** None

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## 6. Mr. Gert Meersman

Age 44 years

### Education

- Master Degree in Law, King's College London  
University of London
- Master Degree in Law  
Pantheon - Assas, Paris, France
- Master Degree in Law  
KU Leuven, Belgium

### Working experiences

#### Present

- Head of Business Development and Senior Vice President  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

#### April 2015 - December 2015

- Senior Vice President - International Business Development  
Glow Energy Public Co., Ltd.  
Glow Group  
Houay Ho Power Co., Ltd.

#### May 2013 - March 2015

- Managing Director and Country Manager (Laos)  
Houay Ho Power Co., Ltd.

#### 2011 - April 2013

- Senior Vice President - Business Development  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2009 - 2011

- Vice President - Project Development  
Glow Energy Public Co., Ltd.  
Glow Group
- Senior Project Advisor  
GDF SUEZ Energy Asia Co., Ltd

Shareholding Proportion (Percent)	None
Family Relation with Management	None

## 7. Mr. Akarin Prathuangsit

Age 42 years

### Education

- Master Degree in Business Administration  
Assumption University
- Bachelor Degree in Engineering (Industrial Engineering)  
Sirindhorn International Institute of Technology  
Thammasat University

### Working experiences

#### Present

- Chief Procurement Officer and Senior Vice President  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2011 - 2016

- Senior Vice President - Cogeneration Marketing & Fuel  
Management  
Glow Energy Public Co., Ltd.  
Glow Group

Shareholding Proportion (Percent) None

Family Relation with Management None

## 8. Mr. Louis Stephen Holub

Age 56 years

### Education

- United States Navy Education Programs  
City College of Chicago  
Dundalk Community College, USA
- American University  
(Tulane & Arizona State), USA

### Working experiences

#### Present

- Plant Manager  
GHECO-One Co., Ltd.

#### 2007 - 2011

- Senior Vice President - Operations Support Services  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

## 9. Mr. Wisit Srinuntawong

Age 55 years

### Education

- Master Degree in Business Administration  
Bangkok University
- Bachelor Degree in Industrial Electrical Technology  
King Mongkut's University of Technology North Bangkok

### Working experiences

#### Present

- Senior Vice President - Engineering & Maintenance  
Management  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2013 - 2014

- Senior Vice President - Engineering  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

## 10. Mrs. Mantana Kunakorn

Age 53 years

### Education

- Master Degree in Business Administration  
Chulalongkorn University
- Bachelor Degree in Liberal Arts (Industrial Psychology)  
Thammasart University

### Working experiences

#### Present

- Senior Vice President - Human Resources and  
Administration  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2007 - June 2011

- Vice President - Human Resources and Administration  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

## 11. Mr. Sutthi Chuesook

Age 50 years

### Education

- MBA, General Management, 2008  
Ramkhamhaeng University
- B.E. Electrical (Power - Electronics), 1990  
King Mongkut's Institute of Technology North Bangkok  
Thailand

### Working experiences

#### Present

- Senior Vice President - Rayong Facilities Management  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2012 - 2016

- Vice President - Engineering  
Glow Energy Public Co., Ltd.  
Glow Group

#### 1994 - 2011

- Engineering Manager  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 12. Mr. Suratchai Bangluang

Age 49 years

### Education

- MBA General Management  
Ramkhamhaeng University.
- Bachelor Degree in Electrical Engineering  
Mahanakorn University of Technology

### Working experiences

#### Present

- Plant Manager - GIPP and Cogenerations Pluak Daeng  
Glow IPP Co., Ltd. and Glow SPP 11 Co., Ltd.

#### August 2011 - December 2011

- Facility Manager  
Glow IPP Co., Ltd. and Glow SPP 11 Co., Ltd.

Family Relation with Management None

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## 13. Dr. Somgiat Dekrajangpetch

Age 44 years

### Education

- Doctorate Degree in Electrical Engineering (Electrical Power)  
Iowa State University, USA
- Master Degree in Economics  
Iowa State University, USA
- Master Degree in Electrical Engineering  
Iowa State University, USA
- Bachelor Degree in Science - Electrical Engineering  
Chulalongkorn University

### Working experiences

#### Present

- Senior Vice President - Asset Optimization  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2002 - 2011

- Vice President - Asset Optimization  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 14. Mrs. Chamaiporn Soonthorntasanapong

Age 57 years

### Education

- Master Degree in Liberal Art (Thai - English Translation)  
Ramkhamhang University
- Bachelor Degree in Liberal Arts (English)  
Thammasart University

### Working experiences

#### Present

- Vice President - Legal and Insurance  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 15. Mr. Anutarachai Nathalang

Age 54 years

### Education

- Master of Engineering (Electrical)  
King Mongkut Institute of Technology (Ladkrabang)
- Bachelor of Science (Physics)  
Chiangmai University

### Working experiences

#### Present

- Vice President - Environmental, Health and Safety  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2006 - 2010

- Plant Manager  
Glow Energy Site (Phase 1 & 2)

Family Relation with Management None

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## 16. Mr. Sakda Lacharochana

Age 53 years

### Education

- Master Degree in Business Administration
- Bachelor Degree in Electrical Engineering
- Bachelor Degree in Mechanical Engineering

### Working experiences

#### Present

- Vice President - Reliability & Integrity  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2008 - 2014

- Assistant Vice President - Reliability & Integrity  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 17. Ms. Sirichan Chotchaisathit

Age 53 years

### Education

- Master Degree in Business Administration  
Chulalongkorn University
- Bachelor Degree in Liberal Arts  
Thammasart University

## Working experiences

### Present

- Vice President - Industrial Customer Sales  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 18. Mr. Tananchai Chairsakaew

Age 53 years

### Education

- Master Degree in Business Administration  
Okloahoma City University
- Bachelor Degree in Mechanical Engineer  
Khon Kaen University

### Working experiences

#### Present

- Vice President - Engineering  
Glow Energy Public Co., Ltd.  
Glow Group

#### 1997 - 2016

- Project Manager  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 19. Mr. Prateep Puthamruga

Age 53 years

### Education

- Master Degree in Public Administration  
Pathumthani University
- Bachelor Degree in Electrical Engineer  
Srinakarinwirot University

### Working experiences

#### Present

- Vice President - Supply Chain Management  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 20. Mr. Somchai Klinsuwanmalee

Age 52 years

### Education

- Bachelor Degree in Accounting  
Chulalongkorn University

### Working experiences

#### Present

- Vice President - CSR & Public Affairs  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2008 - 2013

- Vice President - Public Relations  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 21. Mr. Apichart Jamjuntr

Age 52 years

### Education

- Master of Business Administration (MBA)  
Ramkhamhaeng University
- Bachelor Degree in Electronic Engineering, Engineering  
Rajamangala University of Technology

### Working experiences

#### Present

- Plant Manager  
Gas Fired Units Complex

#### 2006 - 2013

- Plant Manager  
Glow SPP 2/ Glow SPP3 & Glow Energy Site (Phase 3,4 & 5)

Family Relation with Management None

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## 22. Mr. Renaud Pilleul

Age 51 years

### Education

- Master's Degree in Chemical Engineering (M. Eng.)  
Grenoble Institute of Technology, France

## Working experiences

#### Present

- Vice President - Industrial Customer Relations  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 23. Mr. Sichanh Gnabandith

Age 51 years

### Education

- Bachelor Degree in Hydro - Electrical Engineering  
Polytechnic Institute of Tashkent (USSR)

### Working experiences

#### Present

- Plant Manager and Business Development Manager  
Houay Ho Power Co., Ltd.

#### 2012 - 2014

- Business Development Manager  
Glow Energy Public Co., Ltd.

#### 2005 - 2012

- Operation Manager  
Houay Ho Power Co., Ltd.

Family Relation with Management None

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## 24. Ms. Suttasinee Pengsupaya

Age 50 years

### Education

- Master Degree in Science (Accounting)  
Thammasat University
- Bachelor Degree in Accounting  
Thammasat University
- Certified Public Accountant (CPA)

### Working experiences

#### Present

- Vice President - Accounting  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 25. Mr. Chaiwut Rattanapornsinchai

Age 50 years

### Education

- Master Degree in Computer Science  
Rangsit University
- Bachelor Degree in Computer Science  
Chandrakasem Teacher College

### Working experiences

#### Present

- Vice President - Internal Audit  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2013 - 2014

- Vice President - Strategic Initiatives  
Glow Energy Public Co., Ltd.  
Glow Group

#### 2003 - 2013

- Vice President - Information Technology  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 26. Mr. Eralp Gullep

Age 49 years

### Education

- Bachelor Degree of Science in Mechanical Engineering  
University of Southwestern Louisiana, USA

### Working experiences

#### Present

- Vice President - Business Quality  
Glow Energy Public Co., Ltd.  
Glow Group

Family Relation with Management None

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## 27. Mr. Banthom Krasang

Age 49 years

### Education

- Master Degree in General Management
- Bachelor Degree in Industrial Technology

## Working experiences

#### Present

- Plant Manager  
Glow SPP 1 Co., Ltd.  
Glow Demin Water

#### 2000 - 2015

- Operations Manager  
Glow IPP Co., Ltd.

Family Relation with Management None

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## 28. Mr. Rujirote Kasirerk

Age 48 years

### Education

- Master Degree in Industrial Management Engineering,  
King Mongkut's University of Technology North Bangkok
- Bachelor Degree in Electrical Engineering  
Rajamangala University of Technology Lanna (ChiangMai)

### Working experiences

#### Present

- Plant Manager  
Coal Fired Units Complex

#### March 2011 - 2013

- Plant Manager  
Glow Energy Site (Phase 1&2)

#### 1998 - February 2011

- Operation Manager  
Glow SPP 2/ Glow SPP 3 Plant

Family Relation with Management None

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## 29. Mr. Apidech Siriphornoppakhun

Age 47 years

### Education

- Master degree of Business Administration  
Ramkhamhaeng University
- Bachelor Degree in Science (Industrial Technology)  
Rahaphat Institute Chachoengsao, Chachoengsao

### Working experiences

#### Present

- Plant Manager  
Glow Energy Site (Phase 1&2)

**2008 – August 2015**

- Plant Manager  
Glow SPP 1 Co., Ltd.  
Glow Demin Water

**Family Relation with Management** None

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**30. Mr. Pisut Boonvongsobhon**

Age 46 years

**Education**

- Bachelor Degree in Mechanical Engineering  
Rajamangala Institute of Technology (Central Campus)

**Working experiences****Present**

- Vice President – Central Maintenance  
Glow Energy Public Co., Ltd.  
Glow Group

**September 2015 – December 2015**

- Project Manager – Central Maintenance  
Glow Energy Public Co., Ltd.  
Glow Group

**2014 – August 2015**

- Plant Manager  
Glow Energy Site (Phase 1&2)

**1996 – 2013**

- Maintenance Manager  
Glow SPP 2/ Glow SPP 3 Plant

**Family Relation with Management** None

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**31. Mrs. Unchana Kittipiyakul**

Age 46 years

**Education**

- Master Degree in Business Administration  
Kasetsart University
- Bachelor Degree in Accounting  
Thammasart University
- Certified Public Accountant (CPA)

**Working experiences****Present**

- Vice President – Budget  
Glow Energy Public Co., Ltd.  
Glow Group

**1999 – March 2017**

- Vice President – Budgeting and Business Controlling  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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**32. Mrs. Patchara Jaroonvuthitham**

Age 42 years

**Education**

- Master Degree in Business Administration  
Thammasat University
- Bachelor of Accountancy  
Kasetsart University

**Working experiences****Present**

- Vice President – Budgeting and Business Controlling  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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**33. Ms. Anchana Tidsadikhun**

Age 42 years

**Education**

- Master of Business Administration, General Management  
National Institute of Development Administration
- Bachelor of Arts-BA, Mass Communication/Media Studies  
Ramkhamhaeng University

**Working experiences****Present**

- Vice President – Training and Talent Development  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 34. Mr. Aungsuthon Puboonterm

Age 42 years

#### Education

- Bachelor of Engineering in Electrical Engineering  
Khon Kaen University

#### Working experiences

##### Present

- Vice President - System Optimization  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2008 - 2012

- Optimization Manager  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 35. Mr. Nunsilp Janvarin

Age 40 years

#### Education

- Bachelor of Computer Engineering  
Kasetsart University

#### Working experiences

##### Present

- Vice President - Information and Communication  
Technology  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2004 - March 2017

- Business Application Manager  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 36. Mr. Robin Merlier

Age 40 years

#### Education

- Master Degree-Business Administration (MBA)  
General International Management, Vlerick Leuven Gent  
Management School
- Licentiate in Law (L.L.M.), specialising in Social and  
Economic Law, University of Gent, Belgium

- Completed fifth year of Law (majored in European Economic  
Law (EC Competition Law)  
International Private Law and Employment Law) as part of  
the Erasmus Student Exchange Programme University of  
Nottingham, England

#### Working experiences

##### Present

- Head of Legal - Business Development  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 37. Mr. Prapon Chinudomsub

Age 38 years

#### Education

- Master of Business Administration  
Thammasat University
- Master of Engineering  
Chulalongkorn University
- Bachelor of Engineering  
Chulalongkorn University

#### Working experiences

##### Present

- Vice President - Finance and Treasury  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2015 - August 2017

- Head of Financial Management and Investor Relations  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2013 - 2015

- Financial Planning, Analysis, and Investor Relations  
Manager  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 38. Mr. Ping Yang Li

Age 35 years

#### Education

- Master of Project Finance and Structured Finance  
University Paris 10 Nanterre & ENPC, Paris, France
- Diplôme d'Ingénieur Master of Civil Engineering in École  
Nationale des Ponts et Chaussées, Paris, France
- Bachelor of Civil Engineering  
Tongji University, Shanghai, China

#### Working experiences

##### Present

- Vice President - Business Development  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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### 39. Ms. Duangporn Kijlertbunjong

Age 40 years

#### Education

- Master of Computer & Engineering Management  
Assumption University
- Bachelor of Arts, Majoring in Business English  
Assumption University
- Company Secretary Program, Class 30/2009
- Effective Minutes Taking, Class 14/2009
- Board Reporting Program, Class 1/2009
- Company Reporting Program, Class 12/2015

#### Working experiences

##### Present

- Company Secretary and Corporate Affair Manager  
Glow Energy Public Co., Ltd.  
Glow Group

##### 2008 - 2015

- Corporate Affair Manager  
Glow Energy Public Co., Ltd.  
Glow Group

**Family Relation with Management** None

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Information of Management Position of Company, its subsidiary and associate company as of 31 December 2017

Company Management		Company name																
		Glow Energy PCL.	Glow SPP 2 Co., Ltd.	Glow SPP 3 Co., Ltd.	Glow Co., Ltd.	Glow SPP 1 Co., Ltd.	Glow IPP Co., Ltd.	Glow IPP 2 Holding Co., Ltd.	Glow IPP 3 Co., Ltd.	Glow SPP 11 Co., Ltd.	Houay Ho Power Co., Ltd.	Houay Ho Thai Co., Ltd.	GHECO-One Co., Ltd.	Eastern Seaboard Clean Energy Co., Ltd.	Rayong Clean Energy Co., Ltd.	Chonburi Clean Energy Co., Ltd.	Glow Hemaraj Wind Co., Ltd.	ENGIE Myanmar Ltd.
1.	Mr. Jan Franciscus Maria Flachet <sup>(1)</sup>	//	//	//	//	//	//	//		//								
2.	Mr. Brendan G.H. Wauters	x,/ ,//	x,/	x,/	x,/	x,/	x,/	x,/	x,/	x,/	x	x	x,/	/	/	/	/	/
3.	Mr. Esa Heiskanen <sup>(2)</sup>	/	/	/	/	/	/	/		/								
4.	Mr. Vitthaya Vejajiva	/	/	/	/	/	/	/		/								
5.	Em. Prof. Supapun Ruttanaporn	/	/	/	/	/	/	/		/								
6.	Prof. Dr. Borwornsak Uwanoo	/	/	/	/	/	/	/		/								
7.	Mrs. Saowanee Kamolbutr	/	/	/	/	/	/	/		/								
8.	Mr. Anut Chatikavanij	/	/	/	/	/	/	/	/	/								
9.	Mrs. Csilla Kohalmi-Monfils	/	/	/	/	/	/	/		/								
10.	Mr. Marc J. Z. M. G. Verstraete	/	/	/	/	/	/	/		/			/					
11.	Mr. Sven De Smet <sup>(3)</sup>	/	/	/	/	/	/	/		/								
12.	Mr. Shankar Krishnamoorthy <sup>(4)</sup>	/	/	/	/	/	/	/		/								
13.	Mr. Paul Francis Maguire <sup>(5)</sup>	/	/	/	/	/	/	/	//	/			//					
14.	Mr. Devarajen Mooroooven <sup>(6)</sup>	/	/	/	/	/	/	/		/								
15.	Mr. Benoit Rene Mignard <sup>(7)</sup>	/	/	/	/	/	/	/		/								
16.	Mrs. Sriprapha Sumruatruamphol												/					
17.	Mr. Pajongwit Pongsivapai										/	/	/					
18.	Mr. Arjan van den Broek																	
19.	Mr. Narongchai Visutrachai																	
20.	Mr. Gert Meersman										/			/	/	/	/	/
21.	Mr. Akarin Prathuangsit																	
22.	Mr. Louis Stephen Holub																	
23.	Mr. Wisit Srinuntawong																	
24.	Mrs. Mantana Kunakorn																	
25.	Mrs. Chamaiporn Soonthorntasanapong																	
26.	Mr. Anutarachai Nathalang																	
27.	Mr. Sakda Lacharochana																	
28.	Ms. Sirichan Chotchaisathit																	
29.	Mr. Tananchai Chaisrakaew																	
30.	Mr. Prateep Puthamarugsa																	
31.	Mr. Somchai Klinsuwanmalee																	
32.	Mr. Apichart Jamjuntr																	

Company Management	Company name													
	Glow Energy PCL.	Glow SPP 2 Co., Ltd.	Glow SPP 3 Co., Ltd.	Glow Co., Ltd.	Glow SPP 1 Co., Ltd.	Glow IPP Co., Ltd.	Glow IPP 2 Holding Co., Ltd.	Glow IPP 3 Co., Ltd.	Glow SPP 11 Co., Ltd.	Houay Ho Power Co., Ltd.	Houay Ho Thai Co., Ltd.	GHECO-One Co., Ltd.	Eastern Seaboard Clean Energy Co., Ltd	Rayong Clean Energy Co., Ltd.
33. Mr. Renaud Pilleul														
34. Mr. Sutthi Chuesook														
35. Ms. Suttasinee Pengsupaya														
36. Mr. Chaiwut Rattanapornsinchai														
37. Mr. Eralp Gullep														
38. Mr. Banthom Krasang														
39. Mr. Suratchai Bangluang														
40. Mr. Rujirote Kasirerk														
41. Mr. Apidech Siriphornoppakhun														
42. Mr. Pisut Boonvongsobhon														
43. Mrs. Unchana Kittipiyakul														
44. Mrs. Patchara Jaroonvuthitham														
45. Ms. Anchana Tidsadikhun														
46. Mr. Nunsilp Janvarin														
47. Mr. Robin Merlier														
48. Mr. Prapon Chinudomsub														
49. Mr. Ping Yang Li														
50. Ms. Duangporn Kijlertbunjong														
51. Dr. Somgiat Dekrajangpetch														
52. Mr. Sichanh Gnabanhith										/				
53. Mr. Aungsuthon Puboonterm														
54. Mr. David Richard Nardone											/,///			
55. Mr. Vivat Jiratikarnsakul										/				
56. Mr. Bounma Manivong										/				
57. Mr. Viraphanh Nandavong										/				
58. Mr. Ackhavone Luangsouvannavong										/				
59. Mr. Somyos Anantaprayoon											/	/	/	/
60. Ms. Jareeporn Jarukornsakul										/				
61. Mr. Wisate Chungwatana									//	//	//	//	//	//

Remark: x = Chief Executive Officer / = Director // = Chairman of the Board /// = Vice Chairman of the Board

Notes: Glow Group (except GHECO-One Co., Ltd., Glow Hemaraj Wind Co., Ltd., Houay Ho Thai Co., Ltd., and Houay Ho Power Co., Ltd.)

(1) Resigned from Chairman of the Board of Directors on 9 August 2017 (Glow IPP 3 Co., Ltd., and GHECO-One Co., Ltd.)

(2) Resigned from member of the Board of Directors on 26 April 2017.

(3) Resigned from member of the Board of Directors on 9 August 2017.

<sup>(4)</sup> Resigned from member of the Board of Directors, and Nomination and Remuneration Committee member on 26 April 2017.

<sup>(5)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Era Heiskanen and Nomination and Remuneration Committee as a replacement of Shankar Krishnamoorthy on 26 April 2017.

<sup>(6)</sup> Appointed to be Chairman of the Board of Directors of Glow IPP 3 Co., Ltd., and GHECO-One Co., Ltd. as a replacement of Mr. Jan Franciscus Maria Flachet on 9 August 2017.

<sup>(7)</sup> Appointed to be member of the Board of Directors as a replacement of Mr. Shankar Krishnamoorthy on 26 April 2017.

## Scope of Authority and Responsibilities of the CEO

The Company's Chief Executive Officer (the "CEO") has the authority to supervise, manage, and perform all normal business operations excluding the following matters, which require the approval of either the Board of Directors or Shareholders:

- Authorization of internal and general power of attorneys;
- Amendment of the Company's Articles of Association;
- Any merger, separation or general modification to the Company's structure;
- Dissolution of the Company;
- Increase, decrease or transfer of the Company's registered capital;
- Taking a lien or any other security on the Company's assets;
- Any material change to the Company's main agreements, (i.e. Power Purchase Agreement with EGAT, Gas Supply Agreement, Coal Supply Agreement, and EPC Contracts);
- Negotiation and execution of documents related to the opening of credit lines with banks for any amount exceeding the amount allotted in the daily management powers as granted by the Board to the CEO;
- Commencement or discontinuance of any business;
- Removal and appointment of CEO;
- Approval of long-term strategic plans; and
- Approval of annual budget.

## Company Secretary

The Board of Directors has appointed Ms. Duangporn Kijlertbunjong as the Company Secretary in February 2015.

## Remuneration

### Remunerations of the Board of Directors

A resolution was passed concerning the remuneration of the chairman and other non-executive members of the Board during the 26 April 2017 Annual General Shareholders' Meeting. The resolution was based on taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion. The remuneration of Directors for the year 2017 as below:

	Fixed Remuneration (Per Year)	Meeting Allowance (Per Meeting)	Other Privilege
Chairman	489,500	112,200	None
Non-Executive members	489,500	112,200	None

Unit: Baht

## Remunerations for Committees

The Annual General Meeting of Shareholders dated 26 April 2017 approved the Meeting Allowances for the Audit Committee and Nomination and Remuneration Committee, taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion, as listed in the table below:

Unit: Baht

	Fixed Remuneration (Per Year)	Meeting Allowance (Per Meeting)	Other Privilege
<b><u>The Audit Committee</u></b>			
Chairman	165,000	44,000	None
Members	110,000	37,400	None
<b><u>The Nomination and Remuneration Committee</u></b>			
Chairman	55,000	30,800	None
Members	55,000	22,000	None

## Remuneration of the Management Team

The total remuneration paid by the Company to the 38 individuals of the management team during fiscal year 2017, including salary and provident fund payments as well as other types of remuneration such as bonuses, totaled THB 261,861,921.

## Human Resource Management

As of 31 December 2017, there were a total number of 800 people employed by the Company, as indicated below:

Company	Employee		
	Head Office	Plants	Total
Glow Energy Plc.	-	104	104
Glow Co., Ltd.	144	205	349
Glow IPP Co., Ltd.	-	39	39
Glow SPP 1 Co. Ltd.	-	33	33
Glow SPP 2 Co., Ltd.	-	60	60
Glow SPP 3 Co., Ltd.	-	28	28
Glow SPP 11 Co., Ltd.	-	37	37
GHECO-One Co., Ltd.	-	84	84
Houay Ho Power Co., Ltd.	0	64	64
ENGIE Myanmar Co., Ltd.	2	0	2
<b>Total</b>	<b>146</b>	<b>654</b>	<b>800</b>

## Employees Remuneration

As of 31 December 2017, the total remuneration paid to employees amounted to THB 1,140,974,764 including salaries, overtimes, bonuses, provident funds, and other types of income.

## The Company and its Subsidiaries' Policy for Employees

At Glow, our people are the foundation of our success. We have 800 employees at a variety of locations including our Head Office in Bangkok, Power plants in Rayong and Chonburi provinces, Houay Ho Power in Laos, as well as ENGIE Myanmar in Myanmar.

Our employees enjoy a safe and satisfying work environment that encourages teamwork and creativity and seeks to cultivate a sense of belonging and commitment. This is supported by our leadership, high technical standards, and a passion for safety.

We are committed to being a world class operator of power generation and co-generation facilities. This commitment requires that we pay close attention to relevant Environmental, Health and Safety standards in order to protect our employees, clients and the communities within which we operate.

Both collectively and individually, our employees' depth of knowledge and experience creates value for our shareholders and customers. Our human resources department has the crucial role of facilitating our employees' professional development. We devote substantial resources to training our employees, which enhances our organization's competitiveness.

We seek to attract and retain qualified professionals capable of functioning well in an environment reflecting Glow's corporate values, which based on Communication, Commitment, Adaptability, Ambition, and Sustainable Business Relations.

We encourage and support employees to realize their full professional potential by offering challenging work, on-the-job development, formal training and external educational opportunities. Management Training courses provided to the employees include Problem Solving and Decision Making, Developing English Conversation, Change Management, etc. In terms of Technical training, we cover all major technical skills and a comprehensive range of environment, health and safety courses. The average training time for our employees in 2017 was 49 hours per person. We also offer our employees highly competitive remuneration packages including, as the case may be, basic salary, a bonus scheme, a long-term incentive scheme, and a numbers of allowances and other benefits.

Glow employees treat each other with trust and respect, and seek to maintain a healthy balance between work and family life. Our operational excellence, our ability to consistently deliver high quality products as well as the reliability and availability of our generating units are our most valued strengths.

## Corporate Governance

### Principle of Good Corporate Governance

The Board of Directors is committed to the principles of good corporate governance in compliance with the recommended best practices for listed company and relevant rules, regulations and guidelines of the Stock Exchange of Thailand ("SET"), the Office of the Securities and Exchange Commission ("SEC"), the OECD Principles of Corporate Governance, and ENGIE Ethics Charter. The Company therefore has put in place a compliance unit, comprises of VP - Legal & Insurance Department (also acting as Glow Group's Ethics Officer), and the Company Secretary to oversee corporate and compliance matters of the Company.

## Rights of Shareholders and Shareholders Meeting

The Company's shareholders shall have the following basic rights:

- Rights to buy, sell, or transfer shares;
- Rights to share in the profit of the Company;
- Rights to have access to the Company's information in a timely fashion and on a regular basis; and
- Rights to participate and vote at the Shareholders Meeting, including the rights to:
  - Elect or remove members of the Board of Directors;
  - Propose and approve the appointment of the external auditor; and
  - Participate in the decision making of any transactions that affect the Company and/or the shareholders in a material manner.

The Board of Directors provides the Shareholders, in advance of the meeting, information regarding the time, venue (sufficiently convenient for the Shareholders to attend the Shareholders Meeting) and all agenda items to be discussed during the meeting, including adequate supporting documents. Shareholders are also informed of the criteria and procedures governing the Shareholders Meeting, including the voting procedure and use of proxy.

At the Shareholders Meeting, the Company arranges to have a lawyer appointed to witness and observe the voting process throughout the meeting, and to review the voting results of the Shareholders Meeting.

## Equitable Treatment of Shareholders, and Responsibilities of Stakeholders

The Board of Directors recognizes the rights of Stakeholders, and therefore encourages cooperation between the Company and the Stakeholders, as well as other concerned parties including staff, customers, trading partners, creditors, government agencies, communities where the Company operates and the society at large. Directors and employees are required to comply with the "Code of Conduct" that is established to ensure fair and balance dealings with Stakeholders.

In addition, the Board of Directors requires that operational information be reported to Stakeholders and related parties through the Form 56-1, the annual report, the Company's website, and other relevant channels. Two-way communication channels are established to ensure Stakeholders and other parties to express their views or file grievances. An Ethics Whistleblower Inbox has been made available for employees (internally on Glow Intranet), and external parties (on Glow's Internet website) to register concerns on non-ethical incidents.

The Board of Directors represents all Shareholders and, in every case, act in the Company's corporate interests. Each Director verifies that decisions do not favor the interest of a portion or a category of Shareholders over those of any other.

The Board of Directors established a clear policy to facilitate minority Shareholders to propose, in advance of the Shareholder Meetings, any issues for consideration in the Shareholders Meeting. The Board of Directors has established procedures to allow Shareholders to make proposals, including a procedure to nominate nominees. The Company has posted on the Company website, as well as announced via the website of the Stock Exchange of Thailand, the procedures and timeline set forth for minority Shareholders to propose the agenda items, and to nominate their nominee to be included in the agenda of the Shareholders Meeting.

The Company arranges to have an Investor Relations contact and mailbox (IR contact and mailbox) on the Company website ([www.glow.co.th](http://www.glow.co.th)) where Stakeholders can voice their concerns and/or complaints with respect to possible violation of their rights directly to the Company.

The Board of Directors has established the following policies, among other policies, and authorizes the Management to internally announce them:

- **Non-Discrimination Policy** in order to ensure that employees do not tolerate discrimination or any other form of human rights violations.
- **Code of Conduct** in order to ensure that employees are committed to conducting business activities and operations in full compliance with laws/regulations of the countries in which we operate, as well as complying with ENGIE Ethics Charter.
- **Anti-Bribery Policy** in order to ensure employees do not engage in corrupt acts.
- **Insider Trading Policy** in order to prevent the abusive use of inside information.
- **Sustainable Development Policy** in order to ensure that we work with governments, inter - governmental and non-governmental organizations and other interested parties to develop and support projects that benefit the communities associated with our business operations.
- **Environmental Policy** in order to ensure continuous and sustainable development of its core business, without compromising the ability of the current and the future generations to enjoy the environment.
- **Health and Safety Policy** in order to pay full attention to the health and safety concerns that affect our employees, customers and the community.
- **Conflict of Interest Policy** in order to ensure that that situations that could cause conflict of interest matters are better identified by the Directors and employees, and that they are analyzed and handled wisely through an authentic ethics process.

In addition to the policies mentioned above, the Board of Directors ensures that a comprehensive set of appropriate policies/ procedures for risk management are defined and implemented, including, but not limited to, the following:

- Related Party Transactions Policy
- Ethics Reporting (“Whistleblowing”) Procedure
- Gifts and Hospitality Procedure
- Occupational Health and Safety Policies
  - Stop Work Authority (“SWA”) Policy
- Financial Management Policies:
  - Interest Rate Risk Management Policy
  - Foreign Exchange Risk Management Policy
  - Cash Surplus Investment Policy
  - Counterparty Risk Management Policy
  - Financial Funding Policy
  - Dividends Payment Policy
- Coal Risk Management Policy
- Energy Conservation Policy
- Software License Compliance Procedure

## Disclosure and Transparency

The Board of Directors discloses accurate, relevant, complete, adequate, and timely corporate information related to the Company's business and performance on a regular basis.

The Board of Directors ensures strict adherence to all relevant laws/regulations relating to the disclosure of information and transparency. Finance and Treasury Department is designated to disseminate financial information to Shareholders and other Stakeholders, and to equitably and appropriately assist investors and securities analysts to understand the Company and its business. Information posted in the Company's Internet website is in both Thai and English. In addition, the Corporate Communications Department is assigned to publicize corporate business performance information via various media on a timely basis.

## Responsibilities of the Board of Directors

### 1. Roles and Responsibilities

The Board of Directors performs its duties in accordance with laws and regulations, guidelines of the SET and the SEC, the Company's Articles of Association and corporate objectives, as well as in accordance with the resolutions of the Shareholders Meetings. The Board of Directors is authorized to appoint one or more Directors or any person to act on its behalf.

The Board of Directors has the power to make decisions and oversee the activities and operations of the Company, except in the following cases for which an approval from the Shareholders Meeting is required to be obtained first:

- Any activity that laws and regulations and/or the Company's articles of association specifies that it must have approval from the Shareholders Meeting beforehand;
- Any undertaking of any related transaction which must comply with relevant laws/regulations and guidelines of the SET and the SEC; and
- Any acquisition or disposal of the assets which must comply with relevant laws/regulations and guidelines of the SET and the SEC.

Moreover, the Company's Board of Directors has considered the followings key matters:

- The Board of Directors has the power to declare payment of interim dividends from time to time if it deems that the Company has enough profit and available cash flow to do so;
- The Board of Directors approves the vision, mission, key strategies and policies of the Company each year, and has followed up and monitored progress of strategy implementation periodically;
- The Board of Directors has a policy to encourage to attend ongoing professional education programs, and assures the Board members participate in accredited directors training programs; and
- The Board of Directors ensures that any new director appointed receives relevant corporate documents, manuals, guidelines to introduce the Company, and the roles and responsibilities of being a director of a listed company.

### 2. Role and Responsibilities of the Chairman of the Board

The Chairman's primary role is to ensure that the Board of Directors is effective in its tasks of setting and implementing GLOW Group's direction and strategy.

The main responsibilities of the Chairman are as follows:

- As well as being Chairman of the Board of Directors, he/she is expected to act as GLOW Group's leading representative which involves the presentation of the GLOW Group's aims and policies to the outside world;
- To take the chair at general meetings and at Board Meetings. With regard to the latter this involves:
  - Determining the order of the agenda;
  - Ensuring that the Board of Directors receives accurate, timely and clear information;
  - Keeping track of the contribution of individual Directors and ensuring that they are all involved in discussions and decision making;
  - Directing discussions towards the emergence of a consensus view; and
  - Summing up discussions, so that everyone understands what has been agreed.
- To take a leading role in determining the composition and structure of the Board of Directors. This involves regular reviews of the overall size of the Board of Directors, the balance between Executive and Non-Executive Directors, and the balance of age, experience and personality of the Directors; and
- To ensure an effective communication with the shareholders is established.

### **3. Meetings**

The Board of Directors holds at least four fixed and confirmed meetings each year respectively scheduled for February, May, August and November, during which the quarterly financial statements are considered. Extraordinary meetings may be arranged if and when necessary. At the end of each year, the Board of Directors agrees to the Board of Directors' next year meeting plan.

For each Board Meeting, clear agendas are specified with accurate, complete and adequate supporting documents submitted to each Director at least seven days in advance of the meeting, this is designed to provide each board member sufficient time to study important information before attending the meeting. Each board member can openly discuss and express his/her opinion during the board meetings. The Chairman collects all comments, and summarizes information gathered from the meeting. The Company Secretary records the minutes of the meeting in writing. All approved minutes of meeting of the Board Meetings are kept, and are available for the Directors and relevant parties to inspect any time.

### **4. Qualification, Composition and Structure**

#### **4.1 Qualification and Composition**

The Company's Board of Directors is the key to good corporate governance. Each Director shall be independent and has knowledge, expertise and experience considered beneficial to the Company and its operational strategy. They endeavour and devote their time to perform their duties.

As such, the Company stipulates details in respect of the composition, primary credentials and election of the Board of Directors as follows:

- The Board of Directors is comprised of a minimum of five members, but not exceeding fifteen members;
- At least one-third ( $\frac{1}{3}$ ) of the Board of Directors is comprised Independent Directors or as required by relevant laws/regulations and guidelines of the SET and the SEC;
- The Company values the diversity as well as equality in the composition of the Board of Directors. The Board of Directors is comprised of a good mixture of professional backgrounds and genders, including at least three

Directors who have knowledge of the energy and power industry, at least one with knowledge of law, and at least one with knowledge of finance and accounting. The Company currently has three female directors;

- Directors shall be qualified and shall have no restricted qualifications as stipulated in the Public Company Act;
- The election of Directors to the Board of Directors is transparent;
- Adequate information on the candidates is provided through the Nomination and Remuneration Committee, before the Board of Directors considers presenting them to the Shareholders Meeting for approval;
- Details of the background, experience, percentage holding of any shares of GLOW Group of each Director is disclosed and updated on an annual basis, and if there are any changes; and
- One of the Company's key considerations in assessing the qualification of a director is that the number of the companies listed on the SET in which each director holds a directorship shall not exceed five companies.

#### **4.2 Structure and Independence**

- The Company ensures clear segregation between the roles and responsibilities of the Chairman and the CEO, so that the Board of Directors, under the guidance of the Chairman, has the authority and is able to oversee and control the Company's activities and operations effectively and efficiently. The Chairman of the Board is not an Independent Director.
- The Board of Directors includes professional external Independent Directors, who attend meetings regularly, and have adequate access to financial and other business information, so that they are able to demonstrate independent judgment, in order to protect Shareholders' interests.
- Directors shall be independent according to relevant laws and regulations governing listed company, the SEC's notification, the qualifications and scope of work of the Audit Committee, and other qualifications as required by the Company. This is to enable the Directors to work for the best interest of the Company and all Shareholders on an equitable basis, and to prevent conflicts of interest between the Company and management of major Shareholder(s) or other companies that have management or major Shareholders in common.
- In addition, Directors are able to express their opinion independently.

#### **4.3 Terms of Directorship**

- Directors are elected for a period of three years, after which, the Director is required to resign.
- It is permitted to re-nominate the Directors who retired or resigned.

### **5 Committees**

In order to ensure that the Company implements good corporate governance, the Board of Directors has three specific Committees, as follows:

**5.1 Audit Committee** is comprised of at least three Independent Directors, with at least one member having finance and/or accounting knowledge, as required by the SEC. The Audit Committee is independent in accordance with the notification of the SEC regarding qualifications and scope of work. The Audit Committee is the key body reviewing the Company's activities and operations, financial status and internal control systems, the selection of auditors (internal and external). The Audit Committee's scope and responsibilities are further described in the Audit Committee Charter. Among all Audit Committee members, Em. Prof. Supapun Ruttanaporn has strong accounting expertise.

The Audit Committee is acting as the Corporate Governance Committee to ensure the Company complies with good corporate governance to protect the reputation of the Company and the interest of all Stakeholders.

**5.2 Nomination and Remuneration Committee** is comprised of three directors from the Board of Directors, at least one of whom is an Independent Director. The Nomination and Remuneration Committee selects appropriate candidates for the positions of Director and CEO of the Company. The nomination process is set up in accordance with defined transparent criteria to ensure a good mixture of professional backgrounds and to ensure that the Board comprises of Directors who have knowledge of the energy and power industry, knowledge of law, and knowledge of finance and/or accounting. The Nomination and Remuneration Committee also considers the policy and guidelines for the remuneration of the Board of Directors, the Committees of the Board, the CEO and the Executive Vice Presidents, in order to ensure that the basis is fair and reasonable for submission to the Board of Directors and/or the Shareholders Meeting for approval. The Nomination and Remuneration Committee's scope and responsibilities are further described in the Nomination and Remuneration Committee Charter.

**5.3 Risk Management Committee** is not separately established as one of the Committees of the Board; generally risk assessment and risk management falls under the general responsibility of the Board of Directors and the Executive Management Committee. The Executive Management Committee is taking the roles of the Risk Management Committee of the Company, by carrying out relevant risk assessment activities regularly with proactive measures to be implemented to mitigate risk exposures. Risk management practices are taken into account within the organization at all levels, as well as processes such as investment and divestment decision making.

## **6 Self-Assessment**

The Chairman of the Board of Directors ensures that, at least every year, the Directors assess the performance of the Board of Directors and its Committees as a whole or on specific issues.

The Chairman acts on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the Board of Directors, and, where appropriate, proposing new Directors to be appointed to the Board of Directors, or seeking the resignation of Directors.

The Board of Directors has conducted a self-assessment annually for previous year's performance. The assessment criteria are in line with the guidelines of the Stock Exchange of Thailand and the appraisal has been performed by each individual director by evaluating the previous year's performance of the Board as a whole. The complete evaluation form was then returned to the Company Secretary, to collect and analyse the assessment results and to debrief the Chairman of the Board. The Chairman then announced the assessment results during the following Board of Directors meeting for acknowledgement.

## **Subcommittees of the Board of Directors**

### **Audit Committee**

In accordance with the SET Notification Bor.Jor./Ror. 01-07, dated 22 January 2001 ("Re: Maintaining the Status of Listed Companies in the Exchange, 2001"), listed companies are required to have a good corporate governance system by forming an Audit Committee to govern activities and operations, in order to ensure effective internal controls, compliance with laws/regulations, adherence to relevant standards, and efficient operations.

Hence, the Company's Board Meeting prescribes this Audit Committee Charter, as follows:

## **1 Appointment**

The Board of Directors of the Company shall appoint the members of the Audit Committee.

## **2 Composition and Qualifications**

The Audit Committee shall consist of at least three Independent Directors who are members of the Board of Directors of the Company, one of whom shall act as the Chairman.

The Audit Committee qualifications shall comply with the relevant laws/regulations of the SET, and at least one member should have finance or accounting management expertise.

Appointment of a secretary shall be at the discretion of the Audit Committee.

The Audit Committee is currently comprised of the following three committee members:

Name	Position
1. Mr. Vitthaya Vejajiva	Independent Director and Chairman of the Audit Committee Member
2. Em.Prof. Supapun Ruttanaporn	Independent Director and Audit Committee Member
3. Mrs. Saowanee Kamolbutr	Independent Director and Audit Committee Member

Meetings of the Audit Committee shall be held at least four times a year. In 2017, there were four ordinary meetings and one extraordinary meeting without management.

## **3 Duties**

Duties of the Audit committee according with the SET requirements shall be as below:

- To review the sufficiency, reliability and objectivity of the financial reporting by coordinating with the external auditors and management who are responsible for preparing the quarterly and yearly financial reports.
- To review the adequacy and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors.
- To review compliance with the Securities and Exchange Act, relevant laws/regulations and guidelines of the SET, and any other relevant laws/regulations of Thailand.
- To consider and advise the appointment of the external auditors including the audit fee by considering the credibility, the adequacy of its resources, the volume of engagements, the experience and the independence of the external auditors.
- To review the non-audit services of the external auditors, in order to maintain the independence of the auditors (internal or external) in conducting the audits.
- To consider the connected transactions, or the transactions that are likely to lead to conflicts of interests, to ensure that they are in compliance with relevant laws/regulations of the SEC and the SET, and are reasonable, and for the highest benefit of the Company, including having appropriate disclosure of these transactions.

- To report the activities of the Audit Committee in the Company's annual report, as signed by the Chairman of the Audit Committee.
- To act as the Corporate Governance Committee to ensure that the Company has effectively complied with good corporate governance framework to protect the reputation of the Company and the interest of all Stakeholders.
- To perform other matters assigned to it by the Board of Directors and agreed to by the Audit Committee.
- The Chairman of the Audit Committee and its members shall attend the Company's Annual General Meeting of the Shareholders.

## The Nomination and Remuneration Committee

### 1. Purpose and Objectives

The role of the Nomination and Remuneration Committee is to propose to the Board of Directors, in the first instance, any new appointments, whether of executive or non-executive directors, and recommend a successor to the CEO and top executives when considered necessary, as well as to make recommendation for development of a succession plan for the CEO and top executives of the Company. The Nomination and Remuneration Committee reviews Board membership on a regular basis, considering, among other things, the length of service of members, their contribution to the work of the Board of Directors and the breadth of expertise of the Board of Directors as a whole.

The Nomination and Remuneration Committee is also responsible for recommending to the Board of Directors the remuneration arrangement for non-executive and independent directors of the Board of Directors.

In performing its duties, the Nomination and Remuneration Committee maintains effective working relationships with the Board of Directors, and each Committee member obtains an understanding of the detailed responsibilities of Nomination and Remuneration Committee membership as specified in this Charter.

The Nomination and Remuneration Committee defines, on behalf of the Board of Directors and the Shareholders, the Company's remuneration policy for the CEO and Executive Vice Presidents, and determines their specific remuneration, benefits and terms of employment, including pension rights and any compensation payments, and monitors implementation of the Company's human resources policy and processes. On an annual basis, the Nomination and Remuneration Committee, on behalf of the Board of Directors, receives the annual performance assessment of the CEO and the top management.

### 2. Authority

The Board of Directors authorizes the Nomination and Remuneration Committee, within the scope of its responsibilities, to propose candidates with proper qualifications to the Board of Directors, and make all decisions relevant to this Charter (other than where the approval of Board of Directors is specifically required), and to have access to professional advice inside and outside the Company at the Company's expense, subject to the prior approval of the Board of Directors.

### 3. Organization

#### 3.1 Membership

- The Nomination and Remuneration Committee shall be appointed by the Board of Directors.
- The Nomination and Remuneration Committee shall be comprised of Non-Executive Directors.
- The Nomination and Remuneration Committee shall be comprised of three members from the Board of Directors, one of which shall be an Independent Director.

- The quorum for the Nomination and Remuneration Committee meetings shall be at least two members.
- Each member shall be capable of making a valuable contribution to the Nomination and Remuneration Committee.
- The Chairman of the Nomination and Remuneration Committee shall be the Chairman of the Board of Directors, or a Non-Executive Director appointed by the Board of Directors.
- The term of office for Nomination and Remuneration Committee members shall be three years to ensure continuity. Members shall be permitted to be re-elected for another term, if the Board of Directors or the Shareholders Meeting deems it necessary.
- The secretary of the Nomination and Remuneration Committee shall be nominated by the Board of Directors.
- All members shall be totally independent with no financial interest, other than as Shareholders, in the matters to be decided, no potential conflicts of interest in the decisions made arising from cross-relationships, and no involvement in the day-to-day management of the Company.

The Nomination and Remuneration Committee is currently comprised of the following four members:

Name	Position
1. Mr. Jan Franciscus Maria Flachet	Non-executive Director and Chairman of the Nomination and Remuneration Committee
2. Mr. Vitthaya Vejajiva	Independent Director, Chairman of the Audit Committee , and member of the Nomination and Remuneration Committee
3. Mr. Shankar Krishnamoorthy <sup>(1)</sup>	Non-executive Director and member of the Nomination and Remuneration Committee
4. Mr. Paul Francis Maguire <sup>(2)</sup>	Non-executive Director and member of the Nomination and Remuneration Committee

Note: <sup>(1)</sup> Resigned from member of the Board of Directors, and Nomination and Remuneration Committee member on 26 April 2017.

<sup>(2)</sup> Appointed to be member of the Board of Directors and Nomination and Remuneration Committee as a replacement of Mr. Shankar Krishnamoorthy

### 3.2 Attendance

- The Nomination and Remuneration Committee shall be authorized to invite such other persons (e.g., Management representatives, external advisors) to its meeting as it deems necessary.
- Meetings shall be held at least one time per year. Additional meetings shall be convened as deemed necessary.
- All members of the Nomination and Remuneration Committee shall be expected to attend meetings in person or via telephone/video conference.
- Meeting agendas shall be the responsibility of the Chairman of the Nomination and Remuneration Committee, with input from members of the Nomination and Remuneration Committee. Meeting agendas, along with appropriate briefing materials, shall be provided to the Nomination and Remuneration Committee members in advance of meetings.
- Minutes of Meetings shall be prepared by the secretary and distributed to all members within 48 hours of each meeting. Minutes of the meetings shall be confirmed at the next meeting of the Nomination and Remuneration Committee.

## **4 Roles and Responsibilities**

### **4.1 Nomination**

Nomination responsibilities include:

- Review and recommend the criteria for Board of Directors membership and required qualifications.
- Review the composition, size and experience of the Board of Directors on a regular basis, including current and future requirements, having regard in part to regulatory constraints
- Make recommendations to the Board of Directors of candidates with proper qualifications for the Board of Directors to submit for appointment to the Annual General Meeting of Shareholders.
- Seek proposals of individuals for appointment as independent members of the Board of Directors.
- Ensure that new members to the Board participate in the orientation program for new Directors.
- Review and recommend to the Board of Directors the remuneration arrangements for non-executive and independent directors of the Board of Directors, including their responsibilities for Nomination and Remuneration Committee activities, for subsequent approval by Shareholders.
- Make recommendations to the Board of Directors for the successor to the CEO, when considered necessary.
- Develop a succession plan for the CEO that considers both potential internal and external candidates.

### **4.2 Remuneration**

Remuneration responsibilities include:

- Review the Company's annual remuneration strategy, and recommend strategy to the Board of Directors for endorsement.
- Establish guidelines for remuneration on the initial appointment of the CEO and the Executive Vice Presidents of the Company.
- Ensure that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management.
- Monitor implementation of the Company's human resources policies and processes, including management development programs for Executive Vice Presidents.
- Evaluate the CEO's performance based on a personal development plan, which incorporates short-term and long-term objectives, together with performance targets linked to the Company's strategy. Determine the salary and benefits annually at the end of each financial year.
- Ensure that the Company's remuneration packages are competitive in view of industry practices, and judge where to position the Company relative to other similar companies with respect to salaries and relevant performance of comparable peers.
- Establish a remuneration policy and package designed to attract, retain and motivate staff of outstanding ability and of the quality required; however, the Nomination and Remuneration Committee shall avoid, where possible, paying more than necessary for this purpose.

- With respect to early retirements for the Executive Vice Presidents, the Nomination and Remuneration Committee should avoid rewarding poor performance, while dealing fairly with cases where departure is not due to poor performance.
- Ensure that succession plans for CEO and Executive Vice Presidents are reviewed periodically through assessment of specific Executive Vice Presidents positions and qualified potential replacements.

#### **4.2.1 Salary and Benefits of CEO and Executive Vice President**

- Review the salary and benefits of the CEO, and on the recommendation of the CEO, review the salaries and benefits of individual Executive Vice Presidents, at the end of each financial year, based on performance assessment and operational performance of the Company.

#### **4.2.2 Bonus of CEO and Executive Vice Presidents**

- Implement an annual performance related bonus scheme for the CEO and Executive Vice Presidents.
- Approve the objectives and the compensation (which, for Executive Vice Presidents, is proposed by the CEO).
- Annual performance bonus should be a percentage of base salary, and depend upon the achievement of individual performance targets, which reflect the Company's strategic objectives and the individual's contribution to such objectives.
- Bonuses shall be aligned to give the CEO and Executive Vice Presidents incentives to perform at the highest levels.

#### **4.2.3 Long Term Incentive Plan**

- Review and approve employee long term incentive plans of the Company.

#### **4.2.4 Pensions and Life Assurance Benefits**

- Assess reasonableness of pensions and life assurance benefits of employees. In principle, pensionable salary shall not include annual bonuses or the value of other contingent benefits.

#### **4.2.5 Aggregate Salary and Bonuses**

- Review the aggregate salary, benefit and bonus package of employees, with a review of each individual package that exceeds the maximum level under the applicable Company grading system.

#### **4.2.6 Notice Period for Resignation of CEO and Executive Vice Presidents**

- Establish notice periods for the CEO and Executive Vice Presidents at initial appointment. Notice periods shall not be less than 3 months.
- Approve the terms and conditions of early retirement for the CEO and Executive Vice Presidents.

## **Code of Conduct**

The Company is committed to conducting its activities and operations in full compliance with laws/regulations of the countries in which we operate, as well as complying with ENGIE Ethics Charter. This includes conforming to locally accepted standards of good corporate citizenship, complying with ethical principles as occasionally announced by ENGIE, and ensuring that interests of its Shareholders are best served and the investments they make are realized.

1. The Company's activities and operations shall be carried out in strict compliance with all applicable laws, and relevant rules and regulations of the countries in which the Company operates, and in line with ENGIE Ethics Charter and the Company's Anti-Bribery Policy.
2. In each of its decisions regarding its activities and operations, the Company shall respect the environment (both our natural and human environment), and take into account the direct and indirect impact of its activities and operations on the environment in order for the Company to conduct itself as a business leader responsible for the sustainable development of its business. Under this environmental and social responsibility, the Company shall be committed to its Environmental Policy in order to encourage concern and respect for the natural and human environment.
3. Employees shall ensure that the Company deals in all fairness with its customers, suppliers, contractors, competitors and any stakeholders in order to conduct its activities and operations. In its relations with government authorities, customers and suppliers, the Company shall not, directly or indirectly, engage in bribery, kickbacks, payoffs, or other activities which is possible to be construed as corrupt business practices.
4. The use, directly or indirectly, of the Company funds for political contributions to any organization or to any candidate for public office shall be strictly prohibited, where such contributions are forbidden by applicable laws/regulations. Where such contributions are lawful and organized within a legal framework, they shall be kept at a minimum, shall be made in a fair and prudent way avoiding any partisan or one-sided attitudes, shall not be made to organizations or candidates holding extremist views, and shall be approved by CEO.
5. Sales and marketing agents, representatives and consultants shall be retained and paid only if they operate independently from the Company, and in conformity with applicable laws/regulations. All legally binding contracts, agreements, commitments or engagements shall be made in writing. Compensation shall be comparable to that paid to similar agents for similar work, and shall be in accordance with the applicable detailed policy.
6. The Company funds and assets shall be utilized solely for lawful and proper business purposes. Transfer or expenditure of such funds or assets shall be undertaken only if the stated purpose is in fact the actual purpose. The transfer or expenditure of such funds and assets shall be authorized in writing in accordance with established policies/procedures. No false or artificial entries shall be made in the Company books and records for any reason, and all financial transactions shall be accurately and properly accounted for in those books and records.
7. Employees shall not take advantage of, commercialize, or exploit any of the Company's information or property, or their position within the Company for the purpose of inappropriate personal gains or opportunities.
8. In principle, employees shall not offer/accept gifts or hospitality in connection with, or because of, the Company's activities and operations. Nevertheless, in accordance with Gifts and Hospitality Procedure, courtesy considerations are permitted to lead to their acceptance, and such gifts or hospitality shall be limited in number and associated with local occasions which justify them according to local customs. Employees shall not offer/accept cash from any the Company customer, supplier or business associate, and only offering/accepting gifts or hospitality of a reasonable amount shall be permitted. Employees shall be permitted to offer/accept gifts or hospitality, only if such gifts or hospitality have no influence on their decision making, and are not illegal under applicable laws/regulations.
9. Directors or employees shall avoid conflict of interest situations between their direct or indirect personal interests (including their family members and friends) and the interests of the Company, where such conflict of interests have the potential to undermine objective and independent decision-making of Directors or employees. Typical conflict situations include providing services to (whether as an employee or otherwise), or owning shares or stock options,

in business entities which are competitors, customers, suppliers of the Company (Exception: minor shareholdings of less than 1% in listed companies are not considered to be conflict of interest situations).

- 10 The Company employees shall not accept shares or stock options of any related companies, other than the Company.
- 11 Employees shall notify their Direct Superior of any actual or potential conflict of interest situation, and obtain a written ruling as to their individual case (which, in the case of Directors or Executive Vice Presidents are permitted to only be given by the Board of Directors or one of its committees, and shall also be disclosed to Shareholders), in accordance with the process described in GLOW Group Conflict of Interest Policy.
- 12 Employees shall not buy or sell shares or other securities of a business undertaking, or give advice on such buying or selling, if he/she has access by reason of his/her professional activities with the Company, to any non-public information about that business undertaking (whether a part of the Company or not). Trading by Directors or employees of the Company shares or stock options shall be subject to Insider Trading Policy.
- 13 All employees shall be treated fairly and equally in terms of accountability, rights, remuneration and labor practices, and in compliance with the labor laws/regulations. All benefits provided to the Company employees in addition to their standard remuneration (salary and bonus) shall be awarded in full compliance with corporate guidelines and laws/regulations (including tax regulations), and shall remain in line with local practice.
- 14 The Company shall respect the privacy of data relating to individual persons (whether employees or third parties) that it holds or handles as part of its information processing activities or otherwise, and shall support and respect, within its sphere of influence, the protection of international human rights set out in the United Nations Universal Declaration of Human Rights.
- 15 Employees shall maintain the confidentiality of the Company's all corporate non-public information that is made available to them. The Company shall recognize Intellectual Property Rights and other proprietary information as a central Shareholder value. The Company shall take every appropriate action to preserve and enhance its Intellectual Property, and shall respect the Intellectual Property Rights of others.
- 16 All Directors and employees in the Company shall strictly comply with this Code of Conduct accordingly, and shall be responsible for the continued enforcement of, and compliance with, this Code of Conduct, including necessary communication and training, in order to ensure their knowledge and compliance. Non-compliance with this Code of Conduct shall result in disciplinary measures.
- 17 Any employee facing difficulties in understanding or application of this Code of Conduct shall consult with their Direct Superior. Any reports of violations of this Code of Conduct by an employee to his/her Direct Superior, or directly to the Company's Ethics Officer, shall be treated seriously and confidentially, provided that they are made in good faith and properly documented. The Company shall not take any retaliatory action against employees or Directors who make such reporting in aiming to comply with this Code of Conduct.

This Code of Conduct shall be treated as a part of the Company's rules and regulations, and all Directors and employees shall strictly comply with it accordingly.

## Anti-Bribery Policy

The Company does not tolerate bribery or any other form of corrupt business behavior:

- 1 This Anti-Bribery Policy applies to all the Company activities and operations with the public and private sectors.
- 2 Bribery is against the laws of many countries, and it is the very opposite of everything the Company stands for. The Company requires compliance with the highest ethical standards and all laws/regulations that apply to our business. The Company values integrity and transparency, and prohibits corrupt activities of any kind, whether committed by the Company employees or by third parties acting for or on behalf of the Company.
- 3 This policy fully reflects the values and ethical principles set out in the ENGIE Ethics Charter and Code of Conduct.
- 4 Violations of this policy have serious, including criminal, consequences for individuals, as well as for the Company. Hence, the Company employees and third parties acting for, or on behalf of, the Company will be held accountable, if they do not comply with this policy.
- 5 The Board of Directors closely oversees the Company's bribery prevention policies, procedures and processes. It is the firm intention of the Company Executive Management team to ensure that anti-bribery policies, procedures and processes are embedded in the Company organization, and the conduct of our business, under the responsibility of the Company line managers and business process owners. To support this policy, a dedicated ethics and compliance responsibility is included in the mission of the Company Ethics Officer.
- 6 The Company is committed to conducting business in full compliance with local anti-bribery laws/regulations and ENGIE Ethics Charter. The Company regards compliance with anti-bribery laws/regulations as crucially important, and everyone who acts for, or on behalf of, the Company is expected to apply the highest standards of integrity to all their activities, and to comply fully with the Company ethical principles, policies, procedures and processes. This will ensure that the Company's activities and operations are aligned with ethical responsibilities, and maximize the long term sustainability of our business and of the communities in which we operate.
- 7 No one acting for the Company is allowed to offer or to give any form of advantage, whether monetary or otherwise, to any individual or company, in order to influence their behaviour contrary to honesty or integrity, or with the aim of gaining a commercial advantage. Further, no one is allowed to request, to agree to receive, or to accept such an advantage.

This Anti-Bribery Policy shall be treated as a part of the Company's rules and regulations, and all Directors and employees shall strictly comply with it accordingly.

## Insider Trading Policy

The Company has been a listed company on the Stock Exchange of Thailand ("SET") since 21 April 2005. The Company has complied with the Corporate Governance Policy to establish guidelines for proper practice to which all relevant persons must adhere.

In order to comply with the Securities and Exchange Act B.E. 2535 (as amended)<sup>(1)</sup> (the “SEC Act”) relating to insider trading and the insider trading guidelines as published in SET Notification Re: Guidelines on Disclosure of Information of Listed Companies, the Board of Director hereby notifies (i) all directors; (ii) management/executives; (iii) committee members; (iv) officers and employees at all levels who gain, or have access to, non-public information of GLOW Group which is material to changes of price or value of GLOW's securities, including non-public information which would likely affect investors' decision to purchase or sell GLOW's securities or cause damages to the investors in respect of their investment in GLOW's securities (the “Inside Information”)<sup>(2)</sup> ; (v) the family members<sup>(3)</sup> of the persons as mentioned in (i) to (iv) above, of GLOW Group (collectively, the “Relevant Persons”) to comply with this Insider Trading Policy as follows:

- 1 The Relevant Persons must strictly comply with laws and regulations in relation to securities and derivatives trading and the use of Inside Information.
- 2 The Relevant Persons must at all times keep the Inside Information confidential; shall strictly take all reasonable precautions with the Inside Information or information which is intended to be used solely for GLOW Group's purposes or to which the Relevant Persons have access temporarily; and must not disclose any Inside Information to any persons, for personal benefit or disclose or exchange any such information for their own interest or in the interest of others or for any reasons, whether directly or indirectly and by any means. The Relevant Persons may, however, disclose the Inside Information to those whose positions require them to know the Inside Information.
- 3 The Relevant Persons must not at all times use the Inside Information to purchase or sell GLOW's securities or to enter into derivatives contracts relating to GLOW's securities, for their own or anyone else's benefits. In addition, the Relevant Persons, shall also be prohibited from carrying out any transaction involving GLOW's securities or derivative contracts relating to GLOW's securities during a period starting from the first day of each calendar quarter to the date on which GLOW has published its reviewed/audited financial statements to the SET, which in any event, will not exceed 45 calendar days (the “General Blackout Period”). The relevant General Blackout Period will be duly notified to the Relevant Persons.
- 4 The Relevant Persons shall not disclose or certify any false or misleading information relating to GLOW Group's financial conditions, business operations, price of GLOW's securities or value of derivatives contracts relating to GLOW's securities or any other information relating to securities issued by GLOW or derivatives contracts relating to GLOW's securities.
- 5 All Directors and employees with the position at VP level and higher have a duty to disclose their holdings of GLOW's securities as well as the acquisition and disposal of GLOW's securities in accordance with the notification of the Office of the Securities and Exchange Commission. Their holding of GLOW's securities includes the holding of GLOW's securities of the spouse and minor children.

The acquisition or disposal of GLOW's securities must also be reported to GLOW's Senior Vice President or Vice President of Finance & Investor Relations Department within three working days after completion of the acquisition or disposal.

- 6 The Relevant Persons shall not use the Inside Information even after their employment with GLOW Group has ended.

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Notes: <sup>(1)</sup> In particular, the Securities and Exchange Act (No. 5) B.E. 2559 which was enacted to amend, among other things, the provisions relating to the insider trading and price manipulation.

<sup>(2)</sup> “Inside Information” is non-public information which is material to changes of price or value of securities including financial information or financial statements, potential major disposal or acquisition or potential joint venture, execution of significant agreements, entering into major customer agreements, material operational events, insurance claim, lawsuit, and the like, etc.

<sup>(3)</sup> “Family members” means (1) ascendant, descendant, child adopter or adopted child, (2) sibling of the same blood parents or sibling of the same blood father or mother, and (3) spouse or cohabiting couple, including that of the persons under (1) or (2).

## Ethics Reporting (Whistleblowing) Procedure

The Company provides a channel through which an informant, be it an employee or somebody from third party, can report unethical business practices, any non-compliance of the Company's Corporate Governance Policy (especially the anti-bribery policy and the insider trading policy), any violation of rights, or any other ethical concerns. The Company's Ethics Officer is responsible for receiving such reports from the informant, and then proceeds with the investigation if the Ethics Officer considers that such report has valid grounds. The report, as well as the information relating to the informant, is kept strictly confidential, shall not be publicly disclosed, and shall be used only for the purpose of the investigation.

The Company also provides protection measures, as well as non-retaliation measures, to the whistleblower, as well as all relevant witnesses, during and after the investigation, provided that the complaint is made in good faith.

The Company's Ethics Officer prepares a summary and progress of the investigation in accordance with the process under the Ethics Compliance Management Procedure on an annual basis.

## Resources

The Company has issued a policy regarding the efficient utilization of resources. Especially given the fact that the Company is in the energy business, it recognizes the value of all resources, including water, electricity and other supplies. The Company for instance encourages its employees to reuse paper for internal matters, as well as to switch off the computers and other electricity before they leave the office.

## Management Control of subsidiaries/affiliates

The Company appoints and nominates its member of the Board of Directors and/or managements to be members of the Board of Directors of subsidiaries and affiliates. For existing subsidiaries in which we hold more than 90% stake, including Glow IPP, Glow SPP 1, Glow SPP 2, Glow SPP3, Glow SPP 11, Glow Company, Glow IPP 2 Holding, and Glow IPP 3, all board members are appointed by the Company.

For other subsidiaries and affiliates, the number of Board members who are nominated by, and represent the Company are:

- GHECO-One (65% stake): 5 out of 8 board members;
- Houay Ho Power (67.25% stake; direct and indirect holding): 4 out of 9 board members;
- Houay Ho Thai (49% stake): 2 out of 5 board members; and
- Glow Hemaraj Wind (33% stake ): 2 out of 6 board members.

Although separate companies within our corporate group own our key operating assets, we maintain a single centralized management structure for all of our companies and assets. This allows us to effectively monitor and coordinate our operation and management of all key operating assets.

## Auditor's Fee

Auditor's remuneration for the period of 1 January 2017 to 31 December 2017 consists of:

	2017	Unit: Baht
Items	The Company	Subsidiaries
<b>Audit fee</b>	1,719,763.00	7,707,839.81
<b>Non - audit fee</b>		
- Review of Financial ratios	400,000.00	-
- Agree-upon procedure	300,000.00	300,000.00
- Others	-	-

## Other Good Corporate Governance Practices

The Company governs the business operations with the Corporate Governance, Code of Conduct and Code of Ethics and the international best practices by integrating them with our existing practices, taking into account the current business environment and the benefits for the Company, our shareholders and stakeholders. Some of the practices are resulted from our continuous effort to follow best practices in term of corporate governance

- The right to attend a shareholder meeting must be carefully examined to ensure that granting of a proxy is conducted properly to not interfere with rights of the shareholders who attend the meeting.
- The Company's Articles of Association (AoA) stipulates that the number of directors shall not be less than 5 but not greater than 15. As of 31 December 2017, the Company has 12 directors. This is in line with the Company's AoA and the business environment of the power production business where experts from numerous disciplines are required in order for the directors to adequately and effectively contribute and monitor various areas of the business operations.
- The Board of Directors comprises of directors representing a mix of balanced skills in several fields which are beneficial for the power production business. The Nomination Committee values candidates with diverse skills, experiences, expertise, and other qualifications during the nomination process to ensure that the Board's composition is complete and most suitable to Company and the group. In addition, we also have a policy against gender and racial discrimination.
- Although the Company currently has free float ratio of less than 40 percent of the total paid-up shares, the Company always protects the rights of the minority shareholders by periodically communicating information beneficial to the shareholders.
- The Company schedules meetings in advance throughout the year and always makes sure the directors will be available to attend the meetings. Before voting at the meetings, the Chairman allows all directors to ask questions and discuss various issues in detail in order to ensure that the Board's resolutions have unanimous consent.
- The Company does not have a policy requiring directors and senior management to report to the Board on their GLOW stock trading activities at least one day in advance due to the fluctuation of the share price in the market. The Company however has established a policy regarding prevention of the use of internal information to prevent our directors, management and employees from making use of such information for personal or others' benefits. All directors and senior management are required to report their GLOW stock trading activities. In addition, the Company also has enforced the Insider Trading Policy, in accordance with the Securities and Exchange Commission Act (5<sup>th</sup> Amendment) put in to force in 2016, with a General Blackout Period that prohibits directors, senior executives, and all employees of the group from trading GLOW stock during specified periods leading to disclosures of the Company's significant information to the public.

- Following the good guidelines of the Corporate Governance, the Company attempting to distribute the invitation letter of the AGM prior to the meeting date to provide the Company's shareholders with sufficient time to review the agenda. Currently, the Company is able to distribute the invitation letter 21 days prior to the date of the meeting, and is able to publish it on in the Company's internet website at least 30 days in advance prior to the date of the meeting.

## Internal Control and Risk Management

### Internal Control

The Audit Committee consists of three members who are also members of the Company's Board of Directors. The Company's Internal Auditor reports to the Audit Committee and the CEO. Some of the internal audits are performed in cooperation with ENGIE Internal Audit.

In 2017, the Audit Committee assessed the adequacy of the Company's existing internal control programme to ensure the effectiveness of all operational and financial controls. Taking into account the current business environment and organizational characteristics, the Audit Committee concluded that the internal control programme in place is adequate and appropriate. Additionally, the Company's Statutory Auditor commented that there were no material deficiencies in the Company's internal control systems in accordance with Thai Standards on auditing.

### The Organization and The Environment

- The Company's current organizational structure allows the Company's management team to operate objectively and efficiently by clearly specifying the roles and responsibilities of each employee
- During the past years, the Company has dedicated substantial time and effort on continuing to improve its internal control framework.
- Comprehensive policies and procedures have been developed and thereafter implemented for every significant business processes. Employees are required to comply with these policies and procedures within the context of their respective functional responsibilities.
- A Code of Conduct has been put in place, and, along with ENGIE Ethics Charter, has been communicated to all employees.
- Internal Audit formally reports its activities and its findings to Company's CEO and to the Audit Committee at least four times each year.
- The Company is also subject to audits performed by ENGIE Internal Audit, which works closely with the Company's Internal Audit function, the latter of which is responsible for coordinating and following-up on the implementation of all audit recommendations.
- The Company's COO, CPO, CCO, CFO and CEO commit to, by signing an annual internal control attestation letter, formulating internal control programme within the scope of their respective responsibilities. This is based on existing monitoring programmes, and must take into consideration the conditions and constraints relevant to the internal control function. This process includes evaluations that are carried out using self-assessment questionnaires on the general control environment.

## Risk Management

- Business risks, present and future, deemed as having a potential impact on the business's ability to achieve its objectives are formally assessed and managed within the context of the strategic, financial, operational and compliance environment.
- The impact and likelihood of each risk and associated risk factors are identified and assessed, as well as development of risk responses and measures to reduce such risks.
- Identified risks are monitored continuously.
- Risks are discussed during the Board Meetings and monthly Executive management meetings.

## Operation Controls of The Management

- Internal and General Power of Attorney ("POA") have been established and communicated to all Company employees. Both documents are updated on an annual basis, or as when required and approved by the Board of Directors. The POA clearly specifies authorization limits for capital and operational expenditures on a functional basis.
- For other transactions with major shareholders, directors, management, staff or other persons related to those parties, the Company has established strict rules in Related Party Transactions Policy in order to prevent any conflicts of interest, which take into consideration the optimization of the Company's value on behalf of shareholders and other stakeholders. In addition, all related-party transactions must be completed on an "arms-length" basis - the same basis applicable to all third party transactions.

## Information and Communication Systems

- Important and reliable business and financial information is made available to the Board of Directors to assist them in all decision making processes.
- The Company strives continuously to improve information and communication systems.
- Before the Board Meeting, and within the minimum period of time prescribed by law, the members of the Board of Directors receive an invitation, meeting agenda, and all related supporting documentation for consideration during official Board Meetings. Moreover, the minutes of the Board Meetings are available for shareholders to inspect, and to ensure the appropriateness of the actions of the Board of Directors.
- The Company maintains and retains all documentation used in the recording of accounting transactions, as well as all other relevant supporting documentation, in an organized manner and in compliance with laws regulating the documentation retention period.
- The Company applies generally accepted accounting principles and policies in accordance with Thai Accounting Standards ("TAS") and other applicable International Financial Reporting Standards ("IFRS"), as aligned with the characteristics of the Company's business.

## Monitoring Systems

- Internal Audit promptly reports all material internal control deficiencies to the management and to the Audit Committee. The Audit Committee evaluates these deficiencies, assesses the adequacy of the remediation plans in place, and reports these findings to the Board of Directors for their consideration within a reasonable period of time.

- The Board of Directors monitors and compares the operational performance of the organization and management using agreed upon objectives, key performance indicators and budgets.
- The Company's internal control systems are audited continuously.
- Each year, the Company agrees on an Internal Audit Plan based for identified high-risk business processes to be included in the Internal Audit's planning.

## Regulations on Internal Control

- The Company's corporate governance principles and internal control requirements have been undergoing reforms for several years.
- In September 2003, ENGIE launched the Control Disclosure Programme ("CODIS") in response to increasing regulatory pressures regarding internal control and disclosure requirements, such as the French Law on Internal Control ("LSF"). Beyond the importance of ensuring compliance, the Programme was seen as an opportunity to add value by reinforcing the Company's existing financial reporting processes, as well as our group of companies' internal control systems.
- The CODIS programme was renamed to the INCOME (Internal Control Management and Efficiency) programme in 2009 for the purpose of focusing on management of internal controls and their efficiency benefits.
- The INCOME internal control programme required a significant effort. All processes and relevant internal control procedures related to operational processes and financial statements have been documented and assessed by the Business Process Owners ("BPOs") for design effectiveness (completeness of documentation of the internal controls on paper) and operating effectiveness (effective execution of the internal controls in real practice). This self-assessment process reinforces ownership and responsibility. It also guarantees the sustained operational effectiveness of the internal control system, and ensures its ability to adapt to organizational, procedural, or regulatory changes. Human Resources management, financial management, accounting management, asset management, sales management, procurement management, inventory management, operations management, corporate governance, and IT management are among the processes that are documented.
- BPOs are assisted by an Internal Control Coordinator ("ICC"). The ICC ensures the internal control programme's proper implementation within the company, and prepares information in support of the COO, CPO, CCO, CFO and CEO's signing of the annual internal control attestation letter.
- Internal Audit and Statutory Auditor conduct extensive tests on the Company's most critical internal controls in business processes. These tests, which include assessments of design and operating effectiveness, help improve internal control systems by recommending action plans designed to remedy identified deficiencies and opportunities for improvement.
- The management develops the necessary remediation plans for all deficiencies identified during these tests. The implementation of remediation actions is closely monitored and subject to ongoing tests to ensure effective implementation.
- On 15 September 2017, the Company's COO, CPO, CCO, CFO and CEO signed the Internal Control Attestation Letter for the 2017 Financial Year, which was subsequently submitted to CEO and CFO of ENGIE Asia-Pacific Business Unit.
- The Company will continue to embed the above noted internal control systems into the corporate culture and business processes of its organization.

## Internal Audit

Management appoints, removes and replaces the Internal Auditor with the consent of the Audit Committee.

Mr. Chaiwut Rattanapornsinchai has been appointed to serve as Internal Auditor of the Company.

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# Related Party Transactions

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## Details of related party transactions

The Company has business transactions with its subsidiaries, associated companies and related companies as details disclosed in the note to the financial statements No. 25.

In addition, the Company and its subsidiaries, comprising of Glow Co., Ltd., Glow SPP 1 Co., Ltd., Glow SPP 2 Co., Ltd., Glow SPP 3 Co., Ltd., Glow SPP 11 Co., Ltd., Glow IPP Co., Ltd. and GHECO-One Co., Ltd. jointly entered into Support Services Agreement and Engineering Services Agreement dated 9 February 2009 and Novation Agreement dated 25 November 2014 with ENGIE Asia-Pacific Company Limited whereby, ENGIE Asia Pacific Company Limited shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee is based on reference market rate and will be determined in the agreed hourly rate depending on the type of services. The term of the agreements is two years from 11 July 2008, automatically renewed for successive one-year term unless termination is notified by either party. Nevertheless, the agreements shall be automatically terminated on the date that ENGIE S.A. (the ultimate shareholder) holds directly or indirectly less than 25 percent of the shares of Glow Group.

## Necessity and reasonableness of the related transactions

The related transactions of the Company and the person who might have conflict of interest for the past year have been done by taking into consideration the maximum benefit of the Company, and the Audit Committee has considered and agreed that such transactions were normal course of the business and there was no benefit transfer between the Company and the person who might have the conflict of interest. In addition, price fixing, fee rate and interest rate of the transactions all were in accordance with general trade conditions. Price fixing was comparable to market price and competitive mechanism or was the reasonable price and did not have condition that differed from making transactions with other third parties.

## Approval procedures of related transactions

For related transactions with the normal course of business operations, the approval procedures are in accordance with the regulations of the company, the subsidiaries, and the associated companies, similar to the transactions provided to other unrelated parties. For other related transactions, the Company has control measures in compliance with related regulations of Securities Exchange Commission ("SEC") and Stock Exchange of Thailand ("SET"). In addition, for the consideration of the related transactions between the Company and the persons who might have conflict of interest and are a shareholder or the management of such company, such shareholder or such management shall not take part in the approval process.

## Policy and trend of related transaction in the future

The Company anticipates that there will be related transactions incurred in the future because the related transactions of the Company have been done in accordance with the normal business of the Company and the Company has the policy to operate such related transactions to maximize benefit of the Company. For the related transactions in the future, the Company shall comply with the laws concerning securities and stock exchange and the regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as to comply with the requirements concerning the disclosure of the related transactions and the acquisition and disposal of the material assets of the Company including compliance with the accounting standard specified by the Accountants and the Certified Public Auditors Association of Thailand and Federation of Accounting Professional.

However, if there is a related transaction of the Company with a person or a stakeholder who might have a conflict of interest, the Company shall appoint the Audit Committee to give opinion on necessity and reasonableness of such transaction and the appropriateness of price fixing of other items in order to be in accordance with the general market price and with the conditions that is not different from other third parties or at prime cost. In addition, the Company shall disclose the related transactions in the note to the financial statements, which has been audited by the auditors of the Company.

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# Management's Discussion and Analysis of Financial Condition and Results of Operations

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## Key Financial Information

Glow Energy Public Company Limited and Subsidiaries Statements of Financial Position As at 31 December,						
	Unit : MTHB					
	2017	%	2016	%	2015	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	8,737	8.2%	7,252	6.6%	8,703	7.5%
Trade and other receivables	7,215	6.8%	8,267	7.6%	9,702	8.3%
Other current assets	6,110	5.8%	6,042	5.5%	6,220	5.3%
<b>Total Current Assets</b>	<b>22,062</b>	<b>20.8%</b>	<b>21,561</b>	<b>19.7%</b>	<b>24,625</b>	<b>21.1%</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	77,128	72.7%	80,742	73.7%	84,024	71.9%
Other non-current assets	6,841	6.5%	7,215	6.6%	8,215	7.0%
<b>Total Non-Current Assets</b>	<b>83,969</b>	<b>79.2%</b>	<b>87,957</b>	<b>80.3%</b>	<b>92,239</b>	<b>78.9%</b>
<b>TOTAL ASSETS</b>	<b>106,031</b>	<b>100.0%</b>	<b>109,518</b>	<b>100.0%</b>	<b>116,864</b>	<b>100.0%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Trade and other payables	6,132	5.8%	4,759	4.3%	5,501	4.7%
Current portion of long-term borrowings & Debentures	6,254	5.9%	7,767	7.1%	8,866	7.6%
Short-term borrowings	975	0.9%	1,433	1.3%	1,433	1.2%
Other current liabilities	1,061	1.0%	1,084	1.0%	995	0.9%
<b>Total Current Liabilities</b>	<b>14,422</b>	<b>13.6%</b>	<b>15,043</b>	<b>13.7%</b>	<b>16,795</b>	<b>14.4%</b>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings and Debentures	31,777	30.0%	36,197	33.1%	42,155	36.1%
Other non-current liabilities	1,823	1.7%	1,507	1.4%	1,956	1.6%
<b>Total Non-Current Liabilities</b>	<b>33,600</b>	<b>31.7%</b>	<b>37,704</b>	<b>34.5%</b>	<b>44,111</b>	<b>37.7%</b>
<b>TOTAL LIABILITIES</b>	<b>48,022</b>	<b>45.3%</b>	<b>52,747</b>	<b>48.2%</b>	<b>60,906</b>	<b>52.1%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>58,009</b>	<b>54.7%</b>	<b>56,771</b>	<b>51.8%</b>	<b>55,958</b>	<b>47.9%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>106,031</b>	<b>100.0%</b>	<b>109,518</b>	<b>100.0%</b>	<b>116,864</b>	<b>100.0%</b>

Glow Energy Public Company Limited and Subsidiaries Statements of Profit or Loss As at 31 December,						
	Unit : MTHB					
	2017	%	2016	%	2015	%
Revenues from sales	50,878	100.0%	52,567	100.0%	64,225	100.0%
Cost of sales	(37,721)	74.1%	(38,479)	73.2%	(49,371)	76.9%
Gross profit	13,157	25.9%	14,088	26.8%	14,854	23.1%
Other income	1,658	3.3%	524	1.0%	1,144	1.8%
Administrative expenses	(847)	1.8%	(954)	1.8%	(776)	1.2%
Other Expense	(11)	0.0%	(14)	0.0%	(1,211)	1.9%
Profit before Finance cost and Income Tax expense	13,957	27.4%	13,644	26.0%	14,011	21.8%
Finance costs	(2,380)	4.7%	(2,599)	4.9%	(3,244)	5.1%
Income tax expense	(975)	1.9%	(982)	1.9%	(1,093)	1.7%
Profit after tax	10,602	20.8%	10,063	19.2%	9,674	15.0%
Minority interest	(1,526)	3.0%	(1,110)	2.1%	(1,319)	2.1%
Net profit	9,076	17.8%	8,953	17.1%	8,355	12.9%

Glow Energy Public Company Limited and Subsidiaries Statements of Cash Flows For the year ended 31 December,			
	Unit : MTHB		
	2017	2016	2015
Net cash provided by operating activities	16,738	15,295	18,383
Net cash provided by (used in) investing activities	(787)	(1,054)	(2,599)
Net cash used in financing activities	(14,425)	(15,689)	(11,466)
Net increase (decrease) in cash and cash equivalents	1,485	(1,451)	4,339
Cash and cash equivalents as at 1 January,	7,252	8,703	4,364
Cash and cash equivalents as at 31 December,	8,737	7,252	8,703

## Ratio of Financial Statement

Glow Energy Public Company Limited Financial Ratio Summary As of 31 December,				
	Unit	2017	2016	2015
<b>Liquidity Ratio</b>				
• Current Ratio	Times	1.53	1.43	1.46
• Quick Ratio	Times	1.12	1.06	1.13
• Cash Ratio	Times	1.14	0.96	0.99

Glow Energy Public Company Limited Financial Ratio Summary As of 31 December,				
	Unit	2017	2016	2015
<b>Profitability Ratio</b>				
• Gross Profit Margin	%	25.86%	26.80%	23.42%
• Operating Profit Margin	%	27.43%	25.95%	22.09%
• Net Profit Margin	%	17.84%	17.03%	13.17%
• Return on Equity	%	18.45%	18.36%	17.80%
<b>Efficiency Ratio</b>				
• Return on Asset	%	8.42%	7.89%	7.04%
• Return on Fixed Asset	%	16.75%	15.75%	14.45%
• Asset Turnover	Times	0.47	0.46	0.53
<b>Financial Ratio</b>				
• Debt to Equity	Times	0.83	0.94	1.09
• Interest Coverage	Times	8.44	7.26	7.00
• Dividend Payout	%	n/a <sup>(1)</sup>	89.6	85.86

Note: <sup>(1)</sup> Annual Dividend of 2017 is to be approved in Annual General Meeting of Shareholders.

## Management's discussion and analysis

### Overview

Glow Energy Public Company Limited and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand and neighboring country. We operate IPP and cogeneration facilities (most of which operate as SPPs under Thailand's SPP program) and our core business is to produce and supply electricity to EGAT and to produce and supply electricity and steam to industrial customers in the MIE<sup>(1)</sup> Area and SEIP<sup>(2)</sup> Area. As of 31 December, 2017, we had a total generating capacity of 3,207 MW of electricity and 1,206 tons per hour of steam.

Starting 2014, Thai accounting standard has adopted international accounting standard related to Financial Lease. The only generating unit of Glow Group affected from this change in accounting standard is Glow IPP, 713 MW gas-fired IPP. Implication of Financial Lease accounting standard included, but not limited to, the following key aspects:

- Recording Availability Payment received from EGAT as Financial Lease Income and amortization of Lease Receivables
- Recording of Lease Receivables, rather than Property Plant and Equipment as per old standard, and hence no recording of depreciation expense

However, Energy Payment, gas cost, and other operating costs are recorded essentially with the same method.

For 2017, adjustments to reflect Financial Lease accounting standard from old standard are:

- Net adjustment to exclude Availability Payment (THB -1,095.0 million) and depreciation (THB +340.3 million) of THB -754.7 million

Note: <sup>(1)</sup> Map Ta Phut Industrial Estate in Rayong Province

<sup>(2)</sup> Siam Eastern Industrial Park in Pluak Daeng, Rayong Province

- Net adjustment to include Financial Lease income of THB +567.3 million
- Net adjustment on Deferred Tax of THB +37.5 million

As a result, consolidated net profit for 2017, under the new accounting standard, was THB 9,075.9 million. However, our normalized net profit<sup>(3)</sup>, excluding the adjustment of financial lease accounting, which is the basis used to determine our dividend distribution, was THB 8,709.5 million in 2017, a 7.3 percent decrease from THB 9,391.2 million in 2016.

## Revenues

We derive our revenues primarily from sales of electricity to EGAT and sales of electricity, steam, clarified and demineralized water and chilled water to industrial users in the MIE Area and SEIP Area. The following table breaks down our revenues by sources for the periods indicated:

Revenues						
	Year to Date Ended 31 December,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
<b>Revenues from Sales of Goods and Rendering of Services</b>						
Electricity						
Sales to EGAT by IPPs	13,408.7	25.5	14,364.1	27.1	(955.4)	(6.7)
Sales to EGAT by SPPs <sup>(1)</sup>	13,747.7	26.2	15,125.7	28.5	(1,378.0)	(9.1)
Sales to Industrial Customers	15,722.9	29.9	15,031.8	28.3	691.1	4.6
Financial Lease Income (Glow IPP)	567.3	1.1	665.4	1.3	(98.1)	(14.7)
Total	43,446.6	82.7	45,187.0	85.2	(1,740.4)	(3.9)
Steam	6,984.7	13.3	6,925.9	13.0	58.8	0.8
Other Products	447.2	0.8	454.4	0.8	(7.2)	(1.6)
Total	50,878.5	96.8	52,567.3	99.0	(1,688.8)	(3.2)
Other Incomes	1,658.8	3.2	524.9	1.0	1,133.9	>100
<b>Total Revenue</b>	<b>52,537.3</b>	<b>100.0</b>	<b>53,092.2</b>	<b>100.0</b>	<b>(554.9)</b>	<b>(1.0)</b>

Note: <sup>(1)</sup> Included revenues from electricity sales to PEA under VSPP scheme by Glow Energy Solar which accounted for THB 26.7 million and THB 24.6 million in 2016 and 2017, respectively.

Our revenues are in part driven by the volumes of electricity and industrial utilities that we produce and sell to our industrial customers in MIE Area and SEIP Area.

Note: <sup>(3)</sup> Definition of "Normalized Net Profit" is "Net profit excluding net exchange gain or loss and net change in deferred tax asset (revenues) or liability (expenses)"

The following table demonstrates our volumes of electricity and industrial utilities sold for the indicated periods:

Volumes Sold				
	Year to Date Ended 31 December,			
	2017	2016	Difference	%
Electricity dispatch (GWh)				
To EGAT by IPPs	5,450.8	5,863.9	(413.1)	(7.0)
To EGAT by SPPs <sup>(1)</sup>	5,176.0	5,533.6	(357.6)	(6.5)
To Industrial Customers	5,265.1	4,992.1	273.0	5.5
Total	15,891.9	16,389.6	(497.7)	(3.0)
Steam (thousands of tons)	7,885.5	7,624.6	260.9	3.4
Processed water (thousands of cubic meters)	12,414.0	12,709.0	(295.0)	(2.3)
Chilled water (thousands of refrigerated tons)	13,995.5	12,677.3	1,318.2	10.4

Note: <sup>(1)</sup> Included electricity dispatch to PEA under VSPP scheme by Glow Energy Solar which accounted for 2.32 GWh in both and 2.2 GWh in 2016 and 2017, respectively.

## Revenues from Sales of Goods

### Electricity Sales to EGAT

We sell electricity to EGAT under our EGAT power purchase agreements<sup>(4)</sup>. We are currently party to 3 IPP power purchase agreements, in respect of 1,373 MW of electricity located in Thailand and 128 MW of electricity located in Lao PDR in which 126 MW sales to EGAT and 2 MW to Electricite Du Laos (EDL). We are also a party to 11 SPP power purchase agreements and 1 VSPP power purchase agreement (Glow Energy Solar), in respect of an aggregate of 784 MW and 1.55 MW of electricity respectively.

### Electricity Sales to Industrial Customers

We sell electricity to our industrial customers under our power supply agreements. As of 31 December 2017, we were party to a total of 85 power supply agreements with 63 industrial customers in respect of an aggregate of 727 MW of electricity.

### Steam Sales

We sell steam to our industrial customers under our steam supply agreements. As of 31 December 2017, we were party to a total of 34 steam supply agreements with 22 industrial customers in respect of an aggregate of 1,187 tons per hour of steam.

### Processed Water Sales

We sell clarified water and demineralized water to our industrial customers under our water supply agreements. As of 31 December 2017, we were party to a total of 14 water supply agreements with 8 customers in respect of an aggregate of 1,659 cubic meters per hour of water.

### Chilled Water Sales

We sell chilled water to our industrial customers under our water supply agreement. As of 31 December 2017, we were party to a total of 2 water supply agreements with 2 customers in respect of an aggregate of 2,050 refrigerated tons of chilled water.

Note: <sup>(4)</sup> Sales of electricity to EGAT, under IPP program, consist of Availability Payment and Energy Payment whereas sales of electricity to EGAT, under SPP program, consist of Capacity Payment and Energy Payment.

## Expenses

Our expenses consist of cost of goods sold and selling and administrative expenses. The following table demonstrates the different components of our expenses by their amount and as a percentage of our total expenses for the periods indicated:

Expenses						
	Year to Date Ended 31 December,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
<b>Cost of Goods Sold</b>						
Fuel						
Natural Gas	20,460.9	53.0	21,497.2	54.5	(1,036.3)	(4.8)
Coal	7,640.9	19.8	7,543.2	19.1	97.7	1.3
Diesel	21.5	0.1	54.1	0.1	(32.6)	(60.3)
Maintenance	2,084.1	5.4	2,159.0	5.5	(74.9)	(3.5)
Depreciation and Amortization	4,377.9	11.4	4,231.3	10.7	146.6	3.5
Other	3,135.5	8.1	2,994.3	7.6	141.2	4.7
Total Cost of Goods Sold	37,720.8	97.8	38,479.1	97.5	(758.3)	(2.0)
<b>Selling and Administrative Expenses</b>						
Depreciation and Amortization	27.7	0.1	28.5	0.1	(0.8)	(2.8)
General	818.8	2.1	926.0	2.4	(107.2)	(11.6)
Total Selling and Administrative Expenses	846.5	2.2	954.5	2.5	(108.0)	(11.3)
Other Expenses	13.1	-	15.1	-	(2.0)	(13.2)
<b>Total Expenses</b>	<b>38,580.4</b>	<b>100.0</b>	<b>39,448.7</b>	<b>100.0</b>	<b>(868.3)</b>	<b>(2.2)</b>

The following table shows a breakdown of our costs for our IPP facilities, on one hand, and for our cogeneration facilities, on the other:

IPP and Cogeneration Facilities Cost of Goods Sold Breakdown <sup>(1)</sup>						
	Year to Date Ended 31 December,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
<b>IPP Facilities</b>						
Natural Gas	959.0	11.1	1,232.8	13.2	(273.8)	(22.2)
Coal	4,652.7	53.8	5,117.2	54.9	(464.5)	(9.1)
Diesel	18.0	0.2	51.4	0.5	(33.4)	(65.0)
Maintenance	739.5	8.6	697.8	7.5	41.7	6.0
Depreciation and Amortization	1,430.7	16.6	1,405.6	15.1	25.1	1.8
Others	838.5	9.7	823.2	8.8	15.3	1.9
Total Cost of Goods Sold	8,638.4	100.0	9,328.0	100.0	(689.6)	(7.4)

IPP and Cogeneration Facilities Cost of Goods Sold Breakdown <sup>(1)</sup>						
	Year to Date Ended 31 December,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
<b>Cogeneration Facilities</b>						
Natural Gas	19,501.9	67.1	20,264.4	69.5	(762.5)	(3.8)
Coal	2,988.2	10.3	2,426.0	8.3	562.2	23.2
Diesel	3.5	-	2.6	-	0.9	34.6
Maintenance	1,344.6	4.6	1,461.1	5.0	(116.5)	(8.0)
Depreciation and Amortization	2,947.2	10.1	2,825.7	9.7	121.5	4.3
Others	2,297.0	7.9	2,171.3	7.5	125.7	5.8
<b>Total Cost of Goods Sold</b>	<b>29,082.4</b>	<b>100.0</b>	<b>29,151.1</b>	<b>100.0</b>	<b>(68.7)</b>	<b>(0.2)</b>

Note: <sup>(1)</sup> The data presented herein as the cost of sales of our cogeneration facilities is our consolidated financial results less the results of Glow IPP Co., Ltd., Houay Ho Power Co., Ltd. and GHECO-One Co., Ltd. In fact, certain of these amounts are attributable to portions of our business, which are not technically our cogeneration facilities, although these amounts represent only a small portion thereof.

## Cost of Goods Sold

### Fuel

The principal fuels that we use to generate electricity and steam are natural gas and coal. Purchases of natural gas constitute our single largest portion of operating expenses, accounted for 53.0 percent of our total expenses in 2017.

The following table demonstrates our average gas costs for the periods indicated:

Average Effective Cost of Natural Gas <sup>(1)</sup>				
	Year to Date Ended 31 December,			
	2017	2016	Difference	
	(Bt/mmBTU)	(Bt/mmBTU)	(Bt/mmBTU)	(%)
<b>Average cost</b>				
To Glow IPP <sup>(2)</sup>	3,815.8	600.0	3,215.8	>100
To Cogeneration facilities <sup>(3)</sup>	240.3	246.4	(6.1)	(2.5)

Note: <sup>(1)</sup> These are not our actual gas prices, but are derived by taking our total natural gas expenses and dividing by total fuel consumption of the facilities for the periods presented.

<sup>(2)</sup> Average Effective Cost included cost related to gas pipeline transmission (Tdc1). However, in case of Glow IPP in 2016 and 2017, as a result of low dispatch from EGAT, an actual gas consumption was less than a minimum Contracted Delivery Capacity, resulting in higher Average Effective Cost. If excluding Tdc1 charge, average gas cost of Glow IPP would become 203.1 Bt/mmBTU and 204.4 Bt/mmBTU for 2016 and 2017, respectively.

<sup>(3)</sup> This is a "blended" rate, reflecting principally prices paid to PTT (i) by our cogeneration facilities for gas used to supply electricity to EGAT and industrial customers, (ii) for gas used to fire boilers to generate steam for industrial customers. Each of the prices set out in (i) and (ii) are different. We also purchase small amounts of tail gas from another Thai supplier, which prices are separate and are also factored into the foregoing rates.

Purchases of coal accounted for 19.8 percent of our total expenses in 2017.

The following table demonstrates average coal costs for the periods indicated:

Average Cost of Coal				
	Year to Date Ended 31 December,			
	2017	2016	Difference	
	(\$/ton)	(\$/ton)	(\$/ton)	(%)
<b>IPP Facilities</b>				
Equivalent coal price @ 6,322 kcal/kg <sup>(1) (AR)</sup>	68.2	66.0	2.2	3.3
Freight costs <sup>(2)</sup>	7.1	8.7	(1.6)	(18.4)
<b>Cogeneration Facilities</b>				
Equivalent coal price @ 6,700 kcal/kg <sup>(1) (AD)</sup>	76.3	58.6	17.7	30.2
Freight costs <sup>(2)</sup>	8.0	7.9	0.1	1.3

Note <sup>(1)</sup> This equivalent coal price is not actual reference coal price of each facility. It is derived from our actual average coal price (accounted also for inventory) converted into equivalent price at stated calorific value.

<sup>(2)</sup> These reflect our actual freight and insurance costs.

The key determinants of our fuel expenses are the amounts of electricity and steam produced by our facilities and the efficiency with which we are able to generate such products.

The following table demonstrates the energy production levels and heat rates of our facilities for the periods indicated:

Production and Heat Rates		
	Year to Date Ended 31 December,	
	2017	2016
<b>Glow IPP</b>		
Equivalent energy production (GWh)	35	287
Fuel consumption (mmBTU, HHV)	260,106	2,124,122
Heat rate (BTU/kWhe, HHV)	7,465	7,400
<b>GHECO-One</b>		
Equivalent energy production (GWh)	5,021	5,234
Fuel consumption (mmBTU, HHV)	44,758,925	47,214,450
Heat rate (BTU/kWhe, HHV)	8,915	9,021
<b>Cogeneration Facilities (MIE)<sup>(1)</sup></b>		
Allocated energy production (GWh equivalent) <sup>(2)</sup>		
Gas-fired cogeneration facilities	8,314	8,451
Coal-fired cogeneration facilities	2,643	2,576

Production and Heat Rates		
	Year to Date Ended 31 December,	
	2017	2016
Fuel consumption (mmBTU, HHV)		
Gas-fired cogeneration facilities	67,459,607	68,406,489
Coal-fired cogeneration facilities	27,203,336	26,694,675
Allocated heat rates (BTU/kWhe, HHV)		
Gas-fired cogeneration facilities	8,114	8,094
Coal-fired cogeneration facilities <sup>(3)</sup>	10,293	10,363
<b>Cogeneration Facilities (SEIP)</b>		
Equivalent energy production (GWh) <sup>(2)</sup>	1,602	1,612
Fuel consumption (mmBTU, HHV)	13,215,943	13,242,687
Heat rate (BTU/kWhe, HHV)	8,249	8,213

Note: <sup>(1)</sup> We present an "allocated" heat rate, which is a deemed heat rate for our cogeneration facilities that we derive by dividing the total fuel energy consumption of such facilities over a specified period of time by the energy produced during such period. This is not a straightforward exercise, particularly with respect to our Glow SPP 2/ Glow SPP 3 hybrid facility, where, for purposes of such calculation, we are required to "allocate" the amount of energy produced using steam and the amount of energy used producing gas. We make this allocation on the basis of the contribution of each energy source to total energy input, which involves subjective judgments and the use of simplifying assumptions.

<sup>(2)</sup> Includes production of electricity and steam and chilled water (if applicable). For these purposes, steam and chilled water (if applicable) has been converted into MW at a deemed equivalent electrical energy value.

<sup>(3)</sup> CFB start-up gas is charged to the coal heat rates for purposes of the figures presented in this table.

## Results of Operations

### Fiscal Year 2017 compared to Fiscal Year 2016

#### Revenues

Revenues from sales of goods and the rendering of services and other incomes that ended 31 December 2017, were THB 52,537.3 million, a 1.0 percent decrease from THB 53,092.1 million in 2016. The decreases were attributable to the following factors:

- Revenue received from EGAT by Glow IPP, under IPP scheme, accounted for THB 2,676.3 million in 2017, a decrease of 20.4 percent from THB 3,362.5 million in 2016. The important drivers of decreasing were lower energy payment which decreased THB 361.8 million from THB 1,334.7 million to THB 972.9 million due to lower power dispatch to EGAT which decreased from 250.5 GWh to 34.2 GWh and the decrease in availability payment by THB 324.5 million from THB 2,027.9 million to THB 1,703.4 million resulted from lower availability payment rate.

However, with the adoption of Financial Lease, sales of electricity to EGAT recorded in financial statement consisting of financial lease income accounted for THB 567.3 million and revenue from sales accounted for THB 1,581.3 million.

- Sales of electricity to EGAT by GHECO-One, under IPP scheme, accounted for THB 11,109.0 million in 2017, a decrease of 5.2 percent from THB 11,722.4 million in 2016. The energy payment decreased by 17.8 percent from THB 5,527.4 million to THB 4,546.2 million mainly due to lower energy payment rate as a result of new coal supply agreement starting in July 2016. Moreover, scheduled maintenance during 1<sup>st</sup> January to 5<sup>th</sup> February led to lower power dispatch to EGAT by 4.0 percent from 5,232.1 GWh to 5,020.6 GWh. On the other hand, availability payment increased by 5.9 percent from THB 6,195.0 million to THB 6,562.8 million due to lower unplanned outages.
- Sales of electricity to EGAT and EDL by Houay Ho Power (HHPC), under IPP scheme, accounted for THB 718.5 million in 2017, a 0.9 percent increase from THB 712.0 million in the same period prior year. These increases were mainly due to a 3.8 percent increase in volume dispatch to EGAT from 380.4 GWh to 394.9 GWh.
- Sales of electricity to EGAT by our cogeneration facilities, under SPP scheme, accounted for THB 13,747.7 million in 2017, a decline of 9.1 percent from THB 15,125.7 million, when compared to the same period in the prior year. These declines were primarily due to lower energy payment as the results of lower power dispatch to EGAT by 6.5 percent due to the expiration of two PPAs of Glow Energy Phase 2 in 2017 which was extended under SPP extension scheme and lower gas price by 2.5 percent in spite of higher coal price by 30.2 percent.
- Sales of electricity to industrial customers by our cogeneration facilities accounted for THB 15,722.9 million in 2017, a 4.6 percent increase from THB 15,031.8 million in 2016. These increases were mainly due to higher electricity sold to industrial customers by 5.5 percent despite lower electricity tariff rate charged to Industrial Customers by 0.8 percent.
- Sales of steam to industrial customers by our cogeneration facilities accounted for THB 6,984.7 million in 2017, an increase of 0.8 percent from THB 6,925.9 million compared to the same period in the prior year. These increases were mainly due to an increase in sale volume by 3.4 percent despite 2.5 percent lower selling price as a result of lower gas price.
- Sales of other products and services accounted for THB 447.2 million in 2017 as compared to THB 454.4 million in the same period of the prior year.

Our other incomes consist mainly of revenue from interest income and other items.

We recognized interest income for THB 51.6 million in 2017, a decrease of 13.0 percent from THB 59.3 million in 2016. The interest income was principally attributable to interest earned on cash held in the form of deposits, financial instruments and in reserve accounts under our project financing agreements.

Other items totaled THB 657.1 million, increased by THB 275.1 million from THB 382.0 million in 2016. There was a booking of business interruption claim of GHECO-One of THB 291.9 million in the first half of 2017.

Additionally, we booked net exchange gain of THB 83.6 million and THB 950.1 million as other incomes in 2016 and 2017, respectively. The Foreign Exchange exposure is derived from the US dollar-denominated debt in Glow IPP, GHECO-One and Houay Ho Power<sup>(5)</sup> which are being served by the US dollar-linked and US dollar revenue from sales of electricity to EGAT.

As a result of the foregoing, total revenue accounted for THB 52,537.3 million in 2017, a 1.0 percent decrease from THB 53,092.1 million in 2016.

## Expenses

Cost of goods sold was THB 37,720.8 million in 2017, a decrease of 2.0 percent from THB 38,479.1 million in 2016. This decrease was attributable to the following factors:

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Note: <sup>(5)</sup> Financial Statement of HHPC is presented in US Dollar and be consolidated into our financial statement presented in Thai Baht

#### IPP facilities

- IPP facilities' cost of natural gas from Glow IPP was THB 959.0 million in 2017, a decrease of THB 273.8 million from THB 1,232.8 million in 2016. The decrease in gas cost of Glow IPP were mainly attributable to lower gas consumption by 87.8 percent as a result of lower power dispatch to EGAT.
- IPP facilities' cost of coal from GHECO-One was THB 4,652.7 million in 2017, a 9.1 percent decrease from THB 5,117.2 million in 2016. This decrease was primarily because of lower coal consumption due to scheduled maintenance of GHECO-One.
- IPP facilities' cost of diesel was THB 18.0 million in 2017, a decrease of THB 33.4 million from THB 51.4 million compared to the same period in the prior year.
- IPP facilities' maintenance costs were THB 739.5 million in 2017, an increase of THB 41.6 million from THB 697.8 million in 2016. These increases were mostly due to scheduled maintenance of GHECO-One in the first quarter of 2017.
- IPP facilities' depreciation and amortization costs were THB 1,430.7 million in 2017, a 1.8 percent increase from THB 1,405.6 million in 2016.
- IPP facilities' other costs of goods sold were THB 838.5 million in 2017, a 1.9 percent increase from THB 823.1 million compared to the same period of previous year. IPP facilities' other costs of sales of goods consist mainly of water, chemicals and general overhead costs as well as contribution to Power Community Development Fund.

#### Cogeneration facilities

- Our cogeneration facilities' cost of natural gas was THB 19,501.9 million in 2017, a 3.8 percent decrease from THB 20,264.4 million, when compared to the same period in the prior year. This decrease was mainly due to lower gas price by 2.5 percent and lower gas consumption by 1.3 percent.
- Our cogeneration facilities' cost of coal was THB 2,988.2 million in 2017, an increase of 23.2 percent from THB 2,426.0 million compared to the same period of previous year. The increases were mainly due to higher average coal price at FOB<sup>(6)</sup> by 30.2 percent from 58.6 USD/ton to 76.3 USD/ton and average coal index also increased by 27.9 percent from 64.1 USD/ton to 82.0 USD/ton.
- Our cogeneration facilities' cost of diesel was THB 3.5 million in 2017, an increase of THB 0.9 million from THB 2.6 million compared to the same period in the prior year.
- Our cogeneration facilities' maintenance costs were THB 1,344.6 million in 2017, a decrease of 8.0 percent or equivalent to THB 116.5 million from THB 1,416.1 million in 2016. The decrease in these maintenance costs was attributable to some cogeneration facilities unit had less scheduled maintenance in 2017 as compared to 2016.
- Our cogeneration facilities' depreciation and amortization costs were THB 2,947.2 million in 2017, an increase of 4.3 percent from THB 2,825.7 million in 2016.
- Our cogeneration facilities' other costs of goods sold were THB 2,297.0 million in 2017, an increase of 5.8 percent from THB 2,171.2 million in 2016. Cogeneration facilities' other costs of goods sold consist mainly of water, chemicals, and general overhead costs as well as contribution to Power Community Development Fund.

Selling and administrative expenses accounted for THB 846.5 million in 2017, a decrease of 11.3 percent or equivalent to THB 108.0 million from THB 954.5 million in 2016. These were attributable to the following factors:

- Depreciation and amortization accounted for THB 27.7 million in 2017, a decrease 2.8 percent from THB 28.5 million in 2016.

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Note: <sup>(6)</sup> This equivalent coal price is not actual reference coal price of each facility. It is derived from our actual average coal price (accounted also for inventory) converted into equivalent price at stated caloric value.

- Other selling and administrative expenses accounted for THB 818.8 million in 2017, a decrease of 11.6 percent from THB 926.0 million in 2016.

As a result of the foregoing, our total expenses were THB 38,580.4 million in 2017, a 2.2 percent decrease from THB 39,448.7 million in 2016.

### **Profit Before Finance Costs and Income Tax**

As a result of the foregoing, our profit before finance costs and income tax was THB 13,956.9 million in 2017, an increase of 2.3 percent from THB 13,643.5 million in 2016.

### **Finance costs**

Our finance costs were THB 2,379.5 million in 2017, a decrease of 8.4 percent from THB 2,599.1 million in 2016. The finance costs consist of interest expenses and financial fees.

Our interest expenses were THB 2,296.0 million in 2017, a decline of 7.5 percent from THB 2,482.1 million in 2016. The decline in interest expenses was mainly due to the reduction in outstanding interest-bearing debt.

Our financial fees decreased by THB 33.5 million to THB 83.5 million in 2017 from THB 117.0 million in 2016.

### **Income Tax Expenses**

Income Tax Expenses are comprised of 2 parts: (a) Current Income Tax Expenses and (b) Net Change in Deferred Tax Asset/Liability (or Net Deferred Tax Revenues/Expenses).

#### *(a) Current Income Tax Expenses*

Current income tax expenses were THB 920.8 million in 2017, an increase of 1.0 percent or equivalent to THB 9.0 million from THB 911.8 million in 2016. The majority of the increases in current income tax expenses were mainly due to booking of business interruption claim of GHECO-One in the first half of 2017.

#### *(b) Net Change in Deferred Tax Asset/Liability (or Deferred Tax Revenues/Expenses)*

There was the booking of net change in Deferred Tax Liability (Deferred Tax Expenses) of THB 54.4 million, including the adjustment of deferred tax revenue booked under financial lease of GIPP accounted for THB 37.5 million in 2017, whereas net change in Deferred Tax Liability (Deferred Tax Expense) of THB 69.8 million, including the adjustment of deferred tax revenue booked under financial lease of GIPP accounted for THB 85.5 million, was recorded in 2016.

### **Profit After Tax**

As a result of the foregoing, our profit after tax accounted for THB 10,602.2 million in 2017, an increase of 5.4 percent from THB 10,062.7 million in 2016.

### **Minority Interest**

There was a net profit attributed to minority interest of THB 1,526.2 million in 2017, while the attribution to minority interest was THB 1,109.6 million in 2016. The minority interest is mainly net profit of GHECO-One attributed to 35% minority shareholders. In 2017, GHECO-One had net profit of THB 4,018.4 million, including net exchange gain of THB 918.4 million, while the net profit from GHECO-One in 2016 was THB 2,911.4 million, including net exchange gain of THB 129.7 million.

### **Net Profit**

As a result of the foregoing, our net profit was THB 9,075.9 million in 2017, an increase of 1.4 percent from THB 8,953.1 million in the same period of previous year, whereas net profit excluding the adjustment of financial lease accounting of GIPP was THB 9,278.1 million and THB 9,218.4 million in 2016 and 2017, respectively.

## Normalized Net Profit<sup>(7)</sup>

Our normalized net profit, which was net income excluding the adjustment of financial lease accounting of GIPP, net foreign exchange gain of THB 623.3<sup>(8)</sup> million and deferred tax expenses of THB 93.1<sup>(9)</sup> million, was THB 8,709.5 million in 2017, a decrease of 7.3 percent from THB 9,391.2 million in 2016. This normalized net profit is the basis used to determine our dividend distribution.

## Consolidated Statements of Financial Position Analysis

The following table breaks down our balance sheet statement which is comprised of assets, liabilities and equity for the periods indicated:

Consolidated Financial Statements						
	Year to Date Ended 31 December,					
	2017		2016		Difference	
	(MTHB)	(%)	(MTHB)	(%)	(MTHB)	(%)
Current assets	22,062.0	20.8	21,561.0	19.7	501.0	2.3
Non-current assets	83,968.9	79.2	87,957.3	80.3	(3,988.4)	(4.5)
<b>Total assets</b>	<b>106,030.9</b>	<b>100.0</b>	<b>109,518.3</b>	<b>100.0</b>	<b>(3,487.4)</b>	<b>(3.2)</b>
Current liabilities	14,421.7	13.6	15,043.0	13.8	(621.3)	(4.1)
Non-current liabilities	33,600.6	31.7	37,704.2	34.4	(4,103.6)	(10.9)
Total liabilities	48,022.3	45.3	52,747.2	48.2	(4,724.9)	(9.0)
<b>Total equity</b>	<b>58,008.6</b>	<b>54.7</b>	<b>56,771.1</b>	<b>51.8</b>	<b>1,237.5</b>	<b>2.2</b>
<b>Total liabilities and equity</b>	<b>106,030.9</b>	<b>100.0</b>	<b>109,518.3</b>	<b>100.0</b>	<b>(3,487.4)</b>	<b>(3.2)</b>

As of December 31, 2017 Glow Energy Public Company Limited and its subsidiaries had total assets in the amount of THB 106,030.9 million, a decrease of 3.2 percent or equivalent to THB 3,487.4 million from THB 109,518.3 million in 2016. The changes in total assets were mainly attributable to the following factors:

- Cash and cash equivalents, which comprised of cash, bank deposits in current accounts and bank deposits in saving accounts, increased by 20.5 percent or THB 1,484.6 million from THB 7,252.0 million to THB 8,736.6 million. These increases were mainly due to cash generated from operation and new long-term loan in the amount of THB 3,000 million, despite the repayment of long-term borrowing and debentures which are accounted for THB 3,125.2 million and THB 4,600 million, respectively and dividend payment of THB 8,518.3 million in 2017.
- Trade and other receivables dropped by 12.7 percent or THB 1,052.0 million from THB 8,267.1 million in 2016 to THB 7,215.1 million in 2017. These decreases were mainly due to a decrease in total trade receivables which dropped by THB 387.7 million from THB 7,185.0 million in 2016 to THB 6,797.3 million in 2017 as a result of lower sales revenues.
- Property, plant and equipment declined by 4.5 percent or THB 3,614.1 million from THB 80,741.8 million in 2016 to THB 77,127.7 million in 2017 due to an increase in accumulated depreciation.

Notes: <sup>(7)</sup> Definition of "Normalized Net Profit" is "Net Profit excluding net exchange gain or loss and net change in deferred tax assets (revenues) or liabilities (expenses)"

<sup>(8)</sup> Excluded net foreign exchange gain/loss attributed to minority shareholders in subsidiaries.

<sup>(9)</sup> Excluded deferred tax revenues or expenses attributed to minority shareholders in subsidiaries.

Total liabilities accounted for THB 48,022.3 million in 2017, a decrease of 9.0 percent or equivalent to THB 4,724.9 million from THB 52,747.2 million in 2016. The decreases in total liabilities were mainly due to:

- Trade and other payables increased to THB 6,132.3 million in 2017, an increase of 28.8 percent or equivalent to THB 1,313.0 million from THB 4,759.3 million in 2016 mainly as a result of the accrued expense.
- Long-term borrowings from financial institutions dropped to THB 18,092.8 million in 2017, a decrease of 6.9 percent or THB 1,338.2 million from THB 19,431.0 million in 2016, resulting from scheduled debt repayments of both Cogeneration and IPP business.
- Debentures decreased to THB 19,938.3 million in 2017, a decrease of 18.7 percent or equivalent THB 4,594.4 million from THB 24,532.7 million in 2016 due to the repayment of 3 debentures.

Total equity totaled THB 58,008.6 million in 2017, an increase of 2.2 percent or equivalent to THB 1,237.5 million from THB 56,771.1 million in 2016. The increase was mainly due to:

- The profit of the year 2017 in the amount of THB 9,075.9 million.
- The dividend payment during the year 2017 in the amount of THB 8,518.3 million consisted of full year dividend from results of year 2016 of THB 6,278.6 million (paid in May 2017) and interim dividend of year 2017 of THB 2,239.6 million (paid in September 2017).

## Consolidated Statements of Cash Flow Analysis

The following table summarizes our cash in and out of the business by activities for the periods indicated:

Consolidated Financial Statements				
	Year to Date Ended 31 December,			
	2017	2016	Difference	
	(MTHB)	(MTHB)	(THB)	(%)
Net cash flow from operating activities	16,738.1	15,295.2	1,442.9	9.4
Net cash flow from investing activities	(787.0)	(1,054.0)	267.0	25.3
Net cash flow from financing activities	(14,424.6)	(15,688.7)	1,264.1	8.1
Unrealized exchange gain (loss) of cash and cash equivalents	(41.9)	(3.2)	(38.7)	>(100)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,484.6</b>	<b>(1,450.7)</b>	<b>2,935.3</b>	<b>&gt;100</b>

As of December 31, 2017 Glow Energy Public Company Limited and its subsidiaries recorded cash and cash equivalents of THB 8,736.6 million, a decrease of THB 1,484.6 million from THB 7,252.0 million in 2015. The decreases in cash and cash equivalents were driven by net cash flow from operating, investing and financing activities as follows:

- Net positive cash flow provided from operating activities was THB 16,738.1 million in 2017 as a result of profit before income tax expenses of THB 11,577.4 million and decrease in working capital of THB 2,444.2 million.
- Net cash flow used in investing activities was THB 787.0 million in 2017 which mainly came from cash paid for fixed assets of THB 849.9 million.

- Net cash flow used in financing activities was THB 14,424.6 million in 2017 which mainly came from repayment of the existing loan of THB 3,125.2 million, debentures of THB 4,600 million, and dividends paid during 2017 of THB 8,518.3 million and receiving cash from the new loan of THB 3,000 million.

## Capital Management

Glow Group has actively planned and managed its capital with considerations on interests of all capital providers, i.e. lenders, bond holders, and shareholders.

Funding structure of our business is divided as per 2 areas of business as follow:

- IPP business: we utilized Project Finance loan facilities for all of our IPP project companies, including Glow IPP, GHECO-One, and HHPC. Each of the Project Finance facilities has different lender group, separate and different terms and conditions, and non-recourse to Glow Energy. In December 2016, Glow IPP has fully prepaid all of Project Finance loan facilities.
- Cogeneration business: we utilized Corporate Finance facilities, including bond and bank loan, for all projects under Cogeneration business. The financing, including utilization of working capital, is currently centralized at Glow Energy. All financing of Cogeneration business is on uncollateralized and pari passu basis.

As of 31 December 2017, our key capital ratio are as follow:

1. Consolidated debt to equity ratio is 0.83 times.
2. Net Debt to EBITDA (earning before interest, tax, depreciation, and amortization expense) is 1.61 times.
3. Cogeneration debt to equity ratio is 0.44 times.

In each loan documents and bond covenants, extensive and clear financial and non-financial covenants are contained, including rights of lenders and/or bondholders and remedies in case of default.

# Audit Committee Report



## To: The Shareholders

### Glow Energy Public Company Limited (“the Company”)

The Audit Committee comprises of three independent directors:

- Mr. Vitthaya Vejajiva, Chairman;
- Em. Prof. Supapun Ruttanaporn, Member; and
- Mrs. Saowanee Kamolbutr, Member

VP Internal Audit acts as the Audit Committee’s secretary.

During 1 January 2017 to 31 December 2017, the Audit Committee held six meetings, and performed the duties under the Audit Committee Charter as follows:

1. Reviewed quarterly and annual financial statements based on the External Auditor’s report, and after suggesting some adjustments, agreed with the External Auditor that the Company’s financial statements presented the Company’s financial position and results of operations fairly, in all material respects, with adequate disclosure in accordance with generally accepted accounting principle, and proposed them for the Board of Director’s approval.

2. Reviewed the adequacy and effectiveness of the internal control systems as reported by VP Internal Audit, and found no material weaknesses in internal controls impacting the Company’s operation and the financial statements.

3. Reviewed compliance to the Securities and Exchange Act, Stock Exchange of Thailand’s regulations, and other relevant laws and regulations of Thailand. The Audit Committee deemed that the Company complied with all related laws and regulations.

4. Considered qualification and independence of the External Auditor and proposed the appointment of the External Auditors including the audit fee to the Board of Directors.

5. Reviewed and approved the annual internal audit plan, also acknowledged quarterly internal audit reports and evaluated the performance of the internal audit function.

6. Reviewed the related parties/conflicts of interest transactions including the disclosure on these transactions. The Audit Committee deemed that the transactions complied with the Stock Exchange of Thailand regulations, and were reasonable and beneficial to the Company.

7. Reviewed and acknowledged internal audit reports: [1] Purchasing Contract Process; [2] INCOME 2017/1 Business Process ([COR3] Delegations of Authority & Signature, and [COR4] Compliance with Ethics Principles); [3] INCOME 2017/2 Business Process ([IND2] Operations-Process Safety; and [IND3] Maintenance-Process Safety).

8. Reviewed and recommended to the Board of Directors amendments to the Charter of Audit Committee to comply with related regulations.

9. Reviewed the Corporate Governance Policy to ensure they are compliant with the SET Principles and include relevant best practices.

10. Reviewed and approved Internal Audit Charter.

11. Acknowledged the report of the Ethics Officer on activity concerning whistleblowing for the year 2017.

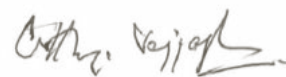
12. Acknowledged the report by Chief Financial Officer on the GLOW Enterprise Risk Assessment as exercised by the EMC.

13. Acknowledged the present Thailand Renewable Energies program, presented by Business Development Manager.

14. Acknowledged ENGIE Group and GLOW Group Internal Audit Strategy and Plan for 2018 for GLOW Group, presented by Asia Pacific Internal Audit Manager.

The Audit Committee did not find any material weaknesses in the Company internal control system. Moreover, the Company is required to comply with the ENGIE Group's internal control requirements, as a subsidiary of ENGIE Group, a company publicly listed in France.

The Audit Committee agreed to propose Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., by appointing Ms. Thanawan Anuratbodee, CPA registration no. 3440 or Dr. Suwatchai Meakhaamnouychai, CPA registration no. 6638 or Mr. Wonlop Vilaivaravit, CPA registration no. 6797 as the External Auditors of the Company for the year ending 31 December 2018, to the Board of Directors to consider and to further propose to the Annual General Meeting of Shareholders for approval, together with the audit fee of 1,719,763 THB for only Glow Energy PLC, and 9,301,426 THB for the whole GLOW Group.



Mr. Vitthaya Vejajiva

Chairman of the Audit Committee  
Glow Energy Public Company Limited

# Report on the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of Glow Energy Public Company Limited (the "Company") is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with the financial reporting standards under the Accounting Act B.E. 2543, the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535, and the Public Limited Companies Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Audit Committee is entrusted to ensure that the Company's financial statements are prepared in justified and prudent manner in compliance with standards, laws and regulations and that the appropriate accounting policies are consistently applied. The Company's external auditor has reviewed and audited the financial statements and expressed an unmodified opinion in the auditor's report.

The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight on the financial statements, the internal control system and the internal audit function.

The Board is confident that financial statements of Glow Energy Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows in a true and fair manner in all material respects, and in compliance with the Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.



Mr. Jan Flachet

Chairman



Mr. Brendan Wauters

Chief Executive Officer

# Report of The Independent Certified Public Accountants

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS  
GLOW ENERGY PUBLIC COMPANY LIMITED

## Opinion

We have audited the consolidated financial statements of Glow Energy Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Glow Energy Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Glow Energy Public Company Limited and its subsidiaries and of Glow Energy Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

## Basis for Opinion

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

## Key Audit Matters

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

Key Audit Matters	Audit Responses
<p><b>Revenue recognition and measurement</b></p> <p>The revenue recognition and measurement of revenue from sales of power and steam of the Group is a key audit matter because the selling prices per invoices are calculated from the complex formula of power and steam as conditions stipulated in the Power and Steam Purchase Agreements.</p> <p>The accounting policy on revenue recognition of the Group is disclosed in Note to the financial statements No. 4.9.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>- Evaluated the design, implementation and tested operating effectiveness of the relevant controls of selling price calculation.</li> <li>- Performed substantive testing as the following procedures: <ul style="list-style-type: none"> <li>• Held meetings with the management to corroborate the significant changes and trends in revenue within the year.</li> <li>• Obtained the production report and tested the reliable of information.</li> <li>• Performed substantive analytical procedures of revenue based upon independent data (i.e. energy price, foreign exchange rate, natural gas price and coal price, etc.) which are the key drivers of revenue calculation of power and steam, then calculated the expected amount and compared with the recorded revenue amount.</li> <li>• Determined the threshold for material misstatements and compare the difference amount between the expected amount and the recorded revenue amounts to ensure that there is no significant difference amount.</li> </ul> </li> </ul>
<p><b>Corporate income tax refundable</b></p> <p>The recognition of the corporate income tax refundable of a subsidiary is a key audit matter because the management exercised judgments to estimate the result of case which there is uncertainty. Such subsidiary may not be entitled to receive the refund of corporate income tax from the Revenue Department.</p> <p>The accounting policy and details on corporate income tax refundable are disclosed in Notes to the financial statements No. 4.18 and No. 15.3.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Gained understanding on the nature of corporate income tax refundable to ensure that such amount is recorded appropriately.</li> <li>• Sent directly the legal communication under our control to the legal counsel and obtained the legal opinion on corporate income tax regarding the recognition of exchange gain/loss during the power plant construction period.</li> <li>• Discussed with the Company's management and the Company's Legal Department to review the possibility to receive refund such amount from the Revenue Department.</li> </ul>

## Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 19, 2018

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statements		The Separate financial statements	
	Notes	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	8,736,570,911	7,251,991,389	4,208,161,292	2,384,166,713
Temporary investments	7	200,000,000	377,679,224	-	-
Trade and other current receivables	8	7,215,105,284	8,267,114,279	2,531,003,540	2,568,723,231
Short-term loans to related parties	25	-	-	1,076,500,000	955,000,000
Inventories	9	5,832,027,830	5,472,906,543	986,727,953	902,183,874
Other current assets		78,249,274	191,277,893	19,347,391	19,210,737
Total Current Assets		22,061,953,299	21,560,969,328	8,821,740,176	6,829,284,555
NON-CURRENT ASSETS					
Investments in associates	10	141,814,093	11,053,419	-	-
Investments in subsidiaries	11	-	-	29,155,196,263	29,155,196,263
Other long-term investment		1,500,000	1,500,000	1,500,000	1,500,000
Finance lease receivable	12	3,220,570,163	3,495,125,167	-	-
Long-term loan to a related party	25	-	-	2,772,600,000	2,772,600,000
Property, plant and equipment	13	77,127,682,098	80,741,759,975	23,898,326,032	25,478,078,450
Intangible assets	14	807,911,882	895,576,414	143,262,125	159,117,551
Other non-current assets	15	2,669,459,368	2,812,312,631	83,603,346	54,087,390
Total Non-Current Assets		83,968,937,604	87,957,327,606	56,054,487,766	57,620,579,654
TOTAL ASSETS		106,030,890,903	109,518,296,934	64,876,227,942	64,449,864,209

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

AS AT DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statements		The Separate financial statements	
		As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Notes					
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	16	6,132,260,619	4,759,333,340	2,454,790,018	2,196,006,375
Current portion of finance lease payables	17	-	4,489,274	-	672,400
Current portion of long-term borrowings from financial institutions	19	2,254,867,219	3,167,424,166	-	996,206,468
Current portion of debentures	20	3,998,945,627	4,599,304,238	3,998,945,627	4,599,304,238
Short-term borrowings from related parties	25	-	-	3,649,288,046	2,291,984,243
Short-term borrowings	18	974,750,000	1,432,900,000	-	-
Current income tax payable		292,717,820	364,591,983	105,012,076	100,566,653
Value-added tax payable		365,255,108	312,298,911	113,973,184	93,762,866
Other current liabilities		402,918,293	402,661,467	298,641,169	222,259,457
Total Current Liabilities		14,421,714,686	15,043,003,379	10,620,650,120	10,500,762,700
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institutions	19	15,837,920,910	16,263,625,029	2,812,614,756	-
Debentures	20	15,939,342,611	19,933,372,043	15,939,342,611	19,933,372,043
Deferred tax liabilities	21	765,365,345	711,634,315	315,649,682	330,988,040
Non-current provisions for employee benefit	22	231,398,556	174,284,674	28,166,598	21,009,111
Other non-current liabilities		826,573,519	621,295,934	677,957,234	505,315,092
Total Non-Current Liabilities		33,600,600,941	37,704,211,995	19,773,730,881	20,790,684,286
TOTAL LIABILITIES		48,022,315,627	52,747,215,374	30,394,381,001	31,291,446,986
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,482,865,035 ordinary shares of Baht 10 each		14,828,650,350	14,828,650,350	14,828,650,350	14,828,650,350
Issued and paid-up share capital					
1,462,865,035 ordinary shares of Baht 10 each		14,628,650,350	14,628,650,350	14,628,650,350	14,628,650,350
PREMIUM ON ORDINARY SHARES		2,935,427,353	2,935,427,353	4,786,986,727	4,786,986,727
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	1,598,287,193	1,598,287,193	1,598,287,193	1,598,287,193
Unappropriated		30,756,058,967	30,198,375,099	13,470,643,540	12,143,461,563
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(498,418,120)	(389,455,861)	(2,720,869)	1,031,390
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		49,420,005,743	48,971,284,134	34,481,846,941	33,158,417,223
NON-CONTROLLING INTERESTS		8,588,569,533	7,799,797,426	-	-
TOTAL SHAREHOLDERS' EQUITY		58,008,575,276	56,771,081,560	34,481,846,941	33,158,417,223
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		106,030,890,903	109,518,296,934	64,876,227,942	64,449,864,209

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statements		The Separate financial statements		
	Notes	2017	2016	2017	2016	
Revenues from sales		50,311,193,714	51,901,872,624	21,044,554,744	21,781,715,725	
Interest earned from finance lease		567,288,724	665,364,652	-	-	
Cost of sales		(37,720,762,712)	(38,479,103,510)	(15,750,836,645)	(16,413,661,665)	
Gross profit		13,157,719,726	14,088,133,766	5,293,718,099	5,368,054,060	
Exchange gain, net		950,136,475	83,639,099	-	-	
Interest income		51,596,883	59,253,592	185,380,587	198,813,277	
Dividend income		4,800,000	4,800,000	6,418,724,305	5,514,999,014	
Compensation on construction postponement		-	17,173,489	-	-	
Claims from insurers		27.2	318,656,998	12,560,964	-	12,197,926
Warranty claim from contractor		27.3	-	89,841,000	-	-
Other income			333,649,784	257,627,795	158,000,488	118,036,743
Administrative expenses			(846,518,993)	(954,459,047)	(584,052,109)	(462,018,847)
Directors' remuneration			(11,409,933)	(13,855,044)	(11,409,933)	(13,855,044)
Exchange loss, net			-	-	(7,358,464)	(3,577,775)
Finance costs			(2,379,507,096)	(2,599,094,517)	(1,369,021,600)	(1,325,315,304)
Share of loss of investments in associates and joint venture			(1,739,326)	(1,264,005)	-	-
Profit before income tax expense			11,577,384,518	11,044,357,092	10,083,981,373	9,407,334,050
Income tax expense		21	(975,216,801)	(981,664,116)	(238,536,297)	(283,600,634)
PROFIT FOR THE YEAR			10,602,167,717	10,062,692,976	9,845,445,076	9,123,733,416
OTHER COMPREHENSIVE INCOME (LOSS)						
Item that will be reclassified subsequently to profit or loss						
Exchange differences on translating financial statements			(156,308,337)	(8,400,342)	-	-
Item that will not be reclassified subsequently to profit or loss						
Losses on remeasurements of defined benefit plans			(3,752,259)	(5,132)	(3,752,259)	(5,132)
OTHER COMPREHENSIVE INCOME (LOSS)						
FOR THE YEAR, NET OF TAX			(160,060,596)	(8,405,474)	(3,752,259)	(5,132)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			10,442,107,121	10,054,287,502	9,841,692,817	9,123,728,284
PROFIT ATTRIBUTABLE TO						
Owners of the parent			9,075,946,967	8,953,131,441	9,845,445,076	9,123,733,416
Non-controlling interests			1,526,220,750	1,109,561,535	-	-
			10,602,167,717	10,062,692,976	9,845,445,076	9,123,733,416
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO						
Owners of the parent			8,966,984,708	8,947,477,079	9,841,692,817	9,123,728,284
Non-controlling interests			1,475,122,413	1,106,810,423	-	-
			10,442,107,121	10,054,287,502	9,841,692,817	9,123,728,284
BASIC EARNINGS PER SHARE		BAHT	6.20	6.12	6.73	6.24
WEIGHTED AVERAGE NUMBER		SHARES	1,462,865,035	1,462,865,035	1,462,865,035	1,462,865,035
OF ORDINARY SHARES						

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

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statements									
		Other components of shareholders' equity									
		Other comprehensive income (loss)									
		Premium on business combination under common control	Exchange differences on translating financial statements	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	Total attributions to owners of the parent	Non-controlling interests	Total shareholders' equity			
Notes	Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve	Unappropriated Retained earnings							
BALANCE AS AT JANUARY 1, 2016	14,628,650,350	2,935,427,353	1,598,287,193	29,759,118,162	(369,521,136)	(15,316,885)	1,036,522	(383,801,499)	48,537,681,559	7,420,662,973	55,958,344,532
Dividends paid to non-controller of subsidiaries	-	-	-	-	-	-	-	-	-	(673,851,590)	(673,851,590)
Capital reduction of non-controller of a subsidiary	-	-	-	-	-	-	-	-	-	(53,824,380)	(53,824,380)
Dividends paid	-	-	-	(8,513,874,504)	-	-	-	-	(8,513,874,504)	-	(8,513,874,504)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	8,953,131,441	-	(5,649,230)	(5,132)	(5,654,362)	8,947,477,079	1,106,810,423	10,054,287,502
BALANCE AS AT DECEMBER 31, 2016	14,628,650,350	2,935,427,353	1,598,287,193	30,198,375,099	(369,521,136)	(20,966,115)	1,031,390	(389,455,861)	48,971,284,134	7,799,797,426	56,771,081,560
BALANCE AS AT JANUARY 1, 2017	14,628,650,350	2,935,427,353	1,598,287,193	30,198,375,099	(369,521,136)	(20,966,115)	1,031,390	(389,455,861)	48,971,284,134	7,799,797,426	56,771,081,560
Dividends paid to non-controller of subsidiaries	-	-	-	-	-	-	-	-	-	(686,350,306)	(686,350,306)
Dividends paid	-	-	-	(8,518,263,099)	-	-	-	-	(8,518,263,099)	-	(8,518,263,099)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	9,075,946,967	-	(105,210,000)	(3,752,259)	(108,962,259)	8,966,984,708	1,475,122,413	10,442,107,121
BALANCE AS AT DECEMBER 31, 2017	14,628,650,350	2,935,427,353	1,598,287,193	30,756,058,967	(369,521,136)	(126,176,115)	(2,720,869)	(498,418,120)	49,420,005,743	8,588,569,533	58,008,575,276

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

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

The Separate financial statements									
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Gains (losses) on remeasurements of defined benefit plans	Other components of shareholders' equity		
				Appropriated Legal reserve	Unappropriated		Other comprehensive income (loss)	Total other components of shareholders' equity	Total shareholders' equity
BALANCE AS AT JANUARY 1, 2016		14,628,650,350	4,786,986,727	1,598,287,193	11,533,602,651	1,036,522	1,036,522	1,036,522	32,548,563,443
Dividends paid		-	-	-	(8,513,874,504)	-	-	-	(8,513,874,504)
Total comprehensive income (loss) for the year ended December 31, 2016		-	-	-	9,123,733,416	(5,132)	(5,132)	(5,132)	9,123,728,284
BALANCE AS AT DECEMBER 31, 2016		14,628,650,350	4,786,986,727	1,598,287,193	12,143,461,563	1,031,390	1,031,390	1,031,390	33,158,417,223
BALANCE AS AT JANUARY 1, 2017		14,628,650,350	4,786,986,727	1,598,287,193	12,143,461,563	1,031,390	1,031,390	1,031,390	33,158,417,223
Dividends paid	24	-	-	-	(8,518,263,099)	-	-	-	(8,518,263,099)
Total comprehensive income (loss) for the year ended December 31, 2017		-	-	-	9,845,445,076	(3,752,259)	(3,752,259)	(3,752,259)	9,841,692,817
BALANCE AS AT DECEMBER 31, 2017		14,628,650,350	4,786,986,727	1,598,287,193	13,470,643,540	(2,720,869)	(2,720,869)	(2,720,869)	34,481,846,941

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

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	11,577,384,518	11,044,357,092	10,083,981,373	9,407,334,050
Adjustments for:				
Dividends received	(4,800,000)	(4,800,000)	(6,418,724,305)	(5,514,999,014)
Share of loss of investments in associates and joint venture	1,739,326	1,264,005	-	-
Depreciation	4,147,277,026	4,021,139,253	1,553,214,523	1,505,270,020
Amortization of intangible assets/ other non-current assets	258,572,550	304,474,019	19,709,820	86,875,314
Amortization of deferred financing fee	29,835,597	31,828,036	4,052,286	5,643,186
Amortization of deferred bond issue expenses	5,611,957	6,265,064	5,611,957	6,265,064
Provisions for employee benefit	49,329,035	13,313,419	1,753,533	1,350,901
Write-off advance for share purchase	15,000,000	-	15,000,000	-
Write-off withholding tax	5,914	-	-	-
Write-off deferred maintenance expense	1,909,478	-	-	-
Gain from sale of investment in joint venture	-	(240,871)	-	-
Loss on disposals of fixed assets	148,912,243	223,971,744	162,472,802	17,072,141
Recognition of advance received for long-term right to grant of assets	(30,052,201)	(30,225,442)	(23,976,780)	(24,042,470)
Unrealized exchange loss (gain)	(800,360,527)	16,749,946	271,540	(569,654)
Realized exchange gain from long-term borrowings repayment	(57,224,724)	(61,620,656)	-	-
Interest income/ interest earned from finance lease	(618,885,607)	(724,618,244)	(185,380,587)	(198,813,277)
Interest expense	2,296,017,495	2,482,052,558	1,344,961,470	1,302,455,046
Profit from operations before changes in operating assets and liabilities	17,020,272,080	17,323,909,923	6,562,947,632	6,593,841,307
Operating assets (increase) decrease				
Trade and other current receivables	998,864,523	1,630,509,304	23,609,490	481,507,301
Inventories	(152,669,358)	(700,385,064)	(82,500,079)	(149,531,693)
Other current assets	118,291,346	161,311,459	(121,754)	91,361,679
Other non-current assets	(31,032,616)	1,425,860	(31,718,365)	201,966
Operating liabilities increase (decrease)				
Trade and other current payables	1,404,263,727	(572,516,329)	298,486,296	(172,052,835)
Value-added tax payable	52,956,197	(168,314,577)	20,210,318	(40,379,723)
Other current liabilities	35,721,304	192,795,417	76,613,129	192,320,573
Non-current provisions for employee benefit	(1,246,910)	-	-	-
Other non-current liabilities	19,001,864	(34,308,694)	3,061,233	(1,328,510)
Cash received from operations	19,464,422,157	17,834,427,299	6,870,587,900	6,995,940,065
Cash received from interest	638,543,645	799,526,051	184,490,788	199,903,302
Cash paid for interest	(2,368,348,410)	(2,480,649,930)	(1,353,856,248)	(1,348,614,795)
Cash paid for income tax	(996,502,634)	(858,056,931)	(248,608,710)	(275,817,602)
Net cash provided by operating activities	16,738,114,758	15,295,246,489	5,452,613,730	5,571,410,970

**STATEMENTS OF CASH FLOWS (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Consolidated financial statements		The Separate financial statements	
	Notes	2017	2016	2017	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease in Debt Service/ Maintenance Accrual Accounts		377,679,224	223,143,019	-	-
Increase in temporary investments		(200,000,000)	-	-	-
Cash paid for loans granted to subsidiaries		-	-	(121,500,000)	(43,600,000)
Cash received from a subsidiary for loans repayment		-	-	-	22,600,000
Dividends received from subsidiaries/ other company		4,800,000	4,800,000	6,418,724,305	5,514,999,014
Cash paid for additional investment in an associate		(132,500,000)	(11,936,669)	-	-
Proceeds from sale of investment in joint venture		-	391,664	-	-
Cash paid for purchase of property, plant and equipment		(849,870,808)	(1,139,623,898)	(161,031,351)	(266,525,471)
Proceeds from sale of fixed assets		17,686,950	5,975,664	22,530	1,431,585
Cash paid for purchase of computer software		(3,141,960)	(1,594,400)	(46,360)	-
Cash paid for maintenance cost of finance lease asset		-	(135,155,792)	-	-
Cash paid for long-term right to use of assets		(1,605,625)	-	(1,605,625)	-
Net cash provided by (used in) investing activities		(786,952,219)	(1,054,000,412)	6,134,563,499	5,228,905,128
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of short-term borrowings		(458,150,000)	-	-	-
Receipts of short-term borrowings from related parties		-	-	1,357,303,803	1,384,611,708
Repayment of short-term borrowings from related parties		-	-	-	(2,427,000,000)
Repayment of finance lease payables		(4,489,274)	(8,539,228)	(672,400)	(1,721,361)
Receipts of long-term borrowings from a financial institution		3,000,000,000	-	3,000,000,000	-
Payment of financing fee		(1,510,360)	-	(1,510,360)	-
Repayment of long-term borrowings from financial institutions		(3,125,178,294)	(9,451,627,745)	(1,000,000,000)	(5,506,868,000)
Cash received from the issue of new debentures		-	3,000,000,000	-	3,000,000,000
Payment of debentures issue expenses		-	(4,151,150)	-	(4,151,150)
Repayment of debentures		(4,600,000,000)	-	(4,600,000,000)	-
Capital reduction paid to non-controller of subsidiaries		(30,679,559)	(36,720,001)	-	-
Dividends paid		(8,518,263,099)	(8,513,874,504)	(8,518,263,099)	(8,513,874,504)
Dividends paid to non-controller of subsidiaries		(686,350,306)	(673,851,590)	-	-
Net cash used in financing activities		(14,424,620,892)	(15,688,764,218)	(9,763,142,056)	(12,069,003,307)
Unrealized exchange gain (loss) and exchange difference on translating of cash and cash equivalents		(41,962,125)	(3,204,340)	(40,594)	(3,413)
Net increase (decrease) in cash and cash equivalents		1,484,579,522	(1,450,722,481)	1,823,994,579	(1,268,690,622)
Cash and cash equivalents as at January 1,		7,251,991,389	8,702,713,870	2,384,166,713	3,652,857,335
Cash and cash equivalents as at December 31,	6	8,736,570,911	7,251,991,389	4,208,161,292	2,384,166,713

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

## 1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

### 1.1 The Company's general information

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

As at December 31, 2017, the Company's major shareholders are ENGIE Holding (Thailand) Company Limited, holding 50.6 percent (2016: 48.1 percent) of the Company's share capital and ENGIE Global Developments B.V., holding 18.5 percent (2016: 21.0 percent) of the Company's share capital. ENGIE Global Developments B.V. also wholly holds ENGIE Holding (Thailand) Company Limited. The Company's ultimate shareholder is ENGIE S.A., which is incorporated in France.

### 1.2 Subsidiaries

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

ENGIE Myanmar Company Limited, 100% owned by Glow Company Limited, was incorporated in The Republic of the Union of Myanmar on October 11, 2016 with USD 50,000 registered capital. Glow Company Limited paid for the share capital of USD 50,000 (equivalent to Baht 1.8 million) to ENGIE Myanmar Company Limited on February 8, 2017.

The information of the subsidiaries is as follows:

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

### 1.3 Composition of the Group

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

Principal activities	Number of wholly owned subsidiaries	
	2017	2016
Generate and supply electricity, steam and water for industrial use	4	4
Develop power generation projects	1	1
Provide consultancy and management services	2	2
Invest in other companies	1	1
	8	8

Principal activities	Number of non-wholly owned subsidiaries	
	2017	2016
Generate and supply electricity to EGAT	2	2
Generate and supply electricity to EGAT and EDL	1	1
Invest in other companies	1	1
	4	4

### 1.4 Information of non-wholly owned subsidiaries

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

Company's name	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Total comprehensive income (loss) attributable to non-controlling interests		Accumulated non-controlling interests	
	2017	2016	2017	2016	2017	2016
GHECO-One Company Limited	35	35	1,406,454,870	1,018,980,030	7,428,009,632	6,592,351,281
Houay Ho Power Company Limited	32.75	32.75	14,344,924	62,831,259	537,883,161	564,527,488
Glow IPP Company Limited	5	5	28,240,711	25,065,066	433,956,646	464,967,435
Houay Ho Thai Company Limited <sup>(1)</sup>	51	51	26,081,908	(65,932)	188,720,094	177,951,222
			1,475,122,413	1,106,810,423	8,588,569,533	7,799,797,426

Unit : Baht

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

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

Unit : Baht

	GHECO1		HHPC	
	As at December 31,		As at December 31,	
	2017	2016	2017	2016
Current assets	6,424,998,206	7,234,490,479	466,070,369	574,831,861
Non-current assets	32,488,695,211	33,329,483,761	3,109,410,742	3,655,038,540
Current liabilities	5,963,272,201	7,204,247,978	328,179,382	407,251,069
Non-current liabilities	11,722,711,735	14,519,612,067	1,616,944,972	2,031,117,619
Total attributions to owners of the parent	13,799,699,849	12,247,762,914	1,092,473,597	1,226,974,225
Non-controlling interests	7,428,009,632	6,592,351,281	537,883,161	564,527,488

	For the years ended December 31,		For the years ended December 31,	
	2017	2016	2017	2016
Revenues	12,339,949,907	11,964,389,955	730,311,184	712,697,365
Expenses	(8,321,507,421)	(9,053,018,438)	(530,484,432)	(512,445,850)
Profit for the years	4,018,442,486	2,911,371,517	199,826,752	200,251,515
Profit attributable to				
Owners of the parent	2,611,987,616	1,892,391,487	134,383,491	134,669,144
Non-controlling interests	1,406,454,870	1,018,980,030	65,443,261	65,582,371
	4,018,442,486	2,911,371,517	199,826,752	200,251,515
Total comprehensive income attributable to				
Owners of the parent	2,611,987,616	1,892,391,487	29,456,370	129,019,914
Non-controlling interests	1,406,454,870	1,018,980,030	14,344,924	62,831,259
	4,018,442,486	2,911,371,517	43,801,294	191,851,173
Dividends paid to non-controller	570,796,520	651,350,840	40,989,250	-
Net cash inflow from operating activities	4,243,394,324	4,459,212,372	481,631,266	454,892,075
Net cash outflow from investing activities	(168,756,562)	(125,264,600)	(14,501,516)	(5,175,611)
Net cash outflow from financing activities	(4,795,024,860)	(3,853,817,061)	(542,012,682)	(263,096,597)
Net cash inflow (outflow)	(720,387,098)	480,130,711	(74,882,932)	186,619,867

## 1.5 Associates

Investment in an associate represents the investment in Eastern Seaboard Clean Energy Company Limited ("ESCE"), 33.33% owned by Glow IPP3 Company Limited ("GIPP3"), which was registered as a limited company in Thailand on August 2, 2016. The main objective is to carry on the business of studying, generating and supply electricity for industrial use including generating electricity from renewable energy.

## 2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The consolidated and the separate financial statements have been prepared in Thai Baht currency and in accordance with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand. The financial statement presentation is compliance with the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" and Thai Accounting Standard No. 1 (Revised 2016) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2017 onwards, and the Regulation of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560.
- 2.2 The consolidated financial statements included the accounts of the Company and its subsidiaries, after elimination of intercompany transactions, of which the percentage of shareholding as at December 31, is as follows:

	% of Shareholding	
	2017	2016
<b><u>Owned by the Company</u></b>		
Glow Company Limited	100	100
Glow SPP 2 Company Limited	100	100
Glow SPP 3 Company Limited	100	100
Glow IPP 2 Holding Company Limited	100	100
Glow SPP 11 Company Limited	100	100
<b><u>Owned by Glow Company Limited</u></b>		
Glow SPP 1 Company Limited	100	100
Glow IPP Company Limited	95	95
Houay Ho Power Company Limited	55	55
Houay Ho Thai Company Limited	49	49
ENGIE Myanmar Company Limited	100	-
<b><u>Owned by Glow IPP 2 Holding Company Limited</u></b>		
GHECO-One Company Limited	65	65
Glow IPP 3 Company Limited	100	100
<b><u>Owned by Houay Ho Thai Company Limited</u></b>		
Houay Ho Power Company Limited	25	25

- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards ("TFRSs") that will be effective for the financial statements for the accounting periods beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These Financial Reporting Standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The relevant TFRSs with the Company and its subsidiaries are as follows:

**Thai Accounting Standards ("TAS")**

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 12 (Revised 2017)	Income taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investment in Associates and Joint Ventures
TAS 33 (Revised 2017)	Earnings Per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets

**Thai Financial Reporting Standards ("TFRS")**

TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

**Thai Standards Interpretations Committee ("TSIC")**

TSIC 15 (Revised 2017)	Operating Leases - Incentives
TSIC 25 (Revised 2017)	Income Taxes - Changes in the Tax Status of an Enterprise or Its Shareholders
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease

**Thai Financial Reporting Standards Interpretations Committee ("TFRIC")**

TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment

The Company's and its subsidiaries' management will adopt the above relevant TFRSs in the preparation of the financial statements when they become effective. The management has assessed the impact of these TFRSs and considered that the adoption of these TFRSs does not have any significant impact on the financial statements of the Company and its subsidiaries in the period of initial application.

### 3. ADOPTION OF REVISED AND NEW THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2017, the Company and its subsidiaries adopted the revised and new Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the financial statements for the accounting periods beginning on or after January 1, 2017. These Thai Financial Reporting Standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Company's consolidated and separate financial statements.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

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

##### 4.1 Cash and cash equivalents

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

##### 4.2 Trade receivables and allowance for doubtful accounts

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

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

##### 4.3 Inventories

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

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

##### 4.4 Property, plant and equipment

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

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

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

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

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

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

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

#### 4.5 Intangible assets

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

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

	Years
Deferred right to use grid system	22 - 24
Deferred right to use transmission line	25
Deferred land leasehold right	16 - 30
Deferred right to use pipe rack	8 - 16
Deferred right of way	20 - 31
Deferred right of use gas pipeline	13 - 28
Deferred right to use dedicated berth	14
Computer software	3 - 10

#### 4.6 Other non-current assets

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

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

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

#### 4.7 Long-term investments

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

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

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

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

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

#### 4.8 Employee benefit obligations

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

Gains (losses) on remeasurements of defined benefit plans are recognized as other comprehensive income.

Current service cost and interest cost are recognized in profit or loss.

#### 4.9 Recognition of revenues

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

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

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

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

Other income is recognized on an accrual basis.

#### 4.10 Leases

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

##### As lessor

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

##### - Finance lease receivable

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

##### - Recognition of revenues

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

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

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

##### As lessee

##### - Operating lease

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

##### - Finance lease

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

#### 4.11 Foreign currency transactions

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

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

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

#### 4.12 Financial instruments

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

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

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

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

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

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

#### 4.13 Fair value measurement for disclosure purpose

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

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

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

#### 4.14 Provident fund

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

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

#### 4.15 Income taxes

##### Income tax expense

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

##### Current tax

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

##### Deferred tax

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

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

#### 4.16 Basic earnings per share

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

#### 4.17 Operating segments

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

#### 4.18 Use of management judgments

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

Significant judgments of the management in applying accounting policy is as follow:

##### Corporate income tax refundable

The management exercised judgments to estimate the result of case and believes that GHECO-One Company Limited ("GHECO1") would be refundable of corporate income tax relating to the recognition of the exchange gain/loss during construction of power plant. As at December 31, 2017 and 2016, GHECO1 recorded the corporate income tax refundable including in other non-current assets (see Note 15.3).

## 5. SUPPLEMENTARY CASH FLOWS INFORMATION

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

Unit : Baht				
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Accounts payable - acquisition of fixed assets brought forward	175,022,467	323,902,820	72,809,731	21,772,461
Add Purchase of fixed assets	916,305,196	990,928,303	138,001,437	317,793,815
Unrealized exchange loss (gain)	(49,236)	(184,758)	12,254	(231,074)
Less Cash payment	(849,870,808)	(1,139,623,898)	(161,031,351)	(266,525,471)
Accounts payable - acquisition of fixed assets carried forward	241,407,619	175,022,467	49,792,071	72,809,731

## 6. CASH AND CASH EQUIVALENTS

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

Unit : Baht				
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Cash	1,011,303	1,119,794	65,000	65,000
Bank deposits in current accounts	5,844,330	5,763,008	629,140	709,907
Bank deposits in savings accounts	8,629,715,278	7,095,108,587	4,207,467,152	2,333,391,806
Deposit receipts	100,000,000	150,000,000	-	50,000,000
	8,736,570,911	7,251,991,389	4,208,161,292	2,384,166,713

As at December 31, 2017, bank accounts of GHECO-One Company Limited and Houay Ho Power Company Limited totaling Baht 2,340.4 million, and as at December 31, 2016, bank accounts of GHECO-One Company Limited, Houay Ho Power Company Limited and Glow IPP Company Limited totaling Baht 4,104.1 million are pledged as collateral to secure credit facilities obtained from financial institutions. However, the pledged bank accounts can be withdrawn in accordance with the objective and conditions stipulated in the loan agreements for use as working capital required in the normal course of their business.

The pledged bank accounts of Glow IPP Company Limited have been released on March 28, 2017 as its loans were fully prepaid on December 15, 2016.

## 7. TEMPORARY INVESTMENTS

Temporary investments as at December 31, 2017 represents a deposit in savings account of Glow SPP 2 Company Limited of Baht 200 million which is pledged as collateral to forward foreign exchange contracts of Glow IPP Company Limited with a financial institution, and the collateral will be due within one year.

As at December 31, 2016, deposits in savings accounts of Glow IPP Company Limited of Baht 377.7 million are pledged as collateral to secure credit facilities obtained from financial institutions and are restricted for repayment of current portion of long-term borrowings and payment of major maintenance. The pledged bank accounts have been released on March 28, 2017 as its loans were fully prepaid on December 15, 2016.

## 8. TRADE AND OTHER CURRENT RECEIVABLES

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

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Trade receivables, other companies		6,867,547,637	7,258,534,517	2,124,309,555	2,234,869,480
Less Provision for contract discount		(70,214,862)	(73,520,729)	(70,214,862)	(73,520,729)
Net		6,797,332,775	7,185,013,788	2,054,094,693	2,161,348,751
Trade receivables from related parties	25	-	-	402,564,581	285,171,877
Total trade receivables		6,797,332,775	7,185,013,788	2,456,659,274	2,446,520,628
Current portion of finance lease receivable	12	274,555,004	508,226,584	-	-
Unearned interest from finance lease	12	(118,680,540)	(99,200,815)	-	-
Other receivables		34,661,638	33,859,510	5,828,073	567,877
Advance to related parties	25	749,950	749,950	1,097,040	750,815
Interest receivables from related parties	25	-	-	24,018,438	23,038,506
Interest receivables		487,578	665,891	2,490	92,623
Prepaid expenses		200,711,406	208,609,339	40,462,940	47,963,093
Advance payment		25,287,473 <sup>(1)</sup>	429,190,032	2,935,285 <sup>(1)</sup>	49,789,689
		7,215,105,284	8,267,114,279	2,531,003,540	2,568,723,231

- <sup>(1)</sup> During the year, the Company wrote-off advance payment for share purchase of Baht 15 million, which was included in advance payment as at December 31, 2016, to be expense in the consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2017 according to the Notices of Termination of the share purchase agreements dated April 20, 2015 and May 20, 2015.

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

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Trade receivables, other companies				
Current	6,830,466,580	7,177,344,876	2,087,281,004	2,208,318,513
Past due				
Less than 3 months	37,052,917	14,136,355	37,028,551	3,606,445
3 - 6 months	-	6,577,612	-	3,159,721
6 - 12 months	28,140	7,459,093	-	7,459,093
More than 12 months	-	53,016,581 <sup>(1)</sup>	-	12,325,708
	6,867,547,637	7,258,534,517	2,124,309,555	2,234,869,480
Less Provision for contract discount	(70,214,862)	(73,520,729)	(70,214,862)	(73,520,729)
	6,797,332,775	7,185,013,788	2,054,094,693	2,161,348,751
Trade receivables from related parties				
Current	-	-	402,564,581	285,171,877
Total trade receivables	6,797,332,775	7,185,013,788	2,456,659,274	2,446,520,628

- <sup>(1)</sup> The above trade receivables outstanding more than 12 months, presented in the consolidated financial statements is due from Electricity Generating Authority of Thailand ("EGAT") of Baht 40.6 million which Glow IPP Company Limited has received a letter from the Arbitral Tribunal for winning the arbitration case. However, EGAT had not paid the amount and filed the lawsuit in Administrative Court and Supreme Administrative Court. On April 4, 2017, the Supreme Administrative Court rendered the judgment not accepting the case for consideration, which resulted in the case ends. Consequently, EGAT paid the above Baht 40.6 million together with interest of Baht 28.3 million in June 2017.

## 9. INVENTORIES

Inventories as at December 31, consist of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Raw material - coal	1,129,525,621	1,071,692,614	-	-
Raw material - oil	167,523,859	174,178,620	-	-
Spare parts and supplies for machines	4,589,010,651	4,281,067,610	993,727,953	909,183,874
Total	5,886,060,131	5,526,938,844	993,727,953	909,183,874
Less Provision for obsolescence	(54,032,301)	(54,032,301)	(7,000,000)	(7,000,000)
Total inventories	5,832,027,830	5,472,906,543	986,727,953	902,183,874

## 10. INVESTMENT IN ASSOCIATES

Investment in associates as at December 31, are as follows:

Unit : Baht

Company's name	Portion of investment (%)	December 31, 2017			December 31, 2016		
		Paid-up share capital	Cost method	Equity method	Paid-up share capital	Cost method	Equity method
Eastern Seaboard Clean Energy Company Limited ("ESCE")	33.33	435,810,005	145,270,002	141,814,093	38,310,005	12,770,002	11,053,419
Total			145,270,002	141,814,093		12,770,002	11,053,419

On March 8, 2017, July 18, 2017 and November 3, 2017, Glow IPP 3 Company Limited additionally invested in shares of ESCE in the amount of Baht 5 million, Baht 7.5 million and Baht 120 million, respectively, which was resulted from that ESCE increased in paid-up share capital from Baht 38.3 million to be Baht 53.3 million, Baht 75.8 million and Baht 435.8 million, respectively.

## 11. INVESTMENTS IN SUBSIDIARIES

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

Unit : Baht

Company's name	Paid-up share capital	Portion of investment (%)	2017	2016
Glow Company Limited	4,401,668,111	100	7,114,824,414	7,114,824,414
Glow SPP 2 Company Limited	4,941,534,880	100	4,941,534,824	4,941,534,824
Glow SPP 3 Company Limited	7,373,389,550	100	7,379,374,525	7,379,374,525
Glow IPP 2 Holding Company Limited	7,565,000,000	100	7,565,000,000	7,565,000,000
Glow SPP 11 Company Limited	1,520,000,000	100	2,154,462,500	2,154,462,500
Total			29,155,196,263	29,155,196,263

### Capital reduction of subsidiaries

On February 1, 2016, the Extraordinary General Meeting of Shareholders of Houay Ho Thai Company Limited ("HHTC") passed a resolution to reduce the registered capital of Baht 105.5 million from Baht 527.7 million to Baht 422.2 million through the reduction of the par value of the shares from Baht 10 per share to Baht 8 per share. HHTC registered the capital reduction with the Department of Business Development on March 4, 2016. The capital reduction amounting to Baht 72.0 million and Baht 33.5 million were paid to its shareholders on March 29, 2016 and May 26, 2017, respectively. As at December 31, 2016, the remaining amount to be paid to non-controller of Baht 17.1 million was recorded as payable to a shareholder in the consolidated financial statements.

On March 9, 2015, the Annual General Meeting of Shareholders of Houay Ho Power Company Limited ("HHPC") passed a resolution to reduce the registered capital from USD 50 million to USD 40 million through the reduction of the par value from USD 100 to USD 80. The capital reduction was approved by the Investment Promotion Department of the Lao People's Democratic Republic on December 10, 2015. The capital reduction amounting to USD 8 million was paid to its shareholders on December 18, 2015. As at December 31, 2016, the remaining amount to be paid to non-controller of USD 0.4 million (equivalents to Baht 14.4 million) was recorded as payable to a shareholder in the consolidated financial statements.

On March 17, 2017, HHPC paid the remaining capital reduction amount of USD 2 million to its shareholders.

#### Capital increase of a subsidiary

On May 29, 2017, the Shareholders' meeting of ENGIE Myanmar Company Limited passed a resolution to increase registered share capital from USD 50,000 to USD 650,000. The capital increase was registered on June 6, 2017. Glow Company Limited paid for the increase share capital of USD 300,000 (equivalent to Baht 10.2 million) on June 27, 2017.

#### Dividends payment of subsidiaries

##### *Interim dividends payment*

The Board of Directors' meetings of the subsidiaries passed resolutions to distribute interim dividends for the year 2017 as follows:

Company's name	BODs' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
Glow Company Limited	August 9, 2017	0.788	346.9	September 7, 2017
Glow Company Limited	November 9, 2017	0.834	367.1	December 22, 2017
Glow SPP 1 Company Limited	August 9, 2017	0.930	200.0	September 5, 2017
Glow SPP 2 Company Limited	August 9, 2017	0.526	259.9	September 5, 2017
Glow SPP 3 Company Limited	August 9, 2017	0.922	679.8	September 5, 2017
Glow SPP 11 Company Limited	August 9, 2017	3.289	499.9	September 5, 2017
Glow IPP Company Limited	August 9, 2017	0.350	99.8	September 5, 2017
Glow IPP Company Limited	November 9, 2017	1.357	386.7	December 21, 2017
Glow IPP 2 Holding Company Limited	August 9, 2017	1.321	99.9	September 5, 2017
Glow IPP 2 Holding Company Limited	November 9, 2017	15.453	1,169.0	December 22, 2017
Houay Ho Thai Company Limited	August 9, 2017	0.569	30.0	September 6, 2017
GHECO-One Company Limited	November 13, 2017	1.403	1,630.8	December 21, 2017

Company's name	BODs' meeting date	USD per share	Amount (Million USD)	Dividend payment date
Houay Ho Power Company Limited	August 9, 2017	4.0	2.0	September 5, 2017

##### *Annual dividends payment*

On April 26, 2017, the Annual General Meeting of Shareholders of the subsidiaries passed a resolution to distribute annual dividend for the year 2016. The dividends consist of interim dividends which were already paid following the resolutions of the Board of Directors' meeting and the remaining dividends payments. The details are as follows:

Company's name	BODs' / Shareholders' meeting date	Baht per share	Amount (Million Baht)	Dividend payment date
GHECO-One Company Limited	May 10, 2016	1.601	1,861.0	June 10, 2016
Glow Company Limited	August 10, 2016	0.568	250.0	September 8, 2016
Glow Company Limited	April 26, 2017*	2.355	1,036.6	May 2, 2017
Glow SPP 1 Company Limited	August 10, 2016	1.163	250.0	September 7, 2016
Glow SPP 1 Company Limited	April 26, 2017*	0.930	200.0	April 28, 2017
Glow SPP 2 Company Limited	August 10, 2016	0.405	200.1	September 7, 2016
Glow SPP 2 Company Limited	April 26, 2017*	0.413	204.1	April 28, 2017
Glow SPP 3 Company Limited	August 10, 2016	0.949	699.7	September 7, 2016
Glow SPP 3 Company Limited	April 26, 2017*	0.678	499.9	April 28, 2017
Glow SPP 11 Company Limited	August 10, 2016	1.974	300.0	September 7, 2016
Glow SPP 11 Company Limited	April 26, 2017*	2.631	399.9	April 28, 2017
Glow IPP Company Limited	August 10, 2016	0.351	100.0	September 7, 2016
Glow IPP Company Limited	November 10, 2016	1.750	498.8	February 8, 2017
Glow IPP Company Limited	April 26, 2017*	0.701	199.8	April 28, 2017
Glow IPP 2 Holding Company Limited	August 10, 2016	16.946	1,282.0	September 6, 2016
Glow IPP 2 Holding Company Limited	April 26, 2017*	11.247	850.8	April 28, 2017

\* Shareholders' meeting date

Company's name	Shareholders' meeting date	USD per share	Amount (Million Baht)	Dividend payment date
Houay Ho Power Company Limited	April 26, 2017	0.8	4.0	April 28, 2017

## 12. FINANCE LEASE RECEIVABLE

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

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Not later than one year	651,145,732	976,314,493	-	-
Later than one year and not later than five years	3,109,157,152	3,105,016,816	-	-
Later than five years	2,315,802,772	3,089,769,380	-	-
	6,076,105,656	7,171,100,689	-	-
<u>Less</u> Deferred interest receivable	(2,699,661,029)	(3,266,949,753)	-	-
Present value of minimum lease payment of receivable	3,376,444,627	3,904,150,936	-	-
<u>Less</u> Current portion of finance lease receivable	(274,555,004)	(508,226,584)	-	-
<u>Add</u> Unearned interest from finance lease <sup>(1)</sup>	118,680,540	99,200,815	-	-
	3,220,570,163	3,495,125,167	-	-

<sup>(1)</sup> Supplementary disclosure for unearned interest from finance lease as at December 31, consists of:

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Unearned interest from finance lease brought forward	(99,200,815)	(23,801,034)	-	-
<u>Add</u> Interest earned from finance lease	567,288,724	665,364,652	-	-
<u>Less</u> Contract billings only part of interest income	(586,768,449)	(740,764,433)	-	-
Unearned interest from finance lease carried forward	(118,680,540)	(99,200,815)	-	-

### 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

Unit : Baht

	Consolidated financial statements							Total
	Land	Power and water plants	Building and leasehold improvement	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
Cost								
January 1, 2016	711,551,304	124,783,737,748	488,789,588	519,516,721	314,547,332	88,925,697	189,042,137	127,096,110,527
Translation difference	-	(60,808,944)	(147,962)	(4,963)	(35,115)	(167,841)	-	(61,164,625)
Purchases	-	5,294,448	2,451,903	71,178,839	12,323,261	2,828,000	896,851,852	990,928,303
Transfer from spare parts	-	-	-	-	-	-	4,999,986	4,999,986
Transfer from advance payment	-	-	-	-	-	-	203,376,600	203,376,600
Transfer to computer Software	-	-	-	-	-	-	(72,964)	(72,964)
Transfer in (out)	-	697,129,784	-	-	1,673,937	-	(698,803,721)	-
Transfer to IEAT	-	(334,796,830) <sup>(1)</sup>	-	-	-	-	-	(334,796,830)
Disposals	-	(342,948,088)	(17,297)	(1,334,400)	(2,670,796)	(18,339,668)	-	(365,310,249)
December 31, 2016	711,551,304	124,747,608,118	491,076,232	589,356,197	325,838,619	73,246,388	595,393,890	127,534,070,748
Translation difference	-	(744,461,588)	(1,807,080)	(266,813)	(517,268)	(1,894,022)	-	(748,846,771)
Purchases	-	35,086,404	123,400	71,645,462	13,239,063	49,854	796,161,013	916,305,196
Estimated dismantling cost	-	-	12,731,000	-	-	-	-	12,731,000
Transfer from (to) spare parts	-	(2,044,000)	-	-	-	-	25,143,356	23,099,356
Transfer from advance payment	-	-	-	-	-	-	60,136,707	60,136,707
Transfer in (out)	-	1,277,719,841	-	3,504,410	4,171,970	-	(1,285,396,221)	-
Disposals	-	(820,025,619)	-	(2,069,000)	(11,712,560)	(4,191,120)	-	(837,998,299)
December 31, 2017	711,551,304	124,493,883,156	502,123,552	662,170,256	331,019,824	67,211,100	191,438,745	126,959,397,937
Accumulated depreciation								
January 1, 2016	-	42,088,901,982	195,614,981	450,760,594	271,163,546	65,400,982	-	43,071,842,085
Translation difference	-	(29,132,092)	(54,408)	(9,300)	(27,257)	(94,645)	-	(29,317,702)
Depreciation for the year	-	3,945,295,399	22,417,949	26,675,449	16,789,088	9,961,368	-	4,021,139,253
Depreciation - Transfer to IEAT	-	(135,990,022) <sup>(1)</sup>	-	-	-	-	-	(135,990,022)
Depreciation - disposals	-	(113,176,540)	(2,201)	(1,334,391)	(2,510,050)	(18,339,659)	-	(135,362,841)
December 31, 2016	-	45,755,898,727	217,976,321	476,092,352	285,415,327	56,928,046	-	46,792,310,773
Translation difference	-	(433,424,252)	(934,554)	(181,670)	(448,076)	(1,484,300)	-	(436,472,854)
Depreciation for the year	-	4,070,227,589	23,904,294	28,746,469	15,636,961	8,761,713	-	4,147,277,026
Depreciation - disposals	-	(653,452,873)	-	(2,068,996)	(11,686,117)	(4,191,120)	-	(671,399,106)
December 31, 2017	-	48,739,249,191	240,946,061	502,588,155	288,918,093	60,014,339	-	49,831,715,839
Net book value								
December 31, 2016	711,551,304	78,991,709,391	273,099,911	113,263,845	40,423,292	16,318,342	595,393,890	80,741,759,975
December 31, 2017	711,551,304	75,754,633,965	261,177,491	159,582,101	42,101,731	7,196,761	191,438,745	77,127,682,098
Depreciation for the years ended December 31,								
2016								4,021,139,253
2017								4,147,277,026

The Separate financial statements								
	Land	Power and water plants	Building and leasehold improvement	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>								
January 1, 2016	81,250,000	39,384,496,243	330,932,167	249,032,071	89,346,963	12,145,400	45,850,755	40,193,053,599
Purchases	-	-	-	10,780,949	1,593,825	-	305,419,041	317,793,815
Transfer in (out)	-	285,423,939	-	-	-	-	(285,423,939)	-
Disposals	-	(44,399,894)	-	(771,800)	(156,649)	(4,344,000)	-	(49,672,343)
December 31, 2016	81,250,000	39,625,520,288	330,932,167	259,041,220	90,784,139	7,801,400	65,845,857	40,461,175,071
Purchases	-	3,260,440	-	1,713,920	2,582,191	-	130,444,886	138,001,437
Transfer in (out)	-	138,717,797	-	-	4,171,970	-	(142,889,767)	-
Transfer to spare parts	-	(2,044,000)	-	-	-	-	-	(2,044,000)
Disposals	-	(572,916,872)	-	-	(1,962,672)	-	-	(574,879,544)
December 31, 2017	81,250,000	39,192,537,653	330,932,167	260,755,140	95,575,628	7,801,400	53,400,976	40,022,252,964
<b>Accumulated depreciation</b>								
January 1, 2016	-	13,074,908,917	104,159,268	236,685,972	83,667,411	9,573,650	-	13,508,995,218
Depreciation for the year	-	1,478,917,540	16,707,213	5,255,807	2,886,300	1,503,160	-	1,505,270,020
Depreciation - disposals	-	(25,896,202)	-	(771,793)	(156,623)	(4,343,999)	-	(31,168,617)
December 31, 2016	-	14,527,930,255	120,866,481	241,169,986	86,397,088	6,732,811	-	14,983,096,621
Depreciation for the year	-	1,528,677,096	16,697,948	4,909,013	2,015,337	915,129	-	1,553,214,523
Depreciation - disposals	-	(410,431,420)	-	-	(1,952,792)	-	-	(412,384,212)
December 31, 2017	-	15,646,175,931	137,564,429	246,078,999	86,459,633	7,647,940	-	16,123,926,932
<b>Net book value</b>								
December 31, 2016	81,250,000	25,097,590,033	210,065,686	17,871,234	4,387,051	1,068,589	65,845,857	25,478,078,450
December 31, 2017	81,250,000	23,546,361,722	193,367,738	14,676,141	9,115,995	153,460	53,400,976	23,898,326,032
<b>Depreciation for the years ended December 31,</b>								
2016								1,505,270,020
2017								1,553,214,523

<sup>(1)</sup> On December 6, 2016, Glow SPP 3 Company Limited transferred the ownership of the dedicated berth having net book value of Baht 198.8 million to IEAT following the condition as stipulated in the joint operation agreement (see Note 32.1.6.2).

As at December 31, 2017 and 2016, costs of power plant and equipment in the consolidated financial statements that were fully depreciated but still in use were Baht 3,184.9 million and Baht 3,021.7 million, respectively.

As at December 31, 2017 and 2016, costs of power plant and equipment in the separate financial statements that were fully depreciated but still in use were Baht 624.6 million and Baht 611.4 million, respectively.

All of the land, construction, machinery and equipment of the power plants of Glow IPP Company Limited, Houay Ho Power Company Limited and GHECO-One Company Limited have been mortgaged and pledged to secure their credit facilities obtained from financial institutions. On December 15, 2016, Glow IPP Company Limited prepaid all outstanding loans. On March 28, 2017, Glow IPP Company Limited entered into the Deed of Release with financial institutions to release all collateral that were mortgaged and pledged with them. However, currently, the deregistration process has not been completed.

Glow SPP 11 Company Limited is obliged under the raw water supply agreement dated December 17, 1998 to transfer its raw water pipeline to raw water supplier after 15 years from the pipeline construction completion date. The transfer date is agreed to be within October 1, 2020. As at December 31, 2017 and 2016, net book value of the raw water pipeline is Baht 37.2 million and Baht 40.1 million, respectively.

Glow IPP Company Limited is obliged to transfer its gas pipeline to PTT according to the conditions as stipulated in the gas supply agreement (see Note 32.1.3). As at December 31, 2017 and 2016, net book value of the gas pipeline is Baht 83.5 million and Baht 89.1 million, respectively.

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

	Unit : Baht			
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Cost	-	18,789,280	-	2,310,000
<u>Less</u> Accumulated depreciation	-	(14,624,418)	-	(1,694,550)
Net book value	-	4,164,862	-	615,450

#### 14. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of:

	Notes	Unit : Baht			
		Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Deferred right to use grid system	14.1	259,493,270	259,493,270	-	-
<u>Less</u> Accumulated amortization		(204,894,253)	(193,986,370)	-	-
		54,599,017	65,506,900	-	-
Deferred right to use transmission line	14.2	301,310,983	301,310,983	55,000,000	55,000,000
<u>Less</u> Accumulated amortization		(125,777,511)	(115,403,512)	(13,695,795)	(11,497,481)
		175,533,472	185,907,471	41,304,205	43,502,519
Deferred land leasehold right	14.3	321,517,042	321,517,042	37,260,553	37,260,553
<u>Less</u> Accumulated amortization		(158,820,441)	(146,765,118)	(12,466,348)	(11,225,236)
		162,696,601	174,751,924	24,794,205	26,035,317
Deferred right to use pipe rack	14.4	108,751,762	107,146,137	202,503,997	200,898,372
<u>Less</u> Accumulated amortization		(99,810,329)	(90,645,604)	(126,663,077)	(112,898,827)
		8,941,433	16,500,533	75,840,920	87,999,545
Deferred right of way	14.5	310,449,231	310,449,231	3,838,775	3,838,775
<u>Less</u> Accumulated amortization		(199,841,639)	(184,445,133)	(3,135,602)	(2,952,205)
		110,607,592	126,004,098	703,173	886,570
Deferred right to use gas pipeline	14.6	90,411,142	90,411,142	-	-
<u>Less</u> Accumulated amortization		(46,178,817)	(42,226,775)	-	-
		44,232,325	48,184,367	-	-
Deferred right to use dedicated berth	14.7	198,806,808	198,806,808	-	-
<u>Less</u> Accumulated amortization		(15,534,894)	(995,827)	-	-
		183,271,914	197,810,981	-	-
Computer software		234,433,435	231,291,475	7,547,642	7,501,282
<u>Less</u> Accumulated amortization		(166,403,907)	(150,381,335)	(6,928,020)	(6,807,682)
		68,029,528	80,910,140	619,622	693,600
Total intangible assets		807,911,882	895,576,414	143,262,125	159,117,551
Amortization for the years ended December 31,		92,412,117	81,231,606	17,507,411	19,144,903

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

## 15. OTHER NON-CURRENT ASSETS

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

		Unit : Baht			
		Consolidated financial statements		The Separate financial statements	
	Notes	2017	2016	2017	2016
Deferred repair and maintenance expense	15.1	6,589,135,918	6,591,045,396	-	-
Less Accumulated amortization		(4,638,990,023)	(4,473,746,853)	-	-
		1,950,145,895	2,117,298,543	-	-
Advance for long term service agreement	15.2	-	123,740,135	-	123,740,135
Less Accumulated amortization		-	(123,740,135)	-	(123,740,135)
		-	-	-	-
Deferred financial service fee		5,482,011	5,600,000	-	117,989
Less Accumulated amortization		(3,760,442)	(3,607,820)	-	(111,028)
		1,721,569	1,992,180	-	6,961
Deferred expenses - others		6,701,772	6,701,772	57,640,259	57,640,259
Less Accumulated amortization		(4,723,344)	(4,162,687)	(13,398,448)	(11,203,000)
		1,978,428	2,539,085	44,241,811	46,437,259
Corporate income tax refundable	15.3	627,903,105	627,903,105	-	-
Refundable deposits		65,807,763	33,284,954	39,350,537	7,432,146
Others		21,902,608	29,294,764	10,998	211,024
Total other non-current assets		2,669,459,368	2,812,312,631	83,603,346	54,087,390
Amortization for the years ended December 31,		166,160,433	223,242,413	2,202,409	67,730,411

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

**15.2** Advance for Long Term Service Agreement ("LTSA") represents advance payment made under the LTSA dated December 14, 2010 (see Note 32.1.9.5).

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

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

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

- For the corporate income tax years 2008 and 2009, the Central Tax Court rendered judgment for the aforementioned on September 30, 2014 with total tax and surcharge dispute amount of Baht 129.56 million by dismiss the plaint on the ground that GHECO1 had already filed an administrative appeal pursuant to Administrative Procedure Act B.E. 2539 and that, on the submission date of the plaint, the 90-day period granted to the governmental body to render the administrative appeal decision had not yet been expired. As such, there has not yet been a dispute arising to entitle GHECO1 to submit the plaint. Subsequently, GHECO1 resubmitted the lawsuit to the Central Tax Court on May 26, 2016 and the Central Tax Court ordered the plaintiffs and defendants to attend a hearing of witnesses during March 7-10, 2017. On May 29, 2017, the Central Tax Court rendered the judgment and ruled that the Revenue Department is to refund the corporate income tax and surcharges totaling Baht 129.56 million with interest. Subsequently, on July 27, 2017, the Revenue Department filed the tax appeal against the verdict of Central Tax Court to the Court of Appeal for Specialised Cases. GHECO1 filed the answer to such appeal on September 28, 2017, and the Central Tax Court has sent the case to the consideration of the Court of Appeal for Specialised Cases on October 2, 2017. The case is currently being in judicial processes of the Court of Appeal for Specialised Cases.
- For the corporate income tax year 2010, the Central Tax Court rendered judgment for the aforementioned on October 12, 2015 and ordered the Revenue Department to refund the corporate income tax and surcharges totaling Baht 466.19 million with interest. Subsequently, on March 8, 2016, the Revenue Department filed the tax appeal against the verdict of Central Tax Court. GHECO1 filed the answer to such appeal on June 8, 2016, and the Central Tax Court has sent the case to the consideration of the Supreme Court on June 10, 2016. This case is currently being in judicial processes of the Supreme Court.

For the corporate income tax year 2011, GHECO1 filed the lawsuit against the Central Tax Court for the corporate income tax refund on July 22, 2016 with total tax and surcharge dispute amount of Baht 32.15 million and the Central Tax Court ordered the plaintiffs and defendants to attend a hearing of witnesses during May 23-26, 2017. On July 20, 2017, the Central Tax Court rendered the judgment and ruled that the Revenue Department is to refund the corporate income tax and surcharges totaling Baht 32.15 million with interest. On October 19, 2017, the Revenue Department filed the appeal against the verdict of Central Tax Court to the Court of Appeal for Specialised Cases. GHECO1 filed the answer to such appeal on December 27, 2017, and the Central Tax Court has sent the case to the consideration of the Court of Appeal for Specialised Cases on January 3, 2018. The case is currently being in judicial processes of the Court of Appeal for Specialised Cases.

## 16. TRADE AND OTHER CURRENT PAYABLES

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

Unit : Baht

	Notes	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Trade payables, other companies		4,318,517,265	2,811,222,303	1,450,725,879	995,280,150
Trade payables to related parties	25	-	-	319,987,174	347,486,432
Advance from related parties	25	45,248,207	40,517,385	84,197,027	53,338,450
Advance received		164,416,026	208,187,793	110,320,809	162,534,234
Accounts payable - acquisition of fixed assets	5	241,407,619	175,022,467	49,792,071	72,809,731
Other payables		148,387,629	245,705,754	57,025,018	81,668,779
Accrued interest expense		374,982,921	472,234,577	242,362,711	259,590,926
Interest payables to related parties	25	-	-	12,902,887	12,578,357
Accrued expenses		839,300,952	806,443,061	127,418,012	210,662,261
Unearned income from a related party	25	-	-	58,430	57,055
		6,132,260,619	4,759,333,340	2,454,790,018	2,196,006,375

## 17. FINANCE LEASE PAYABLES

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

Unit : Baht

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Not later than one year	-	4,541,385	-	685,900
Less: Deferred interest expense	-	(52,111)	-	(13,500)
Present value of minimum lease payments	-	4,489,274	-	672,400

## 18. SHORT-TERM BORROWINGS

This represents short-term borrowings of GHECO-One Company Limited ("GHECO1") obtained from a shareholder under the Equity Subscription and Retention Agreement dated October 9, 2008. The borrowings carry interest at MLR per annum and are repayable at call. Subsequently, GHECO1 entered into the Novation Agreement dated May 30, 2016 to novate the rights to a new shareholder, which is a result of changing of shareholder. On February 8, 2017, GHECO1 repaid the loan of Baht 458.2 million.

#### 19. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Interest rate	Repayment date of principal	Currency	Facility	2017		2016	
					USD	Baht	USD	Baht
<u>The Company</u>								
1) Loan under Facility Agreement dated February 22, 2017	USD-LIBOR + a certain percentage p.a.	February 22, 2022	USD	85,665,334	2,813,866,362	-	-	
2) Loan under Facility Agreement dated February 23, 2012	A certain percentage p.a.	November 1, 2016 and November 1, 2017	Baht	2,500,000,000	-	-	1,000,000,000	
Total long-term borrowings from financial institutions in the separate financial statements					2,813,866,362	1,000,000,000		
Less Deferred financing fee					(1,251,606)	(3,793,532)		
Less Current portion of long-term borrowings from financial institutions in the separate financial statements					2,812,614,756	996,206,468		
					-	(996,206,468)		
					2,812,614,756	-		
Amortization of deferred financing fee in the separate financial statements for the years ended December 31,					4,052,286	5,643,186		

	Interest rate	Repayment date of principal	Currency	Facility	2017		2016	
					USD	Baht	USD	Baht
<b>Subsidiaries</b>								
<u>GHICO-One Company Limited</u>								
3) Loan under Facility Agreement dated October 9, 2008								
- Baht loan	THBFX + a certain percentage p.a.	October 31, 2012 - October 31, 2028	Baht	9,960,000,000	-	5,238,569,700	-	5,933,189,250
- USD loan	LIBOR + a certain percentage p.a.	October 31, 2012 - October 31, 2028	USD	460,000,000	255,095,568	8,379,175,141	288,920,520	10,401,861,022
<u>Houay Ho Power Company Limited</u>								
4) Loan under Credit Facility Agreement dated January 15, 2015	LIBOR + a certain percentage p.a.	June 15, 2015 - December 15, 2023	USD	82,000,000	58,134,177	1,899,877,211	66,089,891	2,368,043,747
Total long-term borrowings from financial institutions of subsidiaries						15,517,622,052		18,703,094,019
Less Deferred financing fee						(237,448,679)		(268,251,292)
						15,280,173,373		18,434,842,727
Total long-term borrowings from financial institutions in the consolidated financial statements						18,092,788,129		19,431,049,195
Less Current portion of long-term borrowings from financial institutions in the consolidated financial statements						(2,254,867,219)		(3,167,424,166)
						15,837,920,910		16,263,625,029
Amortization of deferred financing fee in the consolidated financial statements for the years ended December 31,						29,835,597		31,828,036

### The Company's borrowings

On February 22, 2017, the Company entered into a Loan Agreement with a financial institution for a 5-year term loan facility of USD 85.7 million. The loan carries interest at USD-LIBOR plus a certain percentage per annum. The borrowing was drawn down on May 15, 2017 and will be repayable on February 22, 2022.

On the same date, the Company entered into a Cross Currency Interest Rate Swap Agreement with the same financial institution to swap the USD 85.7 million loan for a Baht 3,000 million loan (see Notes 30.2.1 and 30.3).

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

### The subsidiaries' borrowings

#### GHECO-One Company Limited ("GHECO1")

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

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

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

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

#### Houay Ho Power Company Limited ("HHPC")

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

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

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

## 20. DEBENTURES

Debentures as at December 31, consist of:

Unit : Baht

	Consolidated and the Separate financial statements	
	2017	2016
Debentures No. 1/2559	3,000,000,000	3,000,000,000
<u>Less</u> Deferred debentures issue expenses	(3,477,284)	(3,892,058)
Debentures No. 1/2558	4,000,000,000	4,000,000,000
<u>Less</u> Deferred debentures issue expenses	(6,132,185)	(6,930,703)
Debentures No. 1/2555	1,500,000,000	1,500,000,000
<u>Less</u> Deferred debentures issue expenses	(704,651)	(1,510,914)
Debentures No. 1/2554	5,555,000,000	5,555,000,000
<u>Less</u> Deferred debentures issue expenses	(4,994,502)	(6,355,961)
Debentures No. 1/2553	-	1,000,000,000
<u>Less</u> Deferred debentures issue expenses	-	(67,389)
Debentures No. 2/2553	3,400,000,000	5,000,000,000
<u>Less</u> Deferred debentures issue expenses	(1,053,418)	(2,089,633)
Debentures No. 1/2551	2,500,000,000	2,500,000,000
<u>Less</u> Deferred debentures issue expenses	(349,722)	(1,167,983)
Debentures No. 1/2550	-	2,000,000,000
<u>Less</u> Deferred debentures issue expenses	-	(309,078)
	19,938,288,238	24,532,676,281
<u>Less</u> Current portion of debentures	(3,998,945,627)	(4,599,304,238)
	15,939,342,611	19,933,372,043
Amortization of deferred bond issue expenses for the years ended December 31,	5,611,957	6,265,064

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

### Debentures No. 1/2559

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

### Debentures No. 1/2558

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

#### Debentures No. 1/2555

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

#### Debentures No. 1/2554

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

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

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

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

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

#### Debentures No. 1/2551

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

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

#### Debentures No. 1/2550

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

## 21. DEFERRED INCOME TAX/ INCOME TAX EXPENSE

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

Unit : Baht

	Consolidated financial statements				
	Balance as at January 1, 2017	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2017
		Addition	Utilized		
<b>Deferred tax assets</b>					
Finance lease receivable	316,416,693	37,480,903	-	-	353,897,596
Difference of depreciation	98,781,381	6,435,836	(23,608,729)	-	81,608,488
Provisions	135,760,567	51,390,102	(18,010,512)	649,024 <sup>(1)</sup>	169,789,181
Assets under finance lease	6,697,524	-	(369,403)	-	6,328,121
<b>Total</b>	<b>557,656,165</b>	<b>95,306,841</b>	<b>(41,988,644)</b>	<b>649,024</b>	<b>611,623,386</b>
<b>Deferred tax liabilities</b>					
Difference of depreciation	1,244,365,584	109,081,936	-	-	1,353,447,520
Deferred expenses	24,924,896	276,811	(1,660,496)	-	23,541,211
<b>Total</b>	<b>1,269,290,480</b>	<b>109,358,747</b>	<b>1,660,496</b>	<b>-</b>	<b>1,376,988,731</b>
<b>Deferred tax liabilities, net</b>					<b>765,365,345</b>

<sup>(1)</sup> During 2017, there were effects from translation difference of deferred tax assets of Baht 186,398, which were recognized in other comprehensive income (loss).

Unit : Baht

	Consolidated financial statements				
	Balance as at January 1, 2016	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2016
		Addition	Utilized		
<b>Deferred tax assets</b>					
Finance lease receivable	230,907,250	85,509,443	-	-	316,416,693
Difference of depreciation	152,018,659	5,675,162	(58,912,440)	-	98,781,381
Provisions	109,743,225	42,408,505	(16,386,031)	(5,132)	135,760,567
Assets under finance lease	6,946,049	-	(248,525)	-	6,697,524
Taxable loss carried forward	10,509,757	-	(10,509,757)	-	-
<b>Total</b>	<b>510,124,940</b>	<b>133,593,110</b>	<b>(86,056,753)</b>	<b>(5,132)</b>	<b>557,656,165</b>
<b>Deferred tax liabilities</b>					
Difference of depreciation	1,125,842,158	118,609,467	-	(86,041) <sup>(2)</sup>	1,244,365,584
Deferred expenses	26,176,387	743,006	(1,994,497)	-	24,924,896
<b>Total</b>	<b>1,152,018,545</b>	<b>119,352,473</b>	<b>(1,994,497)</b>	<b>(86,041)</b>	<b>1,269,290,480</b>
<b>Deferred tax liabilities, net</b>					<b>711,634,315</b>

<sup>(2)</sup> During 2016, there were effects from translation difference of deferred tax liabilities of Baht 86,041, which were recognized in other comprehensive income (loss).

Unit : Baht

	The Separate financial statements				
	Balance as at January 1, 2017	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2017
		Addition	Utilized		
<b>Deferred tax assets</b>					
Provisions	50,434,592	28,110,587	(1,202,920)	835,422	78,177,681
<b>Total</b>	<b>50,434,592</b>	<b>28,110,587</b>	<b>(1,202,920)</b>	<b>835,422</b>	<b>78,177,681</b>
<b>Deferred tax liabilities</b>					
Difference of depreciation	376,746,711	13,788,416	-	-	390,535,127
Deferred expenses	4,675,921	276,811	(1,660,496)	-	3,292,236
<b>Total</b>	<b>381,422,632</b>	<b>14,065,227</b>	<b>(1,660,496)</b>	<b>-</b>	<b>393,827,363</b>
<b>Deferred tax liabilities, net</b>					<b>315,649,682</b>

Unit : Baht

	The Separate financial statements				
	Balance as at January 1, 2016	Transactions recognized in profit and loss		Transactions recognized in other comprehensive income (loss)	Balance as at December 31, 2016
		Addition	Utilized		
<b>Deferred tax assets</b>					
Provisions	21,711,050	30,109,246	(1,380,572)	(5,132)	50,434,592
<b>Total</b>	<b>21,711,050</b>	<b>30,109,246</b>	<b>(1,380,572)</b>	<b>(5,132)</b>	<b>50,434,592</b>
<b>Deferred tax liabilities</b>					
Difference of depreciation	355,217,512	21,529,199	-	-	376,746,711
Deferred expenses	5,927,412	743,006	(1,994,497)	-	4,675,921
<b>Total</b>	<b>361,144,924</b>	<b>22,272,205</b>	<b>(1,994,497)</b>	<b>-</b>	<b>381,422,632</b>
<b>Deferred tax liabilities, net</b>					<b>330,988,040</b>

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

Unit : Baht

	Consolidated financial statements	
	2017	2016
Accounting profit before income tax	11,577,384,518	11,044,357,092
Permanent differences	415,817	(94,505,109)
Temporary differences	(295,415,571)	(43,457,344)
Utilization of taxable loss carried forward	-	(182,920,212)
Income that is exempt from taxation	(6,652,929,411)	(6,140,452,550)
Taxable profit	4,629,455,353	4,583,021,877
Tax currently payable		
- Local tax rate (20%)	872,725,823	865,129,200
- Overseas tax rate (15%)	39,873,935	38,606,382
Tax effects of :		
Temporary differences		
Finance lease receivable	(37,480,903)	(85,509,443)
Difference of depreciation	126,254,829	171,846,745
Provisions	(33,379,590)	(26,022,474)
Assets under finance lease	369,403	248,525
Taxable loss carried forward	-	10,509,757
Deferred expenses	(1,383,685)	(1,251,491)
	54,380,054	69,821,619
Adjustment of prior year income tax	8,236,989	8,106,915
Income tax expense	975,216,801	981,664,116
Effective tax rate	8.4%	8.9%

Unit : Baht

	The Separate financial statements	
	2017	2016
Accounting profit before income tax	10,083,981,373	9,407,334,050
Permanent differences	(6,472,512,225)	(5,496,399,263)
Temporary differences	174,781,666	117,511,879
Income that is exempt from taxation	(2,563,089,638)	(2,607,909,744)
Taxable profit	1,223,161,176	1,420,536,922
Tax currently payable (tax rate : 20%)	244,632,235	284,107,385
Tax effects of :		
Temporary differences		
Provisions	(26,907,667)	(28,728,674)
Difference of depreciation	13,788,416	21,529,199
Deferred expenses	(1,383,685)	(1,251,491)
	(14,502,936)	(8,450,966)
Adjustment of prior year income tax	8,406,998	7,944,215
Income tax expense	238,536,297	283,600,634
Effective tax rate	2.4%	3.0%

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

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

## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

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

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

	Unit : Baht			
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Current service cost	49,329,035	13,313,419	1,753,533	1,350,901
Interest cost	5,686,727	6,741,671	816,273	797,691
Other comprehensive income				
- Losses on remeasurements of defined benefit plans	4,587,681	-	4,587,681	-
- Exchange differences on translating financial statements	(1,242,651)	-	-	-
Total	58,360,792	20,055,090	7,157,487	2,148,592

Movements in the present value of the non-current provisions for employee benefit for the years ended December 31, are as follows:

	Unit : Baht			
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Beginning present value of non-current provisions for employee benefit	174,284,674	154,229,584	21,009,111	18,860,519
Losses on remeasurements of defined benefit plans	4,587,681	-	4,587,681	-
Current service cost	49,329,035	13,313,419	1,753,533	1,350,901
Interest cost	5,686,727	6,741,671	816,273	797,691
Benefit paid	(1,246,910)	-	-	-
Exchange differences on translating financial statements	(1,242,651)	-	-	-
Ending present value of non-current provisions for employee benefit	231,398,556	174,284,674	28,166,598	21,009,111

The principle actuarial assumptions used to calculate the above non-current provisions for employee benefit are as follows:

	Consolidated and the Separate financial statements	
	2017	2016
Discount rates	3.189%	4.4%
Salary increase rates	5.0 - 8.5%	6.0 - 7.5%
Turnover rates	0.0 - 10.0%	0.0 - 8.0%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the non-current provisions for employee benefit as at December 31, are as follows:

Unit : Million Baht				
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
<u>Discount rates</u>				
Discount rates, decrease of 1 percent	28.1	23.8	4.4	3.3
Discount rates, increase of 1 percent	(23.7)	(20.1)	(3.7)	(2.8)
<u>Salary increase rates</u>				
Salary increase rates, decrease of 1 percent	(25.0)	(24.3)	(3.9)	(3.3)
Salary increase rates, increase of 1 percent	29.1	28.7	4.5	3.9
<u>Turnover rates</u>				
Turnover rates, decrease of 20 percent	11.3	9.1	1.8	1.3
Turnover rates, increase of 20 percent	(10.4)	(8.5)	(1.6)	(1.2)

As at December 31, 2017 and 2016, the Company and its subsidiaries analyze the maturity of long-term employee benefit payments, which most of maturity period is over than 10 years.

## 23. LEGAL RESERVE

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

As at December 31, 2017 and 2016, the Company had already appropriated for legal reserve in full amount.

## 24. DIVIDEND PAYMENT

On April 26, 2017, the Annual General Meeting of Shareholders of the Company passed a resolution to distribute an annual dividend for the year 2016 at Baht 5.75 per share totaling Baht 8,411.5 million. The dividend consists of interim dividend at Baht 1.458 per share totaling Baht 2,132.9 million which was paid on September 9, 2016 and the remaining dividend at Baht 4.292 per share totaling Baht 6,278.6 million which was paid on May 24, 2017.

On August 9, 2017, the Board of Directors' Meeting of the Company passed a resolution to distribute an interim dividend from profit for the six-month period ended June 30, 2017 at Baht 1.531 per share totaling Baht 2,239.6 million. The dividend was paid on September 8, 2017.

## 25. TRANSACTIONS WITH RELATED PARTIES

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

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

		As at December 31,			
Account name/ Company's name	Relationship	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Trade receivables from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	107,157,698	73,479,842
Glow SPP 2 Company Limited	Subsidiary	-	-	105,525,438	172,298,386
Glow SPP 3 Company Limited	Subsidiary	-	-	187,403,030	36,164,866
GHECO-One Company Limited	Subsidiary	-	-	2,478,415	3,228,783
		-	-	402,564,581	285,171,877
Advances to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	1,419	55,187
Glow SPP 2 Company Limited	Subsidiary	-	-	205,313	101,173
Glow SPP 3 Company Limited	Subsidiary	-	-	780,106	477,252
GHECO-One Company Limited	Subsidiary	-	-	110,202	104,834
Glow SPP 11 Company Limited	Subsidiary	-	-	-	12,369
International Power Ltd.	Related company	625,280	625,280	-	-
Meenakshi Energy Pvt. Ltd.	Related company	124,670	124,670	-	-
		749,950	749,950	1,097,040	750,815
Interest receivables from related parties					
Glow SPP 11 Company Limited	Subsidiary	-	-	22,874,292	22,874,292
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	164,318	164,214
Glow IPP 3 Company Limited	Subsidiary	-	-	979,828	-
		-	-	24,018,438	23,038,506
Short-term loans to related parties					
Glow SPP 11 Company Limited	Subsidiary	-	-	934,000,000	934,000,000
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	21,000,000	21,000,000
Glow IPP 3 Company Limited	Subsidiary	-	-	121,500,000	-
		-	-	1,076,500,000	955,000,000
Long-term loan to a related party					
Glow SPP 11 Company Limited	Subsidiary	-	-	2,772,600,000	2,772,600,000
		-	-	2,772,600,000	2,772,600,000
Deferred right to use pipe rack (recorded as a part of intangible assets)					
Glow SPP 3 Company Limited	Subsidiary	-	-	67,052,329	71,701,665
		-	-	67,052,329	71,701,665
Deferred expenses - others (recorded as a part of other non-current assets)					
Glow SPP 3 Company Limited	Subsidiary	-	-	29,158,857	30,551,554
GHECO-One Company Limited	Subsidiary	-	-	15,082,953	15,885,706
		-	-	44,241,810	46,437,260
Trade payables to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	2,727,160	-
Glow SPP 2 Company Limited	Subsidiary	-	-	141,551,600	115,381,447
Glow SPP 3 Company Limited	Subsidiary	-	-	175,708,414	232,104,985
		-	-	319,987,174	347,486,432

Unit : Baht

		As at December 31,			
Account name/ Company's name	Relationship	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Advance from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	17,938	17,047
Glow SPP 2 Company Limited	Subsidiary	-	-	2,488,758	1,402,493
Glow SPP 3 Company Limited	Subsidiary	-	-	735,652	2,784,823
Glow Company Limited	Subsidiary	-	-	51,515,338	24,120,388
Glow SPP 11 Company Limited	Subsidiary	-	-	25,512	18,529
GHECO-One Company Limited	Subsidiary	-	-	-	2,606
International Power S.A.	Related company	19,836,350	20,220,528	6,058,266	5,864,863
ENGIE Global Developments B.V.	Related company	23,031,700	18,240,100	23,031,700	18,240,100
Tractebel Engineering S.A.	Related company	2,004,138	2,019,555	-	850,399
Tractebel Engineering Limited	Related company	312,440	37,202	312,440	37,202
ENGIE Asia-Pacific Company Limited	Related company	63,579	-	11,423	-
		45,248,207	40,517,385	84,197,027	53,338,450
Interest payables to related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	627,201	575,272
Glow SPP 2 Company Limited	Subsidiary	-	-	10,544,839	10,362,495
Glow SPP 3 Company Limited	Subsidiary	-	-	808,081	807,729
Glow SPP 11 Company Limited	Subsidiary	-	-	922,766	832,861
		-	-	12,902,887	12,578,357
Unearned income from a related party					
Houay Ho Power Company Limited	Subsidiary	-	-	58,430	57,055
		-	-	58,430	57,055
Short-term borrowings from related parties					
Glow SPP 1 Company Limited	Subsidiary	-	-	504,666,085	281,963,932
Glow SPP 2 Company Limited	Subsidiary	-	-	1,700,878,750	1,093,911,575
Glow SPP 3 Company Limited	Subsidiary	-	-	685,828,410	466,113,289
Glow SPP 11 Company Limited	Subsidiary	-	-	757,914,801	449,995,447
		-	-	3,649,288,046	2,291,984,243
Advance received from a related party (recorded as a part of other non-current liabilities)					
GHECO-One Company Limited	Subsidiary	-	-	184,482,905	194,271,575
		-	-	184,482,905	194,271,575

Unit : Baht

Unit : Baht

		For the years ended December 31,			
Account name/ Company's name	Relationship	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
Revenues from sales					
Glow SPP 1 Company Limited	Subsidiary	-	-	353,784,287	375,249,111
Glow SPP 2 Company Limited	Subsidiary	-	-	469,998,761	684,006,183
Glow SPP 3 Company Limited	Subsidiary	-	-	405,783,131	321,222,498
GHECO-One Company Limited	Subsidiary	-	-	21,743,170	23,777,213
		-	-	1,251,309,349	1,404,255,005

Unit : Baht

		For the years ended December 31,			
		Consolidated financial statements		The Separate financial statements	
Account name/ Company's name	Relationship	2017	2016	2017	2016
<b>Interest income</b>					
Glow SPP 11 Company Limited	Subsidiary	-	-	157,530,500	161,237,100
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	892,514	334,148
Glow IPP 3 Company Limited	Subsidiary	-	-	979,829	24,452
Glow Company Limited	Subsidiary	-	-	-	838
		-	-	159,402,843	161,596,538
<b>Dividend income</b>					
Glow Company Limited	Subsidiary	-	-	1,750,543,387	966,166,140
Glow SPP 2 Company Limited	Subsidiary	-	-	464,010,120	247,570,895
Glow SPP 3 Company Limited	Subsidiary	-	-	1,179,742,323	1,139,926,019
Glow SPP 11 Company Limited	Subsidiary	-	-	899,839,965	698,591,972
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	2,119,788,510	2,457,943,988
		-	-	6,413,924,305	5,510,199,014
<b>Other income</b>					
<u>Service income</u>					
GHECO-One Company Limited	Subsidiary	-	-	25,656,419	25,653,438
Houay Ho Power Company Limited	Subsidiary	-	-	646,670	647,769
		-	-	26,303,089	26,301,207
<u>Sale of spare parts</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	540,246	1,370,653
Glow SPP 2 Company Limited	Subsidiary	-	-	3,679,700	7,541,244
Glow SPP 3 Company Limited	Subsidiary	-	-	2,553,632	5,903,860
Glow IPP Company Limited	Subsidiary	-	-	41,785	10,710
GHECO-One Company Limited	Subsidiary	-	-	135,981	198,450
Glow SPP 11 Company Limited	Subsidiary	-	-	109,936	803,901
		-	-	7,061,280	15,828,818
<b>Cost of sales</b>					
<u>Purchases</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	2,504,075	1,511,596
Glow SPP 2 Company Limited	Subsidiary	-	-	533,357,770	390,721,089
Glow SPP 3 Company Limited	Subsidiary	-	-	427,065,557	530,497,318
		-	-	962,927,402	922,730,003
<u>Purchase of spare parts</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	482,417	376,754
Glow SPP 2 Company Limited	Subsidiary	-	-	1,569,071	1,535,872
Glow SPP 3 Company Limited	Subsidiary	-	-	6,447,642	10,104,398
Glow SPP 11 Company Limited	Subsidiary	-	-	23,843	504,203
Glow IPP Company Limited	Subsidiary	-	-	275,833	341,167
GHECO-One Company Limited	Subsidiary	-	-	426,045	1,987,395
		-	-	9,224,851	14,849,789

Unit : Baht

		For the years ended December 31,			
Account name/ Company's name	Relationship	Consolidated financial statements		The Separate financial statements	
		2017	2016	2017	2016
<b>Cost of sales (Continued)</b>					
<u>Service expenses</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	187,204	188,568
Glow SPP 2 Company Limited	Subsidiary	-	-	10,491,830	10,491,830
Glow SPP 3 Company Limited	Subsidiary	-	-	37,228,972	37,198,077
GHECO-One Company Limited	Subsidiary	-	-	802,753	804,952
Tractebel Engineering S.A.	Related company	2,090,518	1,043,090	-	-
		2,090,518	1,043,090	48,710,759	48,683,427
<b>Administrative expenses</b>					
<u>Management fee</u>					
Glow Company Limited	Subsidiary	-	-	338,135,000	308,408,000
		-	-	338,135,000	308,408,000
<u>Service expenses</u>					
International Power Limited	Related company	4,414,723	2,277,868	-	-
ENGIE Global Developments B.V.	Related company	4,791,600	7,215,600	4,791,600	7,215,600
Tractebel Engineering Limited	Related company	1,836,548	3,206,092	1,836,548	3,206,092
Tractebel Engineering S.A.	Related company	5,385,689	2,854,574	5,385,689	2,854,574
ENGIE Asia-Pacific Company Limited	Related company	-	403,200	-	-
ENGIE S.A.	Related company	86,832	-	86,832	-
		16,515,392	15,957,334	12,100,669	13,276,266
<u>Management benefit expenses</u>					
Management benefit expenses (Short-term employee benefits)	Management	259,523,249	264,603,929	-	-
		259,523,249	264,603,929	-	-
<b>Finance costs</b>					
<u>Interest expense</u>					
Glow SPP 1 Company Limited	Subsidiary	-	-	2,620,361	3,353,202
Glow SPP 2 Company Limited	Subsidiary	-	-	27,125,033	27,164,661
Glow SPP 3 Company Limited	Subsidiary	-	-	4,460,678	5,592,044
Glow SPP 11 Company Limited	Subsidiary	-	-	4,389,645	3,482,761
Glow IPP 2 Holding Company Limited	Subsidiary	-	-	-	30,056,108
		-	-	38,595,717	69,648,776
<b>Purchase of coal</b>					
Glow SPP 3 Company Limited	Subsidiary	-	-	1,101,781,291	839,651,513
		-	-	1,101,781,291	839,651,513

**Cash management agreement**

On January 31, 2014, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and Glow SPP 11 Company Limited participated into cash management agreement (cash pooling) with the Company and a bank. According to such agreement, the bank provides cash management services between the Company and such subsidiaries. The intercompany loan incurred under cash pooling carries interest at the lowest tier of bank interest rate.

#### Pricing policies

Interest income and interest expense incurred from loans other than the cash management agreement (cash pooling) are determined based on MLR minus a certain percentage per annum.

No interest is charged on advances with related parties.

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

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

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

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

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

#### Short-term and long-term loans to Glow SPP 11 Company Limited ("GSPP11")

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

Unit : Baht				
	Repayment Date	Facility	2017	2016
<u>Short-term loan</u>				
Tranche B	As mutually agreed	1,200,000,000	934,000,000	934,000,000
<u>Long-term loan</u>				
Tranche A	August 31, 2021	6,000,000,000	2,772,600,000	2,772,600,000
		7,200,000,000	3,706,600,000	3,706,600,000

#### Short-term loans to Glow IPP 2 Holding Company Limited ("GIPP2")

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

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

#### Short-term loans to Glow IPP 3 Company Limited ("GIPP3")

The Company entered into a short-term loan agreement dated June 10, 2016 and amendment dated September 15, 2017 with GIPP3 to provide loans in the amount not exceeding Baht 700 million. The loans carry interest at MLR minus a certain percentage per annum and are repayable at call.

GIPP3 drew down loan amounting to Baht 1.5 million and Baht 120.0 million on October 3, 2017 and October 24, 2017, respectively.

#### Short-term borrowings from related parties

As at December 31, 2017 and 2016, the outstanding balance of Baht 3,149.3 million and Baht 1,792.0 million, respectively, represented the amount of short-term borrowings under the cash management agreement (cash pooling).

#### Advance received from a related party

##### *Shared Facilities Agreements*

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

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

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

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

##### *Emission Credit Assignment Agreements*

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

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

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

## **26. CAPITAL MANAGEMENT**

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

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

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

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

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

## 27. SUPPLEMENTARY INCOME AND EXPENSES DISCLOSURE

### 27.1 Expenses by nature

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

	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
	Unit : Baht			
Fuel costs	28,123,308,629	29,094,516,880	11,821,935,939	12,379,860,462
Repair and maintenance expenses	2,106,009,468	2,198,865,884	469,674,247	705,148,509
Employee benefits expense	1,332,795,928	1,197,065,411	171,006,270	148,734,236
Depreciation and amortization	4,405,849,576	4,325,613,272	1,572,924,343	1,592,145,334

### 27.2 Claims from insurers

Some of claims from insurers of Baht 291.9 million in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2017 represent the business interruption claims of GHECO-One Company Limited that resulted from the power plants were not able to operate in the normal course.

### 27.3 Warranty claim from contractor

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

## 28. PROVIDENT FUND EXPENSE

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

Unit : Million Baht

Company's name	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
The Company	6.1	5.4	6.1	5.4
Glow SPP 1 Company Limited	2.0	1.9	-	-
Glow SPP 2 Company Limited	2.7	2.5	-	-
Glow SPP 3 Company Limited	1.1	1.0	-	-
Glow IPP Company Limited	1.9	1.9	-	-
Glow Company Limited	22.5	21.7	-	-
GHECO-One Company Limited	2.8	2.7	-	-
Glow SPP 11 Company Limited	2.1	1.7	-	-
Houay Ho Power Company Limited	1.5	1.5	-	-

## 29. PROMOTIONAL PRIVILEGES

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

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

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

- a) Permission to own land in order to carry on the promoted activities as the Board may deem appropriate.
  - b) Exemption of import duty on machinery, materials or supplies imported for production for domestic sales as approved by the Board.
  - c) Exemption of corporate income tax on net profit of the promoted operations for a period of eight years commencing from the date of earning operating income. In cases where the business incurs a loss during that period of exemption, the loss incurred in such period can be taken as a deduction from net profit for the years after the period of exemption, not exceeding five years.
  - d) Shareholders receive exemption of income tax on dividends paid from the profit of the promoted operation over the above corporate income tax exemption period.
  - e) An allowance of fifty percent of the normal rate of corporate income tax on net profit for a period of five years after the expiry date of the corporate income tax exemption period as described in c) above.
  - f) Permission to deduct double the cost of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing from the date of earning operating income.
  - g) Permission to deduct the cost of installation or construction of public utilities at the rate of twenty-five percent of investment in addition to normal depreciation charges.
- \* The privileges under the promotion certificate No. 2155/a./2550 of the Company were transferred from the remaining privileges under the promotion certificate No. 1222/2536 dated November 5, 1993 of Glow SPP 3 Company Limited as a consequence of selling its Phase 1 water plant to the Company in June 2007.
- \*\* The privileges under the promotion certificates No. 1854/a./2552 and No. 1855(2)/a./2552 of Glow SPP 1 Company Limited were transferred from the remaining privileges under the promotion certificates No. 1213/2542 dated May 21, 1999 and No. 1235(2)/2549 dated March 2, 2006, respectively, of Glow Demin Water Company Limited as a consequence of the entire business transfer of Glow Demin Water Company Limited to Glow SPP 1 Company Limited on August 1, 2009.
- \*\*\* The privileges under the promotion certificates No. 2061(2)/a./2556 and No. 2060(2)/a./2556 of Glow SPP 11 Company Limited were transferred from the remaining privileges under the promotion certificates No. 1764(2)/2553 dated July 16, 2010 of Glow SPP 12 Company Limited and No. 2086(2)/a./2549 dated November 13, 2006 of Glow SPP 13 Company Limited, respectively, as a consequence of the entire business transfer of Glow SPP 12 Company Limited and Glow SPP 13 Company Limited to Glow SPP 11 Company Limited on May 31, 2013.

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

To comply with the announcement of the Board of Investment No. Por. 14/2541 dated December 30, 1998 regarding the revenues reporting of a promoted industry, for the years ended December 31, 2017 and 2016, the Company's total revenues from sales are domestic sales, which are allocated to promoted and non-promoted activities as follows:

**Unit : Baht**

The Separate financial statements						
	2017			2016		
	Promoted activities	Non-promoted activities	Total	Promoted activities	Non-promoted activities	Total
Revenues from sales	18,710,495,141	2,334,059,603	21,044,554,744	19,582,810,091	2,198,905,634	21,781,715,725

### 30. DISCLOSURE OF FINANCIAL INSTRUMENTS INFORMATION

#### 30.1 Credit risk

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

As at December 31, 2017, the maximum exposure to credit risk of the Company and its subsidiaries is the carrying amount of trade receivables as stated in the statement of financial position.

#### 30.2 Foreign currency risk

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

30.2.1 On February 22, 2017, the Company entered into a cross currency interest rate swap agreement with a financial institution to swap the USD 85.7 million loan for a Baht 3,000 million loan. The swap agreement is effective on May 15, 2017 and will be terminated on February 22, 2022.

30.2.2 As at December 31, 2017, the Company and its subsidiaries have outstanding forward foreign exchange contracts with financial institutions as follows:

Description	Value date	Unit : Million		
		Contract amount		
		EUR	USD	Baht
<b>Long term parts and repair agreements</b>				
<b>Glow IPP Company Limited</b>				
Long term parts and repair agreement	January 31, 2018	17.4	22.8	-
<b>Glow SPP 1 Company Limited</b>				
Long term parts and repair agreement	September 20, 2018	2.2	2.8	-
<b>Long-term service agreement</b>				
<b>The Company</b>				
Fixed fee	January 31, 2018 - November 30, 2020	1.1	-	45.7
Variable fee	January 31, 2018 - November 30, 2020	8.1	-	338.1

The forward foreign exchange contracts of Glow IPP Company Limited are guaranteed by the Company and a deposit in savings account of Glow SPP 2 Company Limited.

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

As at December 31, 2017, the Company and its subsidiaries have current liabilities in foreign currencies which are not hedged against foreign exchange rate risk of approximately USD 28.0 million, YEN 24.0 million and EUR 1.0 million.

### 30.3 Interest rate risk

Interest rate risk is the risk whereby future movements in market interest rates will have an effect on the operating results and cash flows of the Company and its subsidiaries. Financial Instruments of the Company and its subsidiaries with floating interest rates comprise deposits at financial institutions and long-term borrowings. In order to hedge interest rate risk of long-term borrowings, the Company and its subsidiaries entered into a cross currency interest rate swap agreement and interest rate swap agreements with financial institutions. As at December 31, 2017, the outstanding swap agreements are as follows:

Unit : Million

Unit : million					
Agreement date	For	Notional amount	Swap interest		Term
			From	To	
The Company					
February 22, 2017 (see Note 30.2.1)	USD loan	85.7	USD-LIBOR + a certain percentage per annum	A certain percentage per annum	May 15, 2017 - February 22, 2022
January 6, 2011 and Amendments dated March 19, 2012 and December 15, 2015	Debentures No. 1/2551, 1/2553, 2/2553 series 3 and series 4	4,510.0	Certain percentages per annum	Different certain percentages per annum	January 5, 2011 - October 8, 2019
August 30, 2011 and novation agreement dated May 24, 2012 and Amendment dated December 15, 2015	Debentures No. 1/2554	2,000.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
August 31, 2011 and Amendments dated March 26, 2012 and December 15, 2015	Debentures No. 1/2554	1,555.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
September 1, 2011 and novation agreement dated May 24, 2012 and Amendment dated December 15, 2015	Debentures No. 1/2554	2,000.0	A certain percentage per annum	Different certain percentage per annum	August 31, 2011 - August 31, 2021
GHECO-One Company Limited ("GHECO1")					
November 2008 and novation agreement dated December 30, 2016	USD loan	153.1	LIBOR	A certain percentage per annum	November 2008 - October 2028
November 2008	Baht loan	3,315.2	THBFIX	A certain percentage per annum	November 2008 - October 2021
November 2009 - January 2010 and novation agreement dated December 30, 2016	USD loan	76.5	LIBOR	A certain percentage per annum	October 2011 - January 2027
June 2010	USD loan	25.5	LIBOR	A certain percentage per annum	October 2011 - January 2027

Unit : Million

Agreement date	For	Notional amount	Swap interest		Term
			From	To	
August 2010 - July 2012 and Amendment dated October 8, 2013	Baht loan	1,923.4	THBFIX	A certain percentage per annum	October 2011 - January 2027
<b>Houay Ho Power Company Limited ("HHPC")</b>					
January 16, 2015	USD loan	9.6	LIBOR	A certain percentage per annum	January 30, 2015 - December 15, 2019
February 4, 2015	USD loan	36.9	LIBOR	A certain percentage per annum	June 15, 2015 - December 15, 2023
May 15, 2017	USD loan	11.6	LIBOR	A certain percentage per annum	June 15, 2017 - December 15, 2023

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

#### 30.4 Commodity price risk

As at December 31, 2017, Glow SPP 3 Company Limited ("GSPP3") has some outstanding Commodity Swap Agreements with a financial institution and the remaining Commodity Swap Agreements with ENGIE Global Markets, which is a related company, to hedge the coal price from Global Coal Newcastle Index to certain prices stipulated in the agreements. The details are as follows:

Trade date	Coal (metric tonnes)	Effective date	Settlement date
October 19, 2017	21,000	November 1, 2017 - January 31, 2018	February 14, 2018
October 30, 2017	22,500	November 1, 2017 - January 31, 2018	February 14, 2018
May 11, 2017	19,600	February 1, 2018 - February 28, 2018	March 14, 2018
June 1, 2017	19,600	February 1, 2018 - February 28, 2018	March 14, 2018
November 15, 2017	12,000	December 1, 2017 - February 28, 2018	March 14, 2018
November 23, 2017	9,000	December 1, 2017 - February 28, 2018	March 14, 2018
December 22, 2017	10,500	December 1, 2017 - February 28, 2018	March 14, 2018
December 27, 2017	12,000	December 1, 2017 - February 28, 2018	March 14, 2018
November 15, 2017	12,000	January 1, 2018 - March 31, 2018	April 17, 2018
November 23, 2017	9,000	January 1, 2018 - March 31, 2018	April 17, 2018
December 22, 2017	10,500	January 1, 2018 - March 31, 2018	April 17, 2018
December 27, 2017	12,000	January 1, 2018 - March 31, 2018	April 17, 2018
August 3, 2017	39,200	April 1, 2018 - April 30, 2018	May 14, 2018
August 30, 2017	19,600	July 1, 2018 - July 31, 2018	August 14, 2018
August 31, 2017	19,600	July 1, 2018 - July 31, 2018	August 14, 2018
October 3, 2017	12,000	July 1, 2018 - September 30, 2018	October 16, 2018
October 10, 2017	9,000	July 1, 2018 - September 30, 2018	October 16, 2018
October 18, 2017	10,500	July 1, 2018 - September 30, 2018	October 16, 2018
October 30, 2017	12,000	July 1, 2018 - September 30, 2018	October 16, 2018

The above commodity swap agreements made with the financial institution are guaranteed by the Company.

### 30.5 Fair value measurement

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

Unit : Million

As at December 31, 2017					
Financial instruments	Currency	Gain (Loss) on fair value of financial instruments		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
		Consolidated Financial statements	The Separate Financial statements		
Interest rate swap agreements				Level 2	Discounted cash flow
- Baht	Baht	(899.5)	(391.7)		
- USD	USD	(24.4)	-		
Forward foreign exchange contracts				Level 2	Discounted cash flow
- EUR / Baht	EUR	(0.3)	(0.3)		
- EUR / USD	EUR	(1.6)	-		
Cross currency interest rate swap agreement				Level 2	Discounted cash flow
- USD/Baht	Baht	(250.1)	(250.1)		
Commodity swap agreements				Level 2	Discounted cash flow
- USD	USD	2.7	-		

Unit : Million

As at December 31, 2016					
Financial instruments	Currency	Gain (Loss) on fair value of financial instruments		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
		Consolidated Financial statements	The Separate Financial statements		
Interest rate swap agreements				Level 2	Discounted cash flow
- Baht	Baht	(1,056.5)	(572.5)		
- USD	USD	(32.0)	-		
Forward foreign exchange contracts				Level 2	Discounted cash flow
- EUR / Baht	EUR	(0.6)	(0.6)		
- EUR / USD	EUR	(5.4)	-		
Commodity swap agreements				Level 2	Discounted cash flow
- USD	USD	1.0	-		

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

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

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

			Unit : Baht
	Carrying amount	Fair value	Fair value hierarchy
<b>As at December 31, 2017</b>			
<b><u>Consolidated financial statements</u></b>			
<b>Financial liabilities</b>			
Debentures	19,938,288,238	20,734,684,416	Level 2
<b><u>The Separate financial statements</u></b>			
<b>Financial liabilities</b>			
Debentures	19,938,288,238	20,734,684,416	Level 2
<b>As at December 31, 2016</b>			
<b><u>Consolidated financial statements</u></b>			
<b>Financial liabilities</b>			
Long-term borrowing from a financial institution	996,206,468	1,006,124,790	Level 2
Debentures	24,532,676,281	25,784,843,649	Level 2
<b><u>The Separate financial statements</u></b>			
<b>Financial liabilities</b>			
Long-term borrowing from a financial institution	996,206,468	1,006,124,790	Level 2
Debentures	24,532,676,281	25,784,843,649	Level 2

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

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

### 31. FINANCIAL INFORMATION BY SEGMENT

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

#### Small Power Producer Business ("SPP")

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

#### Independent Power Producer Business ("IPP")

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

Financial information by reportable segments

Unit : Baht

	SPP Business	IPP Business	Consolidated financial statements
<u>Statements of profit or loss and other comprehensive income</u>			
<u>For the year ended December 31, 2017</u>			
Revenues from sales	36,902,448,663	13,408,745,051	50,311,193,714
Interest earned from finance lease	-	567,288,724	567,288,724
Cost of sales	(29,082,414,351)	(8,638,348,361)	(37,720,762,712)
Gross profit	7,820,034,312	5,337,685,414	13,157,719,726
Exchange gain, net	7,827,649	942,308,826	950,136,475
Interest income and other income	367,849,688	340,853,977	708,703,665
Administrative expenses	(588,793,462)	(257,725,531)	(846,518,993)
Directors' remuneration	(11,409,933)	-	(11,409,933)
Finance costs	(1,345,677,976)	(1,033,829,120)	(2,379,507,096)
Share of loss of investments in associates	(1,739,326)	-	(1,739,326)
Profit before income tax expense	6,248,090,952	5,329,293,566	11,577,384,518
Income tax expense	(741,256,663)	(233,960,138)	(975,216,801)
Profit for the year	5,506,834,289	5,095,333,428	10,602,167,717
Other comprehensive income (loss)	(4,035,138)	(156,025,458)	(160,060,596)
Total comprehensive income for the year	5,502,799,151	4,939,307,970	10,442,107,121
<u>For the year ended December 31, 2016</u>			
Revenues from sales	37,537,772,784	14,364,099,840	51,901,872,624
Interest earned from finance lease	-	665,364,652	665,364,652
Cost of sales	(29,151,089,427)	(9,328,014,083)	(38,479,103,510)
Gross profit	8,386,683,357	5,701,450,409	14,088,133,766
Exchange gain, net	5,194,708	78,444,391	83,639,099
Interest income and other income	327,981,624	113,275,216	441,256,840
Administrative expenses	(530,790,147)	(423,668,900)	(954,459,047)
Directors' remuneration	(13,855,044)	-	(13,855,044)
Finance costs	(1,272,114,980)	(1,326,979,537)	(2,599,094,517)
Share of loss of investments in associates and joint venture	(1,264,005)	-	(1,264,005)
Profit before income tax expense	6,901,835,513	4,142,521,579	11,044,357,092
Income tax expense	(820,695,804)	(160,968,312)	(981,664,116)
Profit for the year	6,081,139,709	3,981,553,267	10,062,692,976
Other comprehensive income (loss)	(5,132)	(8,400,342)	(8,405,474)
Total comprehensive income for the year	6,081,134,577	3,973,152,925	10,054,287,502
<u>Statements of financial position</u>			
<u>As at December 31, 2017</u>			
Segment assets	56,565,484,285	49,465,406,618	106,030,890,903
Segment liabilities	30,359,265,800	17,663,049,827	48,022,315,627
<u>As at December 31, 2016</u>			
Segment assets	57,038,302,991	52,479,993,943	109,518,296,934
Segment liabilities	31,386,212,207	21,361,003,167	52,747,215,374

## Geographic Area Information

Financial information by geographic area is as follows:

	Unit : Baht		
	Thailand	The Lao PDR	Consolidated financial statements
<u>Revenue</u>			
<u>For the year ended December 31, 2017</u>			
Revenue from external customers	50,159,991,036	718,491,402	50,878,482,438
<u>Segment assets</u>			
<u>As at December 31, 2017</u>			
Non-current assets	80,864,372,847	3,104,564,757	83,968,937,604
<u>Revenue</u>			
<u>For the year ended December 31, 2016</u>			
Revenue from external customers	51,855,193,899	712,043,377	52,567,237,276
<u>Segment assets</u>			
<u>As at December 31, 2016</u>			
Non-current assets	84,241,717,112	3,715,610,494	87,957,327,606

## Major Customers Information

For the years ended December 31, 2017 and 2016, the Group earns revenue from a single customer from both SPP and IPP businesses totaling approximately Baht 27,721.9 million and Baht 30,153.5 million, respectively, of the Group's total revenue.

## 32. COMMITMENTS AND LETTERS OF GUARANTEE

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

### 32.1 Commitments

#### 32.1.1 Significant power purchase agreements

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

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

- (1) On March 31, 2017, the Company entered into a temporary PPA (Firm-Cogeneration type) for Project 1 with EGAT. The agreement is effective for the period from April 1, 2017 until March 31, 2020 or the date that the dispute on expiration date of the existing PPA of Project 1 is settled or the date on which new PPA to supersede this agreement is entered, which is earlier.

The Company has the dispute with EGAT on expiration date of the existing PPA of Project 1 which it is currently under the discussion by the parties to seek for the solution of the dispute.

- (2) On August 24, 2017, the Company entered into an Amendment to the PPA for Project 2 with EGAT. The Amendment is effective on the following date of the expiration date of the existing PPA and to revise the pricing structure and extend the term of the PPA for another 3 years.

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

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

#### 32.1.3 Gas supply agreements

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

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

- (1) As it is in the process of signing new GSA, PTT issued the notification letters to extend the term of the existing GSA for another 3 months each as follows:

Notification letter date	Extend until
March 9, 2017	June 30, 2017
June 21, 2017	September 30, 2017
September 18, 2017	December 31, 2017
November 29, 2017	March 31, 2018

- (2) On August 30, 2017, the Company entered into an Amendment to the GSA dated November 22, 1999 with PTT to adjust the gas quantity consumption to conform to the PPA of Project 1 and Project 2 as described in Note 32.1.1 and to extend the term of the GSA to be until September 30, 2020 or the expiration date of the amended PPA of Project 2, which is earlier.
- (3) Glow IPP Company Limited is obliged to transfer gas pipeline to PTT according to the conditions as stipulated in the GSA.

#### 32.1.4 Coal supply agreements

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

Company's name	Agreement date	Counterparty	Term of delivery
Glow SPP 3 Company Limited	December 17, 1997 (amendments dated April 8, 1999, September 6, 2002, December 15, 2006, and September 18, 2014)	A local company	Until December 31, 2019, renewable for another 5 years
Glow SPP 3 Company Limited	December 12, 2013	An overseas company	March 18, 2014 - December 31, 2018
Glow SPP 3 Company Limited	August 25, 2017	A local company	January 1, 2018 - December 31, 2020
Glow SPP 3 Company Limited	December 14, 2017	An overseas company	January 1, 2018 - December 31, 2022
GHECO-One Company Limited	June 30, 2016 (amendment dated March 14, 2017)	An overseas company	July 1, 2016 - December 31, 2021
GHECO-One Company Limited	June 30, 2016 (amendment dated March 14, 2017)	An overseas company	July 1, 2016 - December 31, 2021

#### 32.1.5 Back-up power purchase agreements

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

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

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

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

In the event the PPAs with EGAT are terminated before the above date, the back-up power purchase agreements will be consequently terminated. Currently, the amendment to extend the agreement term of the Company is in preparation.

#### 32.1.6 Construction and development

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

Unit : Million Baht			
Company's name	Commitments	2017	2016
The Company	New water plant construction and improvement of power plant system	367.7	166.4
Glow SPP 1 Company Limited	Improvement of power plant system	17.7	7.3
Glow SPP 2 Company Limited	Improvement of power plant system	86.2	8.3
Glow SPP 3 Company Limited	Improvement of power plant system	143.5	92.0
GHECO-One Company Limited	Improvement of power plant system	109.5	5.5
Glow SPP 11 Company Limited	Improvement of power plant system	-	0.2
Houay Ho Power Company Limited	Improvement of power plant system	-	0.5

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

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

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

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

### 32.1.7 Lease and right of use agreements

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

Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
<b>Land lease</b>				
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 19, 2007 (addendum dated April 11, 2008)	IEAT	30 years	7.6, increase by 10% every 5 years
The Company	June 5, 2007	IEAT	June 5, 2007 - November 14, 2020	1.0
Glow SPP 2 Company Limited	August 13, 1998	IEAT	September 30, 1996 - November 30, 2024	0.5, increase by 10% every 10 years
The Company, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited and GHECO-One Company Limited	December 6, 1996 (addendums dated July 11, 2003 and April 11, 2008)	IEAT	December 1, 1996 - November 30, 2024	30.9, increase by 10% every 5 years
The Company	April 4, 1994	IEAT	26 years, renewable for another 20 years	0.5

Company's name	Agreement date	Counterparty	Term	Annual fee (Million Baht)
<b>Right of use of the land for laying underground power transmission line</b>				
The Company	March 17, 2008	IEAT	January 2, 2008 - November 30, 2024	0.2, increase by 10% every 5 years
The Company and Glow SPP 3 Company Limited	January 23, 2007	IEAT	January 15, 1996 - November 30, 2024, renewable for another 20 years	2.2, increase by 10% every 10 years
Glow SPP 3 Company Limited	July 1, 2009	PTT	January 1, 2009 - December 31, 2028	3.3, increase by 2% every year after the 6 <sup>th</sup> year of lease agreement
<b>Right of use of pipe rack</b>				
The Company	August 31, 2009	AIE	August 31, 2009 - October 31, 2017 (extended to October 31, 2020)	8.2, increase depending on AIE's costs
The Company	August 30, 2007	PTT	January 1, 2007 - December 31, 2021	0.4, increase by 3% every year
The Company	September 1, 2004	A local company	June 1, 2005 - December 31, 2020	4.5, increase by 5% every year
Glow SPP 3 Company Limited	September 29, 2005	PTT	September 1, 2005 - August 31, 2020	0.6, increase by 3% every year
Glow SPP 1 Company Limited	May 28, 1999 (amendments dated September 1, 2002 and September 28, 2006)	A local company	October 1, 1998 - September 30, 2021	6.0, increase by 5% every year
<b>Right of use of underground area for intake and discharge sea water underground tunnel</b>				
Glow SPP 3 Company Limited	September 30, 2009	IEAT	December 1, 1997 - November 30, 2024	1.6, increase by 10% every 5 years
Glow SPP 3 Company Limited	September 30, 2009	IEAT	January 19, 1999 - November 30, 2024	0.2, increase by 10% every 5 years
GHECO-One Company Limited	September 30, 2009	IEAT	September 30, 2009 - November 30, 2024	0.2, increase by 10% every 5 years
<b>Lease and service of building space</b>				
Glow Company Limited	June 5, 2015	A local company	June 1, 2015 - May 31, 2018	Monthly fee of Baht 1.9 million

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

Unit : Million Baht				
	Consolidated financial statements		The Separate financial statements	
	2017	2016	2017	2016
Not later than one year	157.4	172.8	29.8	30.2
Later than one year but not later than five years	484.8	521.3	68.9	61.2
Later than five years	470.5	467.6	42.5	47.6
Total	1,112.7	1,161.7	141.2	139.0

The Company recorded the rental expenses under operating lease agreements in the consolidated and the separate statements of profit or loss and other comprehensive income for the year ended December 31, 2017 of Baht 187.4 million and Baht 30.2 million, respectively (2016 : Baht 168.1 million and Baht 23.7 million, respectively).

#### 32.1.8 Operation and management services agreements

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

#### 32.1.9 Other service agreements

32.1.9.1 On April 20, 2004, the Company and Glow SPP 2 Company Limited entered into the Long Term Parts and Long Term Service Agreements ("LTSA") with a local company in order for provision of parts and maintenance services of Gas Turbine Units and their associated equipment. The terms of the LTSA are determined by the number of hours that such Cover Unit is operated (Factored-Fired Hour) and number of major inspection as specified in the agreements. The provision of services commenced in January 2005. The contract prices consist of a fixed Thai Baht monthly fee and variable monthly fee in both USD and Baht currency as specified in the agreements. These prices are subject to escalation in accordance with the terms of the LTSA.

32.1.9.2 The Company and its subsidiaries, comprising Glow Company Limited, Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited, Glow SPP 11 Company Limited, Glow IPP Company Limited and GHECO-One Company Limited, jointly entered into Support Services Agreement and Engineering Services Agreement dated February 9, 2009 and Novation and Amendment Agreement dated November 25, 2014 with ENGIE Asia-Pacific Company Limited, whereby ENGIE Asia-Pacific Company Limited shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee will be determined in the agreed hourly rate depending on the type of services. The term of the agreements is 2 years from July 11, 2008, automatically renewed for successive one-year term unless termination is notified by either party. Nevertheless, the agreements shall be automatically terminated on the date that ENGIE S.A., the ultimate shareholder, holds directly or indirectly less than 25 percent of the shares of Glow Group.

32.1.9.3 Glow IPP Company Limited entered into a Long Term Parts and Repair Agreement ("LTPRA") with an overseas company and a related company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 15 years or earlier upon the conditions as stipulated in the agreement.

32.1.9.4 Glow SPP 1 Company Limited entered into a Long Term Parts and Repair Agreement ("LTPRA") dated June 23, 2010 with a local company to provide certain parts and/or reconditioning services in respect of the power plant at the price in Euro currency as set out in the agreement. The agreement shall expire within 12 years or earlier upon the conditions as stipulated in the agreement.

32.1.9.5 On February 17, 2017, the Company entered into Long Term Service Agreements ("LTSA") with two overseas companies for providing certain parts and maintenance services for power plant phase 5 at the price in Euro currency as specified in the agreements. The agreements shall become effective upon the effective of the termination of the existing LTSA, which is on April 1, 2017. The term of the agreements are 15 years or upon the completion of the inspection following the conditions as specified in the agreements, which is earlier.

On March 1, 2017, the Company issued a notice of termination for the LTSA dated December 14, 2010 entered into with a local company. The termination is effective on April 1, 2017. The termination fee of EUR 1.1 million (equivalent of Baht 41.3 million) was paid in May 2017.

32.1.9.6 On April 2, 2012, Glow SPP 11 Company Limited ("GSPP11") entered into a Long Term Parts and Service Agreement ("LTSA") with a local company to procure for parts and maintenance services of Gas Turbine Units and their associated equipment. The term of the LTSA is determined by the number of hours that such cover unit is operated (Factored-Fired Hour) and number of major inspection as specified in the agreement. The provision of services commenced in April 2012. The contract prices consist of a fixed Thai Baht monthly fee and variable monthly fee in both USD and Baht currency as specified in the agreement. These prices are subject to escalation in accordance with the terms of the LTSA.

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

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

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

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

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

32.1.9.11 As at December 31, 2017 and 2016, the Company and its subsidiaries have outstanding commitments in respect of other services agreements totaling approximately Baht 271.3 million and Baht 232.6 million, respectively.

#### 32.1.10 Purchase of spare parts

32.1.10.1 On June 1, 2015, the Company and four subsidiaries entered into Supply of Gas Turbine Air Inlet Filtration Products Agreement with a local company to provide the parts of Gas Turbine totaling approximately Baht 45.9 million. The term of the agreement is 3 years and is renewable for another 2 years upon the conditions as stipulated in the agreement. As at December 31, 2017 and 2016, the outstanding commitment is approximately Baht 23.2 million and Baht 25.8 million, respectively.

32.1.10.2 As at December 31, 2017 and 2016, Glow SPP 1 Company Limited has outstanding commitment in respect of purchase parts under the LTPRA (see Note 32.1.9.4) in the amount of EUR 0.01 million of each year.

#### 32.1.11 Royalty agreement

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

### 32.1.12 Facility agreements

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

Unit : Million

Agreement Date	Currency	2017	2016	Interest Rate	Term/ Termination Date
<b>The Company <sup>(1)</sup></b>					
June 27, 2012	Baht	1,000.0	1,000.0	BIBOR + a certain percentage per annum	1 year, automatically renew subject to lender discretion
<b>Glow SPP 1 Company Limited, Glow SPP 2 Company Limited, Glow SPP 3 Company Limited, Glow SPP 11 Company Limited and the Company <sup>(1)</sup></b>					
July 16, 2012	Baht	500.0	500.0	BIBOR + a certain percentage per annum	1 year, automatically renew subject to lender discretion
<b>GHECO-One Company Limited <sup>(2)</sup></b>					
June 30, 2011	Baht	241.8	780.1	BIBOR + a certain percentage per annum	2 years, automatically renew
July 22, 2011	Baht	700.0	700.0	BIBOR + a certain percentage per annum	1 year, automatically renew
<b>Houay Ho Power Company Limited <sup>(2)</sup></b>					
January 15, 2015	USD	2.0	2.0	LIBOR + a certain percentage per annum	December 15, 2023

<sup>(1)</sup> The working capital facility agreements are without collateral.

<sup>(2)</sup> The working capital facility agreements are collateral (see Note 19).

### 32.2 Letters of guarantee

As at December 31, there were outstanding letters of guarantee issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries as follows:

		Unit : Million	
Company's name	Currency	2017	2016
The Company	Baht	203.9	529.8
Glow SPP 1 Company Limited	Baht	199.3	199.3
Glow SPP 2 Company Limited	Baht	248.4	248.1
Glow SPP 3 Company Limited	Baht	504.4	500.6
Glow SPP 11 Company Limited	Baht	422.0	422.1
Glow IPP Company Limited	Baht	11.3	11.3
GHECO-One Company Limited <sup>(1)</sup>	Baht	38.5	38.5
Houay Ho Power Company Limited <sup>(2)</sup>	USD	3.0	3.0

<sup>(1)</sup> The bank guarantee of GHECO-One Company Limited is guaranteed by the Company not exceeding 65 percent of the amount.

<sup>(2)</sup> On February 2, 2015, the Company has issued the letter of guarantee with amounts not exceeding an aggregate of USD 3 million to a bank in order to guarantee the HHPC's liability to EGAT under the Power Purchase Agreement.

### 32.3 Letters of credit

As at December 31, 2017 and 2016, there were outstanding letters of credit issued by bank on behalf of GHECO-One Company Limited in respect of purchase of coal totaling USD 20.0 million and USD 3.4 million, respectively.

## 33. RECLASSIFICATIONS

Deferred tax assets which were previously separately presented in the consolidated and the separate statements of financial position as at December 31, 2016 amounting to Baht 557.7 million and Baht 50.4 million, respectively, have been reclassified to offset with deferred tax liabilities to conform the classification used in the consolidated and the separate statements of financial position as at December 31, 2017 (see Note 21).

## 34. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been authorized for issue by Finance Executive Management of the Company on February 19, 2018.



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